ICL SERVICES

CORPORATE SOCIAL RESPONSIBILITY REPORT

2016

Business always means a responsibility to society

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ICL Services are pioneers of professional IT outsourcing in Russia. We are the IT company in ICL Group and operate in the international market since 1991.

Included in the IAOP

TOP-100

rating

24/7/365

Customer Support in English, Russian, French and German

Quality and standards (availability of certificates):

- ISO 27001
- ISO 9001-2011

MORE THAN 50

Customer in 26 countries

ICL SERVICES PROVIDES:

- integrated services for all IT infrastructure components from data centers and user workstation to complex business-critical applications with modern methodologies and flexible service models;
- guaranteed availability of IT infrastructure and applications, as well as full compliance with the SLA;
- minimizing and sharing IT infrastructure management risks with the customer;
- transformation and upgrading of IT infrastructure using effective technology;
- business performance increase through reliable and stable IT services.

COMPANY HISTORY

2015

ICL Services is now among world top 100 outsourcing companies. Solution developed by ICL Services experts won in the innovation time contest in the category «Technology Innovation of the Year»

2014

When the number of employees exceeds 1000 people and the number of global customers exceeds 50 people Russia GDC enters the Russian market under the brand ICL Services. The brand is based on the idea of unique services based on the Western experience, international standards and highly qualified personnel.

2013

ICL Group withdraws from Fujitsu Group in order to implement an independent development strategy in the Russian market. At the same time Russia GDC continues to cooperate with companies of the Fujitsu Group with the status «Fujitsu's preferred supplier of Services».

2012

The division of Fujitsu Russia GDC was opened in Voronezh.

2008

Formation of Infrastructure Services. Beginning of remote administration of IT infrastructure of customers. In 2014 IS and WS formed a single structure called Managed Infrastructure.

2007

Creation of competence center for integrated solutions used in retail automation and logistics. The development of Application Services (AS) and Test and Validation (T&V) - subsequently - Workplace Services (WS). In 2014 after expertise in logistics and retail AS was formed in Business Application Services.

2006

Formation of Fujitsu Russia GDC (later ICL Services) as a separate subdivision of ICL-KME CS.

1997

Fujitsu Group buys company International Computers Limited (ICL) and performs its rebranding in Fujitsu Services. New business model was developed following by formation of a team of qualified managers. From this time point ICL-KME CS is a part of Fujitsu Limited.

COMPANY FACTS

6,45 Pbytes of data warehousing

>850 jobs were created in the Republic of Tatarstan

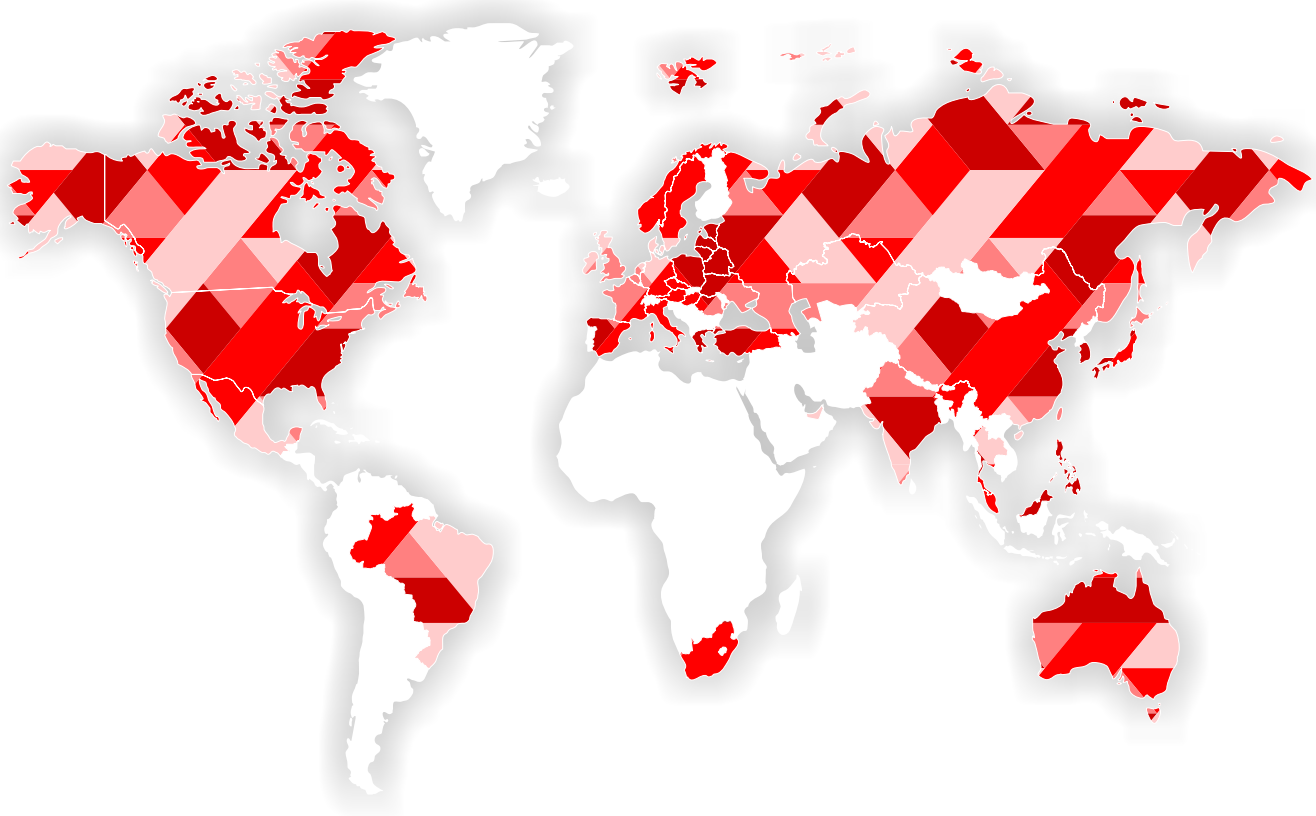
250 business applications

99,8% level of compliance the SLA*

>1000 employees

60 000 users around the world

LOCATION OF CUSTOMERS



GOALS

ICL Services sets GOALS in assessment of Social Responsibility:

Increase Customer loyalty by expanding their involvement in the resolution of socially significant issues

Consolidating the Company's competitive edge by creating an image on both markets – on domestic and global markets.

Promoting the sustainable development of society on the territories where the Company conducts business

THE MAIN OBJECTIVES

The main objectives in assessment of Social Responsibility:

- Social Responsibility principles integration into the Company's business activity.
- Creating mechanisms for determining and registration of stakeholder's interest in the operations of the Company as well as informing the interested parties on the results of the Company's activities in the sphere of social responsibility.
- Attaining an additional positive effect from social Company's activities and increasing of its brand value
- Attaining an excellence in management in assessment of Social Responsibility by organization of system work. A planning process organization of the activities in assessment of Social Responsibility, attaining cost effectiveness
- Control over, and management of, the Company's reputation risk level as it pertains to Social Responsibility related matters.

THE COMPANY'S PRINCIPLES TOWARDS CORPORATE SOCIAL RESPONSIBILITY

Company recognizes its responsibility of economic, social and environmental implications of undertakings and observes following principles defined by international standard ISO 26000:

01 **Ethical behavior**
The company considers ethical the behavior of its employees, which corresponds to the company's mission and values.

02 **The principle of taking stakeholder's interests into consideration**
The company continuously interacts with parties concerned, on a regular basis it identifies, assesses and takes into account the expectations and interests of those parties through meetings, interviews, surveys, and analysis of complaints.

03 **Accountability**
The company recognizes the need for regular reporting on the impact of its activities on society, economy and environment. It is considering constructive criticism of parties concerned as a source of the improvement of its activities and will respond to such criticism, which includes measures aimed at preventing the recurrence of negative impacts.
The relationships between Company and our main stakeholders are the area of application and Social Responsibility controlled object. In order to implement the Policy we identify the following stakeholders and their groups (*Table 1*).

04 **Respect for human rights**
The company respects human rights, realizing that they are inseparably applicable in the countries where the company operates, in all cultures and circumstances, it takes measures to comply with them, considers it to be unacceptable to benefit from situations where the law or its implementation does not provide commensurate protection of human rights.

05 **Transparency**

The company strives to disclose in a clear, accurate, complete, reasonable and sufficient form its policy, decisions and activities for which it is responsible including the known and likely impacts on society, economy and environment. The principle of transparency does not imply the disclosure of confidential information or information which disclosure may result in a violation of legal, commercial, security and privacy obligations.

06 **Respect for the rule of law and international norms of behavior**

The company complies with all applicable laws and regulations, takes steps to identify and study such applicable laws and regulations, informs employees about the responsibility for compliance and promotes the adoption of appropriate and timely measures to ensure compliance with the law in all company's jurisdictions.

To making work the relationship management with our stakeholders, we focused our activities in assessment of Social Responsibility on following priorities *(Table 2):*

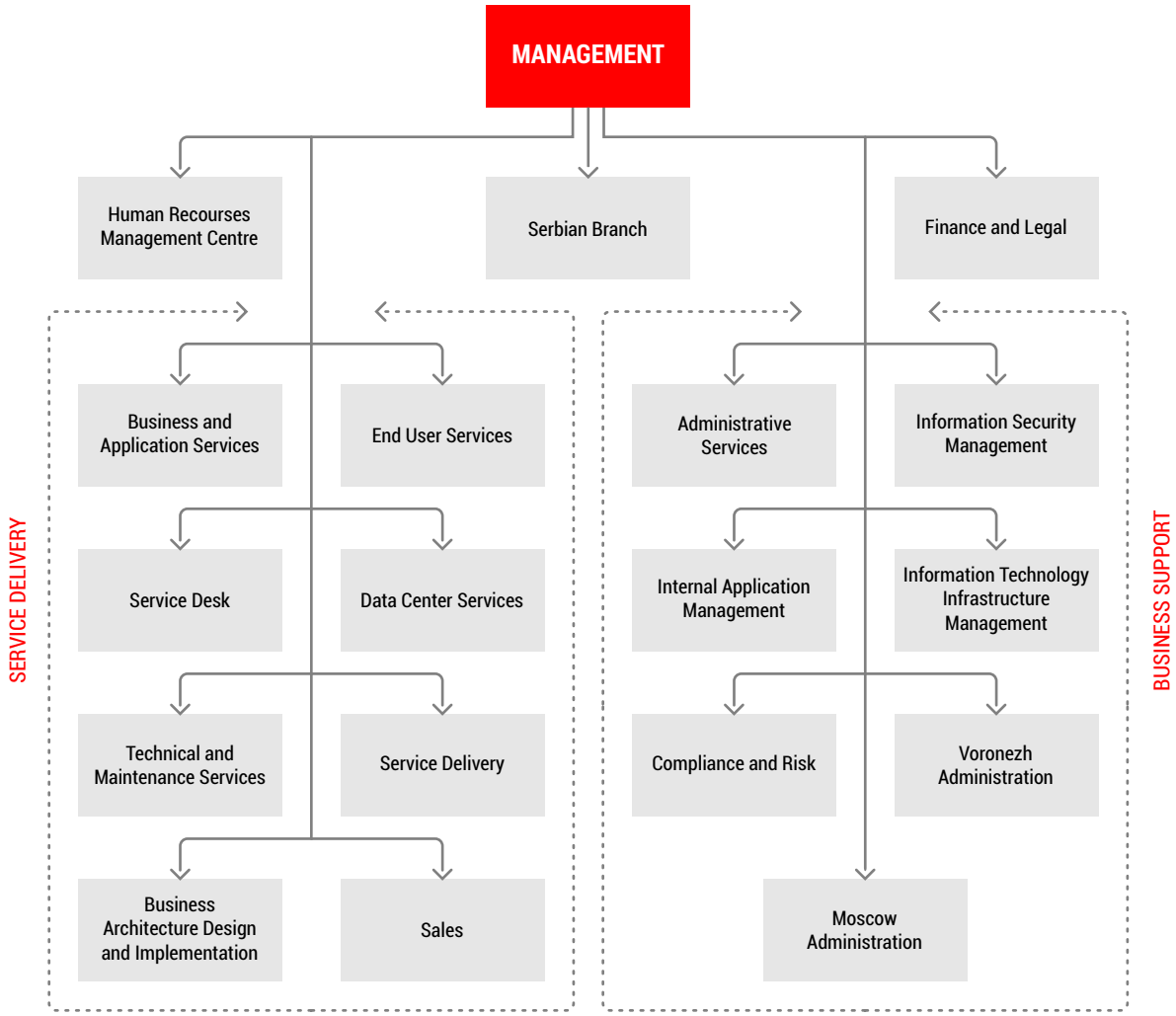
Table 1. Stakeholder's classification

Group	Rationale
Clients	Customers are consumers of the Company's services. Its business substantially depends on their preferences.
Employees	The Company is one of the biggest employers of the country. Its employees are the main asset, they work with customers and create the Company's reputation, ensure implementation of the Company's strategic and business objectives.
Society (local communities)	The Company works closely with society (local communities). Its action is inseparable from its social and environmental realms.
Founders and investors	Company interested in transparent and open relationships with its founders and investors.
Government	Company is the main unit of large taxpayers. The government is an important Company's partner.

Table 2. The priorities of Company in Social Responsibility

Stakeholders	The priorities
Customers	Ensuring the quality of products and services. Ensuring the availability of services.
Employees	Human-capital investments. Support the institution of the family.
Society (local communities)	Charity and sponsorship. Minimizing the negative impact on the environment.
Founders and investors	Responsible corporate conduct.
Government	Contributing to the economic development of the country.

CORPORATE STRUCTURE



FACTS ABOUT COMPANY STAFF

1064 QUALIFIED SPECIALISTS

Men	Women	Management	Engineers	Average age
713	351	138	926	32 years

It is equally important for getting high-effective results to have the professional knowledges and skills and also to share correct values inside the Company.

We share **5 core values** in internal and external relations and interactions:

RESULT – The result of joint efforts fully satisfying our customers and us

RULES – Jointly generated knowledge and experience that help us in our work and communication

CONFIDENCE – Confidence in the responsibility and reliability of each other

RESPONSIBILITY – The ability and willingness to be responsible for the result

DEVELOPMENT – Continuous improvement to meet challenges and achieve new goals

1.

WHAT MAKES A COMPANY COMFORTABLE FOR THE EMPLOYEE?

MANAGERS ARE OPEN AND AVAILABLE

It is an open secret that employees should be aware of the Company's position and prospects, the outcomes of their work. E-Xecutive, the managers' community, believes that this even improves performance by 10-30%. Still, it is important to be able to address a manager directly, even a senior manager. So, ICL Services has arranged two-way communication channels:

- the corporate Intranet regularly publishes news about the Company's life;
- the Company's Director and Executive Director meet with the team every 3 months to speak about the Company's strategic position and answer the employees' questions. These meetings are usually attended by 40-50 % of team members — in person or online;
- every employee has to right to write a personal message to his/her managers up to the Company's Director.

Uniform rules of the game. Work processes are regulated by corporate policies that are publicly available to and binding on all employees. Developed by employees themselves and approved by the management, the Corporate Code should be used as a guide in nonstandard situations.The Red Button can be hit in critical situations associated with violations of laws and corporate policies, reputation and financial risks for the Company. This is an anonymous online service, through which a concern can be instantly reported to the Compliance manager and the Company's management.

OVER 50%

of employees were working on the Code of Ethics

ICL Services has a well-adjusted two-way communication scheme "employee — manager".
Its most interesting channel is between employees and the Directorate.
This channel has two key components.

Firstly, senior managers organize quarterly meetings with employees — Strategy updates. Top managers tell the whole team about major events, achievements and goals of the company; employees can publicly ask the most important questions, make suggestions and get a response from top officials. If someone cannot attend the meeting in person (for example, cannot leave a workplace), an online broadcast or a video record of the event are available.

Secondly, special e-mails for sensitive issues (on wages, questions for top managers, etc.). Only responsible persons have access to these e-mails. And in urgent cases each employee has the right to appeal directly to Head of ICL Services and Head of Operations.

2.

CLEAR PERFORMANCE APPRAISAL

An undervaluation of work outcomes or nontransparent assessment criteria is the most common reason for employee resignation. Therefore, ICL Services has built its appraisal on KPI which decompose strategic business targets to the level of each individual employee. Roughly speaking, KPI answer the question: "How do I contribute personally to the Company's results?" Appraisal is automated to remove subjectivity, and its criteria are known both to managers and employees under appraisal.

Principles the system is based on are best illustrated by the example of record-keeping of one-time, irregular tasks. Such tasks:

- can be originated by the manager and colleagues, your own or any other business unit (for example, a sales manager can ask an IT specialist's help in preparing a presentation for a customer);
- take up 20 % to 60 % of an employee's working time on average (less for IT engineers, more for supporting managers and specialists);
- can be business-critical (as the above presentation for a customer);
- all this taken into account, it is hard to assess their fulfillment with the classical KPI system.

Therefore, the SMART Tasks functionality was incorporated in ICL Services' performance appraisal system. Every employee can set a task to any colleague through an online form. As its name suggests, the expected result should be clearly defined together with assessment criteria and due dates. The task becomes mandatory once it is approved by the manager of the designated person, and the latter confirms he or she can fulfill it by the deadline. Next, the automated system reminds the designated person to fulfill the task in time, and the author — to assess the result.

From the viewpoint of employees and managers, this is a convenient and transparent system for evaluating effort expended and results achieved.

100%

employees took part in the automated KPI system testing mode

3.

RESPONSIBILITY IN CORPORATE TRAINING

We use a system of corporate training and development. Its concept resembles Lifelong learning: employees are provided with opportunities for continuous professional development focused on their interests and business needs of the company.

Stage 1. "Clouds" for the young

Domestic higher IT education provides a solid theoretical background, but sometimes to the detriment of practice. Graduates have no work experience with modern technologies, which slows down their occupational formation.

Only large IT companies have resources required to change this situation. For example, ICL Services has built a though-over system of young talent development:

- fundamental practice-oriented education based on Fujitsu Labs — training laboratories integrated in the educational process of leading IT higher education institutions in Tatarstan;
- short-term IT courses (IT Security, Network etc.);
- work placement at ICL Services, where students reinforce their knowledge on the basis of actual business tasks;
- identification of talented IT students during tournaments and Olympiads and their support through a scholarship program.

The Company's stance on development of young talent became clear in 2015, when ICL Cloud, the Company's strategic product, was launched in the market. As early as concluding first contracts to use it, the Company already granted Kazan Federal University students access to the cloud for learning purposes. As a result, they started gaining experience "on the forefront" of modern technologies fast.

The Company's doors are open to young talent, and ICL Services has become an employer appealing for the young: about 50 students worked and were on work placement at the Company at the start of 2016. But neither scholarship holders nor students are committed to be employed by ICL Services: the Company's goal is the development of the IT market rather than early recruitment.

Andrey Krekhov, Head of Technical Programmes in ICL Services, says, "One of the goals of the company is to develop the labor market in the IT sector, as well as to prepare young professionals for the needs of the company." The described prior education system was created to achieve these goals.

>50% OF INTERNS AND >60% OF GRADUATES

of short courses joined ICL Services in 2015*

Stage 2. Corporate training

The employee and the Company share responsibility for his/her development.
ICL Services' objective is to enable the employee to:

- learn at in-house courses (technical, soft skills, foreign languages);
- learn at external courses (more than 50 providers) and take certification;
- customize a development plan;
- use the corporate library of business literature;
- be enrolled in corporate training programs for managers (talent pool), TechLeads (high-level IT specialists), trainers, speakers etc.

* in any case, students have no further employment obligations

95%
of employees complete internal training

84%
of employees each year pass certification exams

98-100%
of employees complete courses online

Up to 2.5 % of the payroll is invested annually in training, and the Company pays for all required courses and certifications.

More than 90 % employees take their opportunity to develop every year. Their responsibility in this is to achieve expected learning outcomes. It is stipulated in training agreements.

4.

HIGH POTENTIAL FOR SUSTAINABLE DEVELOPMENT

The developed system allows employees to enhance their skills and professional value. In practice, this approach is embodied in sustainable progressive development of the company. Leaving aside the quantity of new projects since 2006 year, here are a few examples.

- Signing contracts with global clients (Itella, Sanofi, Renaissance Capital, etc.) requiring the highest possible quality standards.
- Opening new offices in Russia. Currently ICL Services has created jobs in 6 cities of Russia, including Kazan (head office), Moscow and St. Petersburg.
- Large-scale structural changes in 2014-2015, when the company established new divisions on the most popular services (e.g., workplace infrastructure, Service Desk, etc.). This presupposed fast creation/expansion of the team involved in service provision. Since the regional labor market lacked necessary experts, the problem was solved thanks to the internal system of professional development.
- High competence of our employees made ICL Services a popular service provider among European customers. This required us to open an additional office in Europe.

- Continuous expansion of the company's staff (by over 10 times in 9 years) associated with the growing number and scope of the projects and expressed in hiring new employees even under economic perturbations of 2008 and 2014-2015. As a result, the company is one of the largest taxpayers from the IT field in the region.

65%

of employees are invited to managerial positions after the training program for manage real candidate

5.

RESPONSIBILITY IN WORKING ENVIRONMENT

Besides modern offices, medical and dining rooms, furnished corporate playgrounds, the assessment of workplaces is held annually.

Security of workplaces in ICL Services is assessed by independent external experts with state accreditation level. Presence/absence of hazardous factors that threaten the health of employees is audited. According to the results in 2015, working conditions comply with regulatory requirements.

6.

"AT A GLANCE": VACANCY SEARCH, INTERVIEW, AND RELOCATION

The Company's attitude to a prospective employee can be read at a glance. The candidate can evaluate whether the employer's assessment is unbiased and information and, in the event of relocation, geographic access is available as early as during job search and interview. The Company tries to meet candidates' expectations by taking action described below.

- To guarantee an unbiased assessment transparent for the candidate and the Company, it is HR, technical specialists, and the future manager that participate in interviews at ICL Services.This results in a comprehensive and balanced assessment.

- To be open in terms of information, ICL Services is available on all major job search channels (websites, social networks, job fairs, career days at HEIs etc.). HR keeps in touch with the candidate to update him or her on decisions that are made.

- To provide ease of geographic access, the Company pays 50 % of the fare for candidates from other cities to come to their interviews, and provides new hires with temporary housing, helps with registration and familiarization with the city.

7.

OTHER ASPECTS OF RESPONSIBILITY

A compensation package designed to improve the quality of life in 4 off-work spheres of life.

- Health (annual physical examination and vaccination, VHI for employees and family members, compensation of health resort trips for employees' children) and an active lifestyle (compensation for sports, free grounds for gaming sports, corporate discounts at fitness clubs and swimming pools).Working mothers are offered a monthly children's day, employees with disabilities – extra days to their vacation.

- Recreation and entertainment (a vacation bonus, colorful corporate events for employees and their families, a corporate recreation facility, athletic tournaments inside the Company, corporate discounts at 25+ stores, tour agencies etc.).

- Support in extraordinary situations of joy and grief (interest-free loans for personal needs, financial assistance for weddings and childbirth, and burial of close family members).

- Housing (a cottage estate for employees, compensation of mortgage interest).

As concerns their working time, employees are guaranteed convenient offices (with parking areas, shower rooms, medical rooms, athletic grounds, office kitchen, corporate canteen) and well-equipped workplaces (safety inspected by independent experts).

The ICL Services' long international experience showed that the use of anti-corruption measures can become not a mere adherence to the law, but also the philosophy of market activity.

INTERNATIONAL BUSINESS ETHICS

For many years occupying one of the leading positions in the IT market in Russia, ICL Services fairly and openly fights for customers by providing a high level of service, applying its experience and using international practicesin providing IT services. Geographyof ICL Services' customers, which covers 26 countries, contributed to the formation of a uniform approach to the employees' adherence to the anti-corruption legislation of Russia and other countries of presence, and today the anti-corruption activities are an important part of the corporate social responsibility policy.

ICL Services:

- developed our own binding anti-corruption policy which contains norms, principles, procedures for interaction with governmental bodies, political parties, and for charity activities;
- operate in accordance with the zero tolerance policy for bribery and corruption;
- appointed the Compliance Manager who is responsible for combating illegal practices and ensuring the functioning of corruption risk management and internal control system.

Anti-corruption policy of ICL Services is aimed at creating a corporate culture not only for its own employees, but also among partners. "*Business must take a direct and active part in combating corruption and have a clear attitude to this issue,*" Head of ICL Services Sergey Soloviev says.

ABSOLUTELY FAIR COMPETITION

Adherence to ethical rules by partners and suppliers has a direct impact on formation of a positive image of the company. For this reason in its communications with partners, suppliers and customers ICL Services:

- adheres to the principle of non-corruption;
- includes norms of the current anti-corruption legislation into its contracts;
- annually conducts internal audit of suppliers with whom ICL Services has a right to do the business; the audit involves the criteria of quality and price, reputation, and ability to comply with all applicable legal requirements;
- expects its suppliers to work in accordance with the principles set out in the International Business Standards, a set of criteria for business and technology evaluation, used today by all players of the world market as a reference base for standardization.

"Preventive actions play an important role in our human resources development," HR Director of ICL Services **Alsu Glinskaya** notes. *"Upon hiring all employees get acquainted with the rules of business ethics and are trained under anti-corruption program which also includes testing, and are informed about 'conflict of interests' concept when an employee's personal interest may influence his/her decision-making."*

The anti-corruption policy guarantees the protection of employees against harassment and threats

EVERYONE SHOULD KNOW

As part of measures taken to combat corruption, ICL Services uses:

- personnel training with mandatory testing of knowledge of the anti-corruption policy and the internal rules of business ethics, which is held annually for all employees without exception;
- the possibility of informing the Compliance Manager about violations;
- dedicated section at the corporate portal for notifications of activities with corruption component and other illegal practices of colleagues.

WHEN DID WE START THINKING ABOUT THE ENVIRONMENT?

Our first corporate environmental protection activities appeared in 2012-2013. The basic preconditions for them were:

- Experience and example of partners and customers (European, Japanese, Australian, national and global companies) – we had good teachers;
- Interest of our staff and their willingness to participate in environmental initiatives.

For example, employees of ICL Services regularly participate in 4 environment initiatives:

01. COLLECTION AND RECYCLING OF BATTERIES

02. LANDSCAPING THE CITY

03. CLEANING SUBURBAN LAKES AND FORESTS

04. SAVING ENERGY AND WATER IN THE OFFICES OF THE COMPANY

The initiative is under consideration and development – separate waste collection and waste paper collection.
The company has developed an atypical algorithm of "green" solutions integration: they are initiated by employees-volunteers and supported by the company. For the company's employees, it is a way of self-realization and even intangible motivator, and the company solves "green" issues with minimal involvement of specialized services.

VOLUNTEERING AS AN ADVANTAGE

The most common source of new environmental initiatives that extend the zone of responsibility of the company are a group of volunteers: colleagues find an "environmental" vulnerability in a particular process and work out the possibility to eliminate it. Then, as a rule, the proposal is submitted to the Organizational Development Service or HR Service. If the project is large, it is further passed to the company's management and experts (economists, lawyers, administrative services, etc.), a business case solution is found.

EXAMPLES

Here are a few examples of initiatives successfully implemented in ICL Services:

- **"Green Entertainment"** is an annual summer bike ride with cleaning the shores of the suburban lake and a picnic (fun and useful). For the first time it was organized by the company's HR service and employees were happy to take part in the ride. Then the ride has become a tradition one, and the volunteers-employees have taken up its organization. Gaining experience, they started to get involved in other environment initiatives, including non-corporative ones.

- **"Do it for ourselves."** One of the company's offices is located outside the city. Employees like to walk around the area adjacent to offices during lunch time, and that's why many of them have responded to the invitation to "green" the area. Like a bike ride, tree planting has become a regular event. The first and the second iteration were organized by the HR service. Starting from the third one, the task (together with the smooth-running organizational process) was adopted by the company's employees-volunteers, and landscaping (at the expense of the company) goes out of its own offices to the city and suburban parks.

- **"Do it like I do."** Administration of ICL Services, together with HR Department, has organized a constant collection of used batteries. Employees are willing handing over batteries in the office (instead of disposing them into their household garbage); the company annually sends to recycle up to 100 kg of toxic waste. When the idea to organize separate waste collection and waste recycling appeared, based on existing experience in batteries collection, it was easy to attract volunteers for its realization.

"LEAN" APPROACH IN THE INTERESTS OF CLIENTS

Lean approach, being a standard business practice, allows a company to guarantee high-quality service.

Upon two years of Lean implementation and development, the following benefits appear:

each month, a company has **UP TO 7** achievements of teams in terms of service performance improvement

OVER 30% of high estimates of service quality from customers are directly associated with Lean tools use

OVER 80% of employees will appreciate Lean approach efficiency for service level improvement

As a result, it can be said with confidence that Lean tools help organize efficient progressive environment, which allows a company to provide qualitative services for its customers. This is an important requirement for survival and stable progress in highly competitive markets.

CHANGE OF APPROACH TO IT INFRASTRUCTURE LIFECYCLE

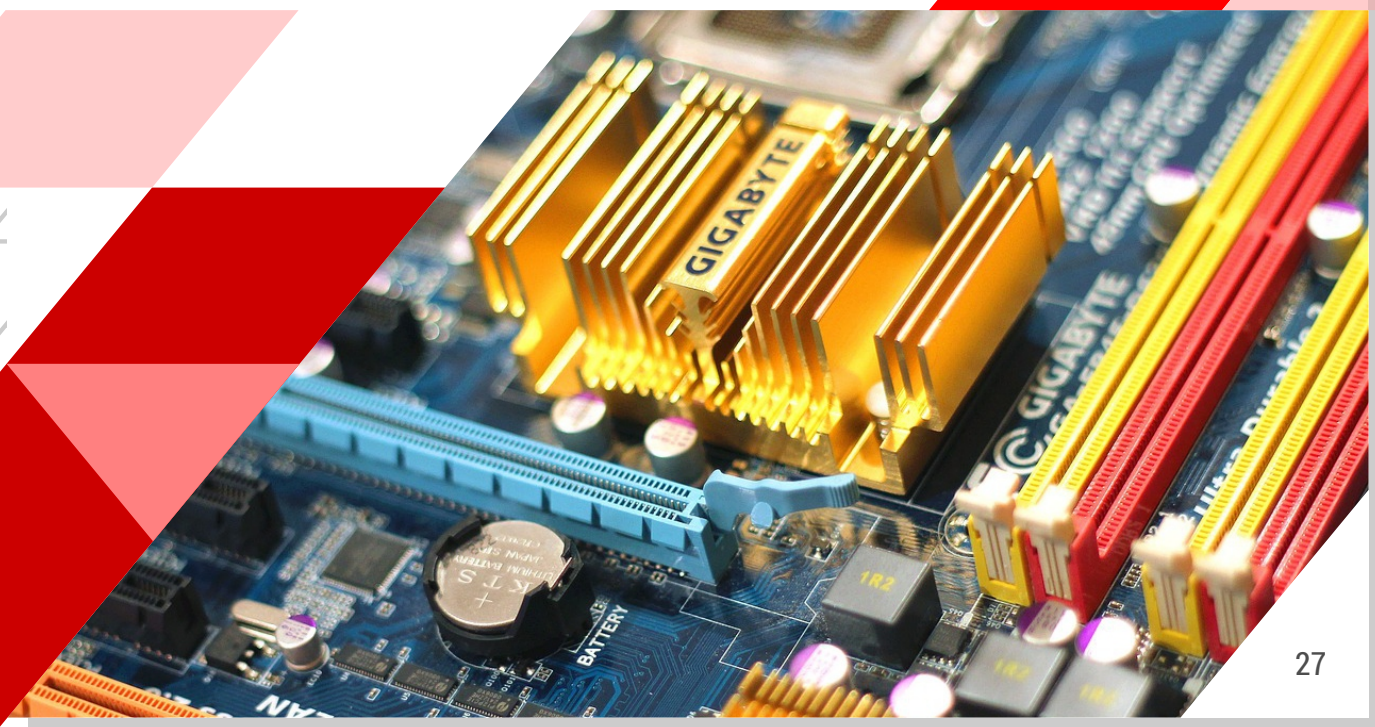
Server Automation Tool (SAT) is a solution for servers infrastructure management developed by ICL Services in order to provide customers with an efficient adaptive support tool without changing their IT environments.

SAT includes SaltStack that is the most efficient automation tool coupled with in-house elements and integrated with other tools in order to provide the required functionality. The tool works with all basic aspects of infrastructure management: deployment, maintenance, refresh, and modification.

Tasks can be started both on separate and on multiple (thousands) hosts. Moreover, it can be a hybrid infrastructure and contain parts based on various public cloud services (Amazon Webservices, Microsoft Azure, Google Cloud Platform), private clouds (on the basis of OpenStack, VMWare vCloud). In addition, SAT supports the currently trendy "Infrastructure as Code" approach.

State is a basic term; this is a description of the desired state of your infrastructure. Declarative description of states is the fundamental difference between SaltStack (and SAT) and traditional (imperative) automation tools that determine "what should be done and how" instead of "what do we want to obtain."

Another key distinction — event-triggered responses. In particular, they enable to implement automatic incident response. SAT can be integrated with monitoring and IT services management (ITSM) solutions. Mainly, such integration leads to waiting time reduction and improvement of the infrastructure maintenance personnel performance.



SAT supports the most popular server platforms, e.g., Linux (without limitation to a certain distribution kit) and Windows Server. More exotic variants include Solaris and AIX.

Therefore, Server Automation Tool implementation helps not only to reduce task time and manage IT infrastructures states, but also to put into action the automated response to events. For example, a customer had to fulfill the same tasks on each of hundreds of servers. This work always took several working days of an engineer. After SAT implementation, these tasks take no more than half an hour (including preliminary setting of parameters) and as a result, the company could reduce services cost and gain an advantage in highly competitive market.

BY 30%

reduction of direct costs for server support

RELEASE AND WORKFLOW MANAGEMENT

From 2009, Solutions and Software Development Department of ICL Services started elaboration of tasks and business processes management solution for OS image, a service for application packaging and corporate identities development.

Colibri tracker solution allows to manage applicationpackaging and deployment process, as well as to support projects of migration of operating systems, applications, etc. Besides tasks (applications / packages / images) tracking through the life-cycle, this utility has a conveyor automation and integration with ITSM systems, deployment systems (SCCM / Altiris), and other software, which allows to reduce temporary costs by 45% and offer optimal prices for customers thanks to coherent, flexible, and synergetic tasks management.

Colibri Tracker is a qualitative product specially made for release management needs, developed by specialists who participated in various roles for years in processes as users, managers, and customers.

One of key benefit of the product from competitors is the possibility to promptly customize the system, as well as embedded automation tools.

Using this innovative solution you can minimize workflow setup time to 2 days, which considerably reduces overall mobilization time. Moreover, the solution has a powerful reporting and notification subsystem, a wide range of automation tools and, more importantly, a high level of system availability, security and reliability.

Thus, this suite helped ICL Services to implement processes and automate them in end user computing area for all factories in Europe of one of the largest European tyres manufacturers and application migration project fora tobacco company over the world. Both companies are in the list of world TOP 3 in related areas. This toolset helps ICL Services to promptly mobilize projects and process for globally distributes teams, as well as to automate operations from the first days of project phase which is important for project success.

SMART AUTOMATION

The performance analysis of a support service in a large industrial enterprise showed that monthly number of incidents that occur in the IT infrastructure is about 2,000. Approximately 60% of these incidents can be automated through flexible and sustainable approach to the understanding of the machine, or **cognitive architecture (CA).** As a result of gained experience and our research we have developed basic structural mechanisms of understanding of the machine which are sufficient for the automated processing of up to 50% of incidents through the Service Desk for remote support of IT infrastructures.

For this purpose ICL Services has developed and operates a software technology platform which includes:

01 cloud storage support

02 equipment maintenance services

03 network and telecommunications services

04 Remote infrastructure management services

05 configuration Management Database

The main purpose of organic development of the technological platform is the system enhancement through introduction of our own developments in the field of the Artificial Intelligence applications through creation of flexible and sustainable implementation of the CA. The key requirements of the CA are the ability for social interactions and automated module of remote support of IT infrastructures for handling the incoming incidents with minimal involvement of 1st & 2nd line support engineers.

INFORMATION ACCESSIBILITY

Information accessibility allows clients to stay abreast of the latest events and monitor the activities of the company. One way to obtain this information is from the official website.

The ICL Services web-site was launched on October 2014 and brought first requests from potential customers during the first month of operation. It contains a broad and detailed portfolio of services and projects, customers can order presentations, send a question to an expert or contact the company office using contact data.

For convenience purposes we have created an excellent Service Assistant that will be your benchmark in the world of IT infrastructure and complex variety of outsourcing services and solutions. For example, if you need your computers to operate properly and uninterruptedly, select the Computer icon. One click, and the system will select the services useful for a customer.

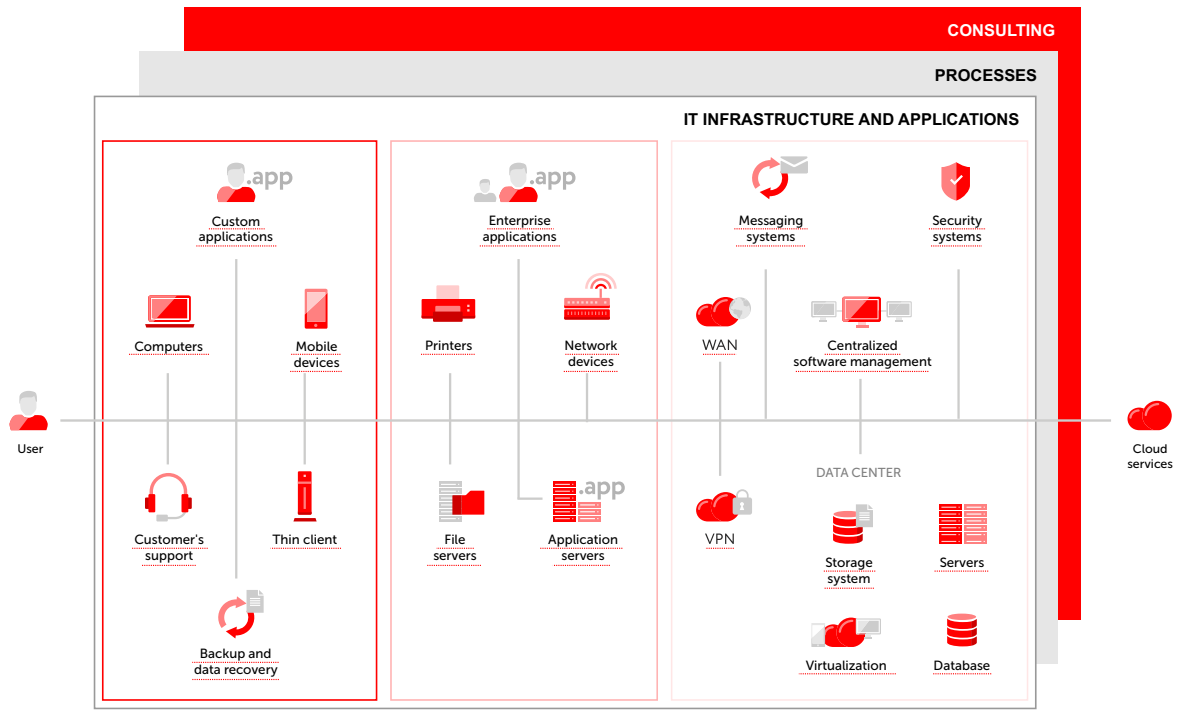
60%

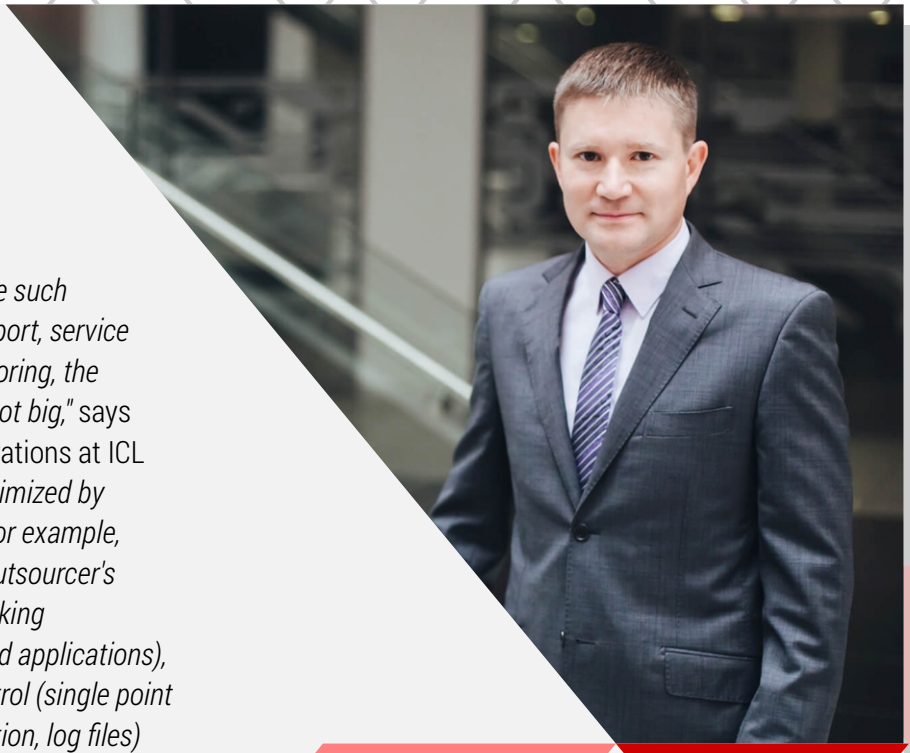
incidents can be automated through cognitive architecture

UP TO 50%

of incidents through the Service Desk can be automated

Service Assistant





"If a bank chooses to outsource such operations as workstation support, service desk or IT infrastructure monitoring, the security risks in this case are not big," says Ruslan Vagizov, Head of Operations at ICL Services. "*They are simply minimized by standard security measures. For example, those can include restricting outsourcer's access rights to important banking information (critical servers and applications), implementation of access control (single point of entry, two-factor authentication, log files) and protection of VPN communication channels."*

ISO/IEC 27001

work with certificate of Quality and standards

THE SECURITY OF CUSTOMER BUSINESS

Customers have to be 100% confident that their business will be protected when working with your company, no leaks will happen and there will be no other information security risks. This is especially important when dealing with customers from the financial sector. Banking is more sensitive to the requirements of information security than any other business area. This is due to the risks and regulatory constraints that arise in the course of transition of certain IT services for outsourcing.

No matter how critical the outsourced IT services are, customers expect an IT outsourcer to comply with a basic set of security requirements, the implementation of which will allow trusting it and developing a relationship with it, gradually moving from simple to more complex and, therefore, more risky services.

For a customer the easiest way to ensure that an outsourcer will comply with basic safety requirements is to demand an outsourcer to submit a valid certificate of conformity with ISO/IEC 27001 issued by the competent authority after an independent audit.

In general, information security is an integral part of corporate culture of ICL Services. Employees, both new and old, must undergo regular awareness trainings and annual testing on information security.

PARTICIPATING IN PROFESSIONAL COMMUNITIES

Membership in professional communities allows the company to organize events, invite major (existing and potential) customers there, organize workshops and be generally proactive when working face to face with customers.

ICL Services, being a member of several professional communities (for example, the Non-profit partnership RUSSOFT and the Association of strategic outsourcing ASTRA), improves the market expertise in IT outsourcing by continuous exchange of experience gained under international projects.

MAINTAINING A HIGH LEVEL OF CUSTOMER SATISFACTION

You should track satisfaction indicators of your customers not once a year but every day. This can be done using the Customer Satisfaction (C-Sat) score. So, over the past year, customers of ICL Services gave the interaction with ICL Services and services rendered the average score of 9.5 out of 10.

Why is C-Sat so important? Feedback from customers is gathered through online surveys and personal interviews with customer's representatives. It helps the company know not just the overall level of satisfaction with the services but also track its every aspect in the context of services. For example, ICL Services developed a multi-layered approach to satisfaction surveys assessing services at 3 levels: strategic, account and operational. Gathering feedback helps to get a comprehensive view of the following areas:

- **Strategy** (How does ICL Services make a customer's company better and more efficient?)
- **Relevance** (How convenient are the services of ICL Services for business and are they worth the money that a customer pays for them?)
- **Relations (**How well does the company understand its customer, does it share best practices and fulfill its commitments?)
- **Resources** (How professional are human resources involved in the provision of services?)
- **Projects** (How efficient is project management?)
- **Service** (Does ICL Services as the company reach a required level of service, is it reactive and proactive in solving problems?)

9,5 OUT OF 10

the average score of the customer satisfaction

For ICL Services the continuous improvement of the quality of service provided to customers is an integral part of the workflow. All service projects have a Continuous Service Improvement Plan (CSIP), which is regularly updated with suggestions to improve the service and their progress. These suggestions may be aimed at increasing customer satisfaction, availability of technical solutions, reducing the number of incidents, etc. Continuous improvement allows providing scheduled (usually annual) discounts.

COMMUNITY INVOLVEMENT AND DEVELOPMENT

SPONSORSHIP OF RESEARCH AND EDUCATIONAL EVENTS

Priorities of ICL Services include the development of the local labor market in IT. The company is taking considerable efforts on its own and traditionally supports governmental and non-profit initiatives in science and education.

- The company became the general sponsor of the All-Russian Olympiad in Informatics, provided all the necessary equipment for it and donated it to local schools afterwards.
- The company supports the regional government program on "e-schools" — school education based on innovative approaches and extensive use of new information technologies. This is a contribution to the development of education not only in the region but, in the best case, even across the country.
- The company sponsors 19th International Scientific and Practical Conference on IT in Mechanical Engineering, Metallurgy, Fuel and Energy Complex, Chemical and Retail Sectors to be held in 2016. It is important in the context of sharing experience in development and production of high tech equipment and creation of a library of advanced domestic and international experience in computerization of business processes.

PROJECTS, FUNDS AND REALPOLITIK

If you look carefully to the examples of corporate social responsibility, you can see three common principles of charitable initiatives organization.

Support of a charity fund or a long-term external (Alfa-Bank has been supporting the "Life Line" Fund for 10 years) or internal (TDK has been encouraging its employees to become donors and to donate blood and bone marrow for 28 years) project.

Creation of own fund, which is constantly involved in charitable works (Hitachi). Together Association of Charitable Organizations gives examples of Russian companies that have chosen this approach – they are such business giants as Rusal and Uralsib.

One-time campaigns and short-term projects, contents of which depend on the needs of the local or the global community. By analogy with one of the types of policy, let's call this approach Realpolitik – "real politics." This is the strategy used by Nasko insurance company.

The company constantly supports veterans of labor, helps RT AIDS center to pay utility bills, donates to a social canteen in Kazan, and is regularly involved in a charity project for children "Million in loose change." It is a project of patronage over the Kazan secondary school No.15 – the company equips the school with furniture and equipment, repairs its classrooms, if necessary. One-time campaigns are also organized several times a year. Some examples right off the bat – sending computer equipment to schoolchildren in Beslan (2004), targeted support to an ill child (2011), or a purchase of 200 Christmas gifts to young patients of the neuropsychiatric clinic, who wrote a letter describing their dearest wishes (2015).

The company's employees anonymously give money to charity. The funds are directed to help in solving the most urgent problems. For example, in 2015, 75,000 rubles collected by the employees were transferred to the Mothers of Kazan – an organization, which takes care of orphans, lying in hospitals.

IT'S EASY TO FIND AN OPPORTUNITY TO MAKE THE WORLD A BETTER PLACE!

Another constant responsibility of ICL Services is the support of secondary school No.15. The company traditionally patronizes the school, provides it with furniture and equipment if necessary, helps to renovate classrooms, etc. Other examples of the participation of ICL Services in the social life include:

01 sponsorship of a student sports team

02 company fairs, where employees sell their own hand-made items to colleagues and donate all the money to charity

03 landscaping of city squares and territories adjacent to office buildings

04 support of labor veterans

05 financial support of one of the city's social canteens, which provides hot meals to citizens in a difficult situation

06 a number of other important social activities on a charitable basis

We in ICL Services know exactly: around us there are plenty of opportunities to make the world a better place. The main thing is the wish to see them!

FUNDAMENTAL EDUCATION: LABS AND MASTER'S PROGRAM

A good option of cooperation with HEI is to integrate practical learning of modern technologies that the IT company is in charge of with the basic curriculum.

In 2011, ICL Services opened Fujitsu Labs at KFU. This is a joint project with Fujitsu as a partner intended for fundamental education with profound training in high-demand IT specializations. Year 2-4 students major in infrastructural areas, development, and testing: they learn technologies used at ICL Services and gain hands-on experience. Diploma papers are written on the basis of real-life projects. Classes are delivered by the Company's IT specialists.

> Daniil Polyakh — one of the Labs students in 2015 — describes his education: *"They train us and give us tasks based on real problems that we may encounter at work... We've been practicing from the first days of classes, even though usually our heads are flooded with theory first. For me this is a huge advantage!"*

6 MAJOR LABORATORIES

- **Cloud Computing and Unix Lab** (training in modern cloud-based and Unix technologies; the Cloud Competence Center is created on its basis)
- **Java Lab** (Java development)
- **iOS Lab** (mobile application development)
- **Workplace Lab** (training in automation solutions for complex, distributed and large IT infrastructures)
- **Testing Lab** (training in testing)
- **Retail Lab** (training in one of the most promising areas of IT — automation of trade and retail equipment)

KFU graduates who have passed specialized labs training have extended system knowledge of the university program and invaluable practical experience.

A joint project based on the Master's Program was created together with KNRTU. Focus is also on practice, instruction is done by ICL employees. By the time they finish the University, masters will have received extended training within their university curriculum and invaluable experience.

Recruitment for own purposes is one of the three main objectives of the company. We believe that large business is responsible for the overall development of regional IT education and labor market.

TALENT SEARCH: CODING TOURNAMENT AND OLYMPIADS

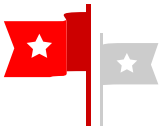
Every year, student and school coding Olympiads are held under the aegis of the Company.The main competition is the annual ICL Tournament held in partnership with main IT HEI in the region (Kazan Federal University, Kazan National Research Technical University).

The ICL Tournament was started in 2000 and became international in 2013. In 2016, 170 teams from 7 countries participated in the knockout, and 45 in the main program.There are two events — for schoolchildren and students.

Mainly regional teams compete in the school event, teams from the country's leading HEI, including Moscow Institute of Physics and Technology, ITMO University, and St. Petersburg State University, in the student event.

The Tournament meets 3 main objectives.

It supports young talents' interest in IT and enables them to show what they are made of.This contributes to IT development nationwide.



It identifies the "stars".Later, the Company supports them with scholarships, helps them develop during work placement and educational programs (see below for more detail).

This makes the ICL brand stronger in the professional environment. Not all tournament participants come to work for the Company, but all of them get to know and remember it.

CORPORATE SCHOLARSHIPS

Another form of support for talented youth are nominal corporate scholarships. ICL awards personalized scholarships to 10 talented students of industry HEI (KFU, KNRTU, Innopolis, Kazan State Power Engineering University). Scholarship holders learn at corporate training sessions and work on their own IT projects. In 2016, 6 out of 10 scholarship holders had additional work placement at the Company.

These scholarships are to create favorable conditions for attracting experts in the IT field in general.

INTERNSHIPS

ICL Services regularly invites students for 1-6 month work placement as junior system administrators, testers, and developers.

Interns become familiar with the full cycle of work at an IT company up to project management. As a result, they turn into competent young talent with a meaningful record in their resume. In about 50 % cases, the Company offers the intern employment.

MORE THAN 50%

of interns who had joined the company in the first half of 2015 remained in ICL Services

SPECIALIZATION: "HONE" THE SKILLS IN 3 WEEKS

ICL Services regularly holds short (30-100 hours) IT crash courses (testing, system administration, service desk etc.) to train the learners to perform well during specific projects.

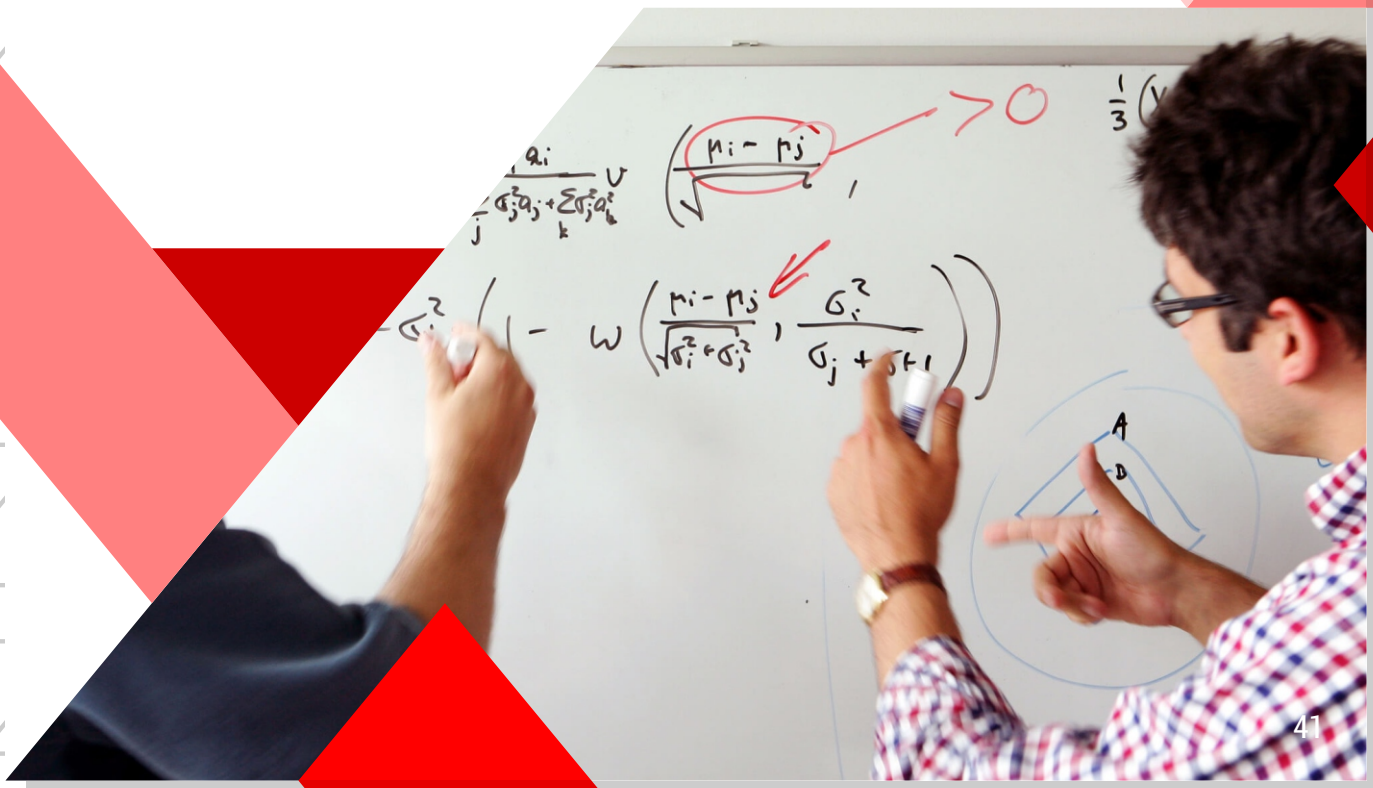
The Company's employees provide instruction during courses. Training materials are based on real cases. Classes are delivered at university facilities (for courses organized together with them) or the corporate training center. Courses are triggered whenever there are junior vacancies at any ICL Services project, so courses are aimed at staff training and recruitment.

Course programs are planned to meet the needs of a specific area of activity. About 70 % of instruction time is dedicated to learning about it, the remaining time spent on IT standards (usually ITIL) and soft skills necessary for customer relations.

ICL Services delivered 3 short courses during H1 2016, including 4-week evening classes on workplace infrastructure. 59 people enrolled, 10 were successfully nominated, 86 were hired, 2 were admitted for work placement. A similar ratio of the number of applications, students, and employment offers is typical of other short courses, too.

60%

of participants of ICL Services' educational programs came to work in the company.



The ICL Services experience shows that extended corporate guarantees of health care and wellness eventually turn out to be profitable for both employees and employers. Below is an overview of such initiatives from ICL Services.

HEALTH CARE: MEDICINE

ICL Services has implemented 3 basic measures for the health care of employees:

- medical rooms in the offices of the company;
- annual preventative health care measures – medical checkup at work, fluoroscopy and vaccination against influenza;
- the employer supports the voluntary health insurance (VHI) program, which covers hospital treatment and doctor home visits.

This set of measures successfully solves two main tasks:

1.

1. They reduce the amount of working hours that employees are on sick leave. Multi-discipline clinics are included in the company's VHI program in the cities of presence. If an employee experiences any kind of health problems he/she can promptly seek medical advice and, therefore, receive effective treatment. In addition, the list of clinics included in the VHI program is reviewed annually on the basis of the demand for them and feedback from employees. Only the most necessary and effective ones are kept.

2.

2. They reduce the time required for medical checkups and procedures. Medical rooms, checkups and VHI clinics within walking distance from offices perfectly solve the eternal dilemma of 'to work or to be on treatment'.

The VHI program changes every year, and every change is based on the evaluation of 20+ factors. Key factors include:

employees' and insurer's assessment of VHI-participating clinics

the amount of insurance payments

clinic attendance and demand for medical services among employees

employee feedback and preferences

More than 900 employees of the Company have VHI policies, which is a meaningful, representative sample.

By the way, there is a highly demanded additional bonus for employees — the possibility to include close relatives in the corporate VHI program. An employee pays a special (reduced) corporate fee for this.

SPORT & WELLNESS

Another good way to reduce the costs associated with sick leaves is to help employees maintain a good health condition.

Below is a number of activities carried out by ICL Services in the first six months of 2016:

- part of gym memberships is compensated for employees;
- the Company has several football teams and holds a company tournament; one team has been put together in a Voronezh-based separate business unit that lacks people for 4 teams required for the company championship. It is trained, and its contributions for participation in city tournaments are paid;
- 63 employees participate in Global Corporate Challenge-2016, an international corporate program to promote a healthy lifestyle. ICL Services pays up to 70 % of the registration fee,while GCC encourages participants to walk more, swim, and ride the bicycle. According to GCC, 40 % participants show improved performance, 41 % spend less time on sick leave;

- renting football, basketball and volleyball playgrounds, so that employees can compete with each other after work for free;
- HR procures partner programs with fitness centers and swimming pools with employees getting discounts and centers – their clients. In 2016, the Company won over 2 modern fitness centers and an international-class swimming pool which had hosted Universiade-2013 competitions as its partners;
- there are very affordable and effective solutions within the Company itself. These include, for example, athletic grounds in offices or the protection of health care and wellbeing of non-smoking employees coupled with promotion of giving up bad habits;
- an illustrative example is Kazan Marathon-2016 (a large-scale athletic event, during which every volunteer ran a distance of 3 to 42 km).An activist employee proposed organized participation to the Company.HR arranged for gathering volunteers, and the Company paid their registration fees. As a result, 55 employees took up running training and participated in the marathon;
- at spring, it was arranged for volunteers to plant 30 blue spruces in the countryside with many employees coming with their families. With popularity of environmental activity in full swing, information was posted on corporate Intranet about tree-planting events in the city. So, a number of staff members spent a series of active and useful weekends outdoors.

In ICL Services we know for sure that promotion of a healthy lifestyle through personal example is the most effective one. Therefore, for example, Head of Operations Ruslan Vagizov and HR Director Alsou Glinskaya regularly participate in GCC.

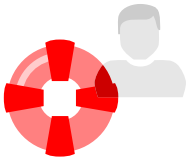
The result is obvious: for instance, in 2015, every tenth employee of ICL Services participates in GCC, and the company flag has visited even Mount Elbrus and Lenin peak, where it was brought by our enthusiastic team members.

COMPANY'S SUPPORT — EMPLOYEE'S CONFIDENCE

Here in ICL Services we understand the responsibility of the company to its employees very well. The company must not only fairly assess and compensate the contribution of employees to the result but also be by the side in exceptional situations outside the office.

The policy of social responsibility to employees embodies this principle of a reliable shoulder. If an employee faces a difficult situation in life, he/she may ask ICL Services for help:

- receive prompt financial assistance in the form of an interest-free loan to solve temporary difficulties (8% of employees used it last year);
- receive extraordinary leave and additional payments in case of important events (both sad like the death of loved ones and happy like the birth of a child or a wedding);
- use financial assistance of the company to compensate for the interest on the mortgage (used by 14.4% of employees). It should be noted that the average age of employees is 31 years old, so many of them face a serious problem of purchasing a housing for a young family. The company also implements its own program on the construction of housing for employees.

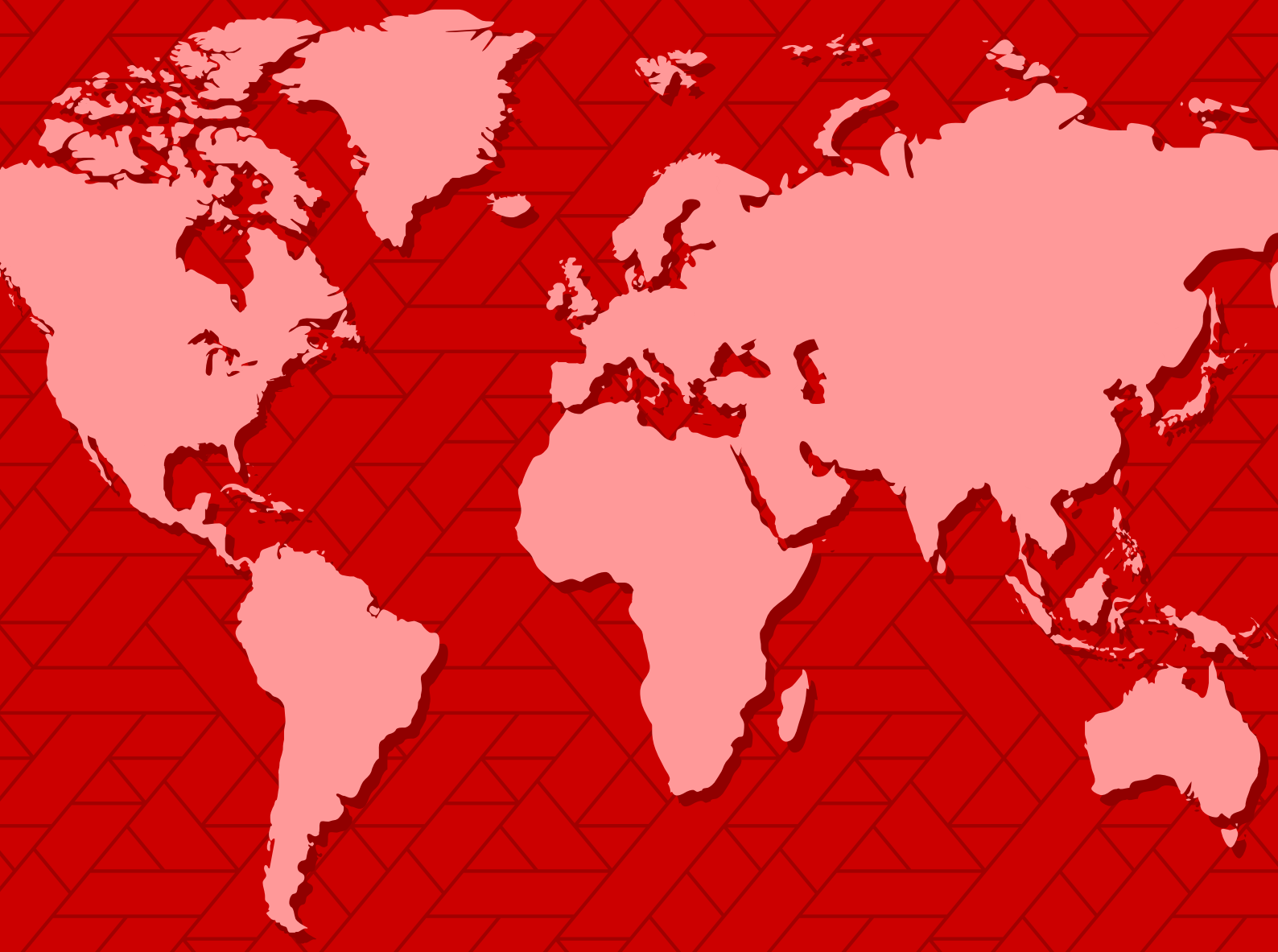


55%

of respondents called this support an important advantage of the company

67%

an important distinction from competitors



ICL SERVICES

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