ICL
SERVICES

CORPORATE SOCIAL
RESPONSIBILITY REPORT
2015

**Business always means
a responsibility to society**

СОДЕРЖАНИЕ

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.

7th place in the ranking of the largest providers of IT support in 2014 (*according to CNews Analytics)

More than **50** customers in **26** countries

24/7 Customer Support in English, Russian, French and German

Quality and standards (availability of certificates):
▶ ISO 27001
▶ ISO 9001-2011

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

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
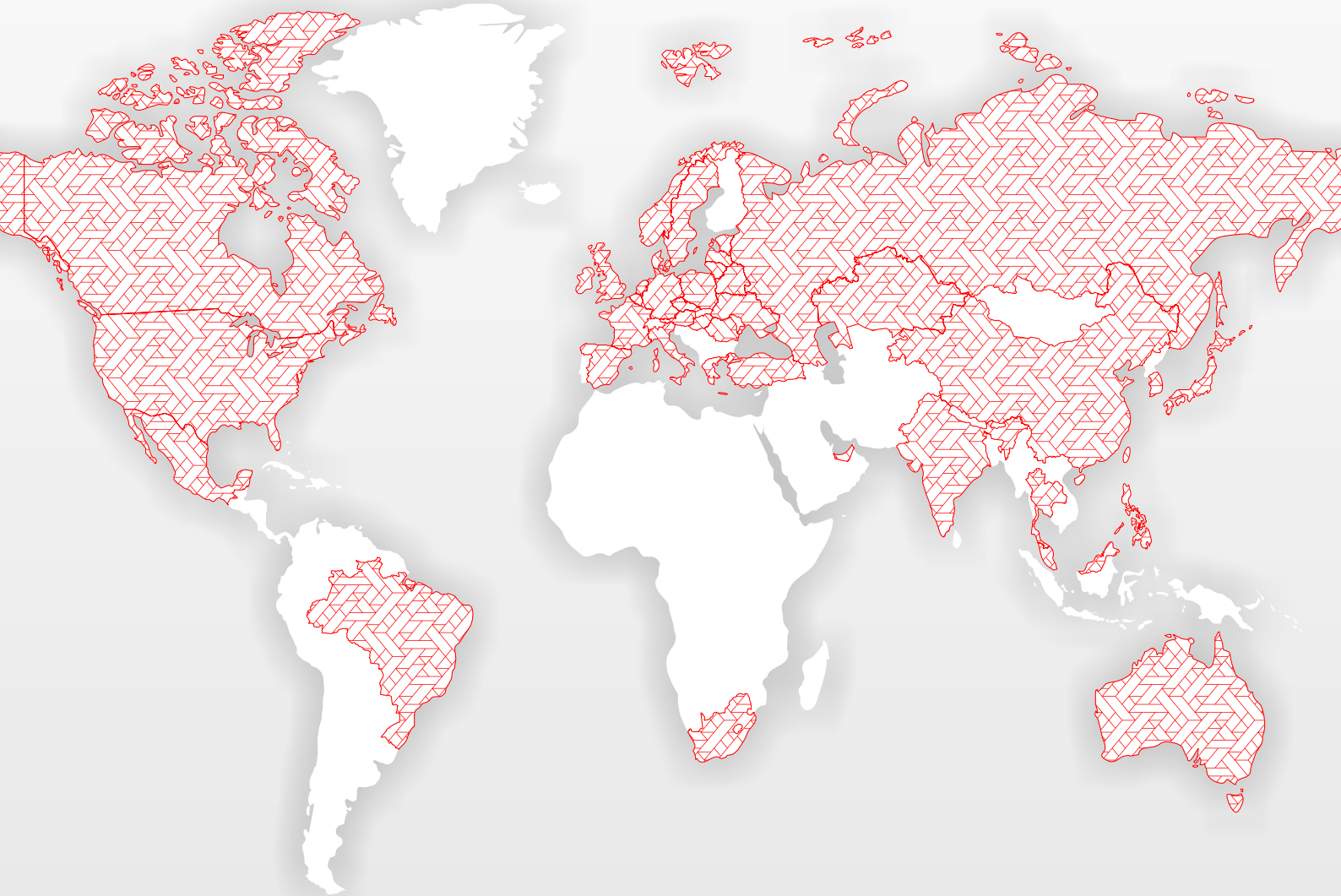
over
60 000
users around the world

over
14 000
servers and network devices

6,45
petabytes of data warehousing

5
years services contracts

250
business applications

LOCATION OF CUSTOMERS

ICL Services sets GOALS in assessment of Social Responsibility:

- Increase Customer loyalty by expanding their involvement in the resolution of socially significant issues
- Promoting the sustainable development of society on the territories where the Company conducts business
- Consolidating the Company's competitive edge by creating an image on both markets – on domestic and global markets.

The MAIN OBJECTIVES in assessment of Social Responsibility:

- Social Responsibility principles integration into the Company's business activity
- The establishment of mechanisms for measuring and monitoring the interests of stakeholders , and for informing them about achievements in assessment 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:

Ethical behavior

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

Respect for the interests of parties concerned

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.

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.

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.

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.

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*):

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

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                            MANAGEMENT
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Human Recourses Management Centre

Finance and Legal

SERVICE DELIVERY

Business and Application Services

End User Services

Service Desk

Data Center Services

Service Delivery

Sales

Business Architecture Design and Implementation

BUSINESS SUPPORT

Administrative Services

Voronezh Administration

Compliance and Risk

Information Security Management

Internal Application Management

Information Technology Infrastructure Management

FACTS ABOUT COMPANY STAFF

840 QUALIFIED SPECIALISTS

Men	Women	Management	Engineers	Average age
580	260	113	727	31 years
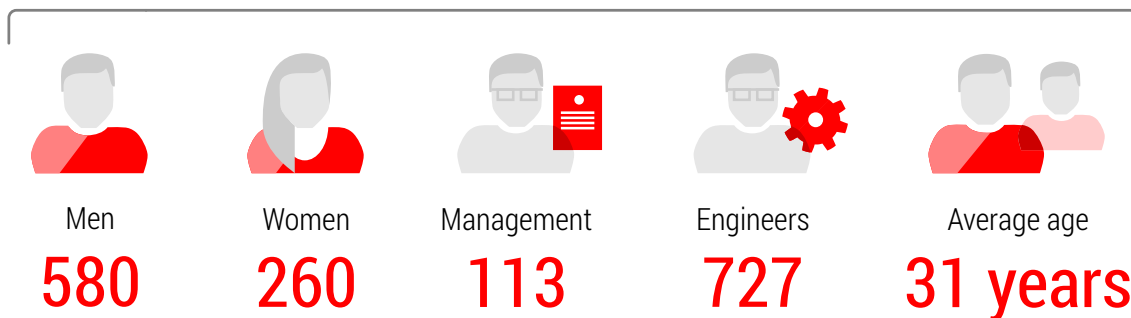
It is equally important for getting high-effective results to have the professional knowledges and skills and also to share correct values inside the Company.

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

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

DEVELOPMENT – Continuous improvement to meet challenges and achieve new goals

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

CONFIDENCE – Confidence in the responsibility and reliability of each other

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

7 EXAMPLES OF RESPONSIBLE ATTITUDE TO LABOR PRACTICES

1. Compliance and communication with top officials of the company

Employees need to be sure that their opinion is taken into account and affects the situation in the company. They also need a sense of security. To these expectations, we created a system:

▶ Key business processes are regulated in details by shared process documents. They allow employees to confidently make decisions in difficult situations.

▶ There is also a reference point for complex ad hoc situations — the Code of Ethics. Over 50% of employees were working on it (in a format of personal discussions and general surveys). The company's management and HR Service actually were the organizers and moderators of a 6-month discussion, they submitted periodic reports on its results to employees and made appropriate adjustments. The Code really became the bearer of the corporate spirit.

▶ Any employee has the tools to ensure company-wide compliance. This is a "red button" — a means of instant online notification of responsible employees (compliance manager, senior managers) on violations of human rights, the legislation as a whole, reputational risks, as well as gross violations of corporate values.

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. Responsibility in assessment of professional effectiveness

We developed an automated KPI (Key Performance Indicators)-based system for assessing effectiveness. Its basic principles:

- transparency — all assessment criteria are known to all parties involved (both employees and their supervisors);

- objectivity — high degree of automation prevents human errors;

- validity — KPIs of each employee are selected to reflect his/her contribution to the business results of the company.

Note that prior to the launch the system was in the alpha (for about 15% of employees) and beta testing modes (100% of employees worked with the system and gave feedback necessary for its setting and improvement) for 9 months. This is another example of the openness and responsibility of the company to its employees.

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. Preliminary training

Many employees start studying in ICL Services long before they are hired.

- ▶ ICL Services is involved in fundamental higher education through cooperation with KFU and KNRTU-KAI — the region's leading universities training students to master information technologies. The basis of these programs is the Fujitsu Labs project organized with the participation of Fujitsu Corporation, a long-standing partner of ICL Services. Students undergo specialized training over 2-3 semesters. IT professionals from ICL Services hold classes and complement theoretical course with real-life experience on the basis of real business objectives of the company. ICL Services is also cooperating with KFU on special projects (for example, artificial intelligence) and with KNRTU-KAI on joint educational programs.

- ▶ The company annually organizes university olympiads to identify talented young people and promote their development in the IT field.

- ▶ ICL Services scholarships support young IT professionals.

- ▶ Many students and young professionals serve internship in the company. ICL Services also collaborates with universities and vendors.

- ▶ Finally, ICL Services organizes short-term courses on IT specialization. Some are for students from specialized universities, others — for all young professionals. Graduates are awarded with certificates and for many of them such courses is the way to improve professional skills.

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.

OVER 50%
of interns and
OVER 60%
of graduates of short courses joined ICL Services

*in any case, students have no further employment obligations

Stage 2. Professional development: joint responsibility of an employee and the company

Even more spectacular prospects open for the employees of ICL Services. Training& Development department that is responsible for the organization and support of training and certification of employees and their professional and career development. T&D system in the company is designed to provide maximum opportunities to employees interested in personal development.

The main directions of T&D are:

▶ Internal training with corporate trainers. Training courses on soft skills, workshops, research projects and IT courses are organized. 95% of employees complete internal training annually. Almost everyone visits the corporate library which offers the latest professional and business literature.

▶ External training at the expense of the company (usually related to a specific project). Over 50 providers train employees of ICL Services on technology and standards of Microsoft, Cisco, Oracle, Citrix, Linux, VmWare, EMC, IBM, Red Hat, ITIL, Prince2, CA Technologies, Oracle Solaris, etc. The company's employees also take part in major IT events and conferences around the world. 70% of employees complete external training annually.

▶ 84% of employees each year pass certification exams, which are also paid by the company.

▶ Internal and external online courses. In addition, employees of ICL Services are provided with unrestricted access to iLearn — educational portal of Fujitsu. iLearn contains hundreds of courses on soft skills, IT standards and expertises and is available anytime and anywhere. These features are extremely popular, each year 98-100% of employees complete courses online.

▶ Language training. ICL Services is one of the few Russian IT companies (and perhaps the only one in the region) with its own foreign language school. In addition, employees attend courses from several external providers.

▶ Creation of personal development plans. Any employee can visit seminars and learn how to plan personal development, find out which means and methods will be most effective for him/her. Experts of T&D team make recommendations on the development of required competencies based on proven training programs and methods. Successful employees share their experience of self-development. The best courses, internal trainings, etc. are included in compulsory development programs.

95% of employees complete internal training

84% of employees each year pass certification exams

98-100% of employees complete courses online.

The company also has a number of special internal programs. Two of them are particularly interesting.

▶ The training program for managerial candidate pool focused on the development of managerial skills. It was launched 4 years ago and by now 43 employees of the company have completed it. 65% of them are invited to managerial positions after the program

▶ In 2013, T&D experts from ICL Services developed a unique training program for internal trainers. Over a 3-month course employees can improve their trainer, leader and speaker skills. These competencies are immediately put into practice in order to increase the efficiency of internal technical workshops, courses and trainings. In other words, the training program for internal trainers is used to improve employees' skills.

The responsibility of employees is to take advantage of the opportunities offered.

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

▶ 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.

▶ 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.

▶ Opening new offices in Russia. Currently ICL Services has created jobs in 6 cities of Russia, including Kazan (head office), Moscow and St. Petersburg.

▶ 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.

65%

of employees are invited to managerial positions after the training program for managerial 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. Openness of the company in matters of employment

We are responsible to our candidates. It is expressed in terms of transparent recruitment and objective assessment, which is drew up during a series of interviews.

Another example of responsibility of ICL Services is the openness to applicants. The company uses all modern recruitment tools but pays special attention to the programs that make it much more open and accessible to a candidate.

▶ A constant participation in job fairs and meetings with students, where applicants can learn any information in a personal conversation with a recruiter.

▶ A program of references: employees invite people they know to work. The company encourages referees using a system of bonuses and a philosophy of responsibility for the team: "if you invite the right people to ICL Services, you will feel more comfortable in the team and we will achieve encouraging results." Applicants receive a mostly objective assessment of the pros and cons of their work from our employees, this gives phenomenal results! For example, almost half of the members of one of the teams on application support were at university together and then came to ICL Services on the references of each other.

7. Other aspects of responsibility

We strive to take into account any life circumstances of employees. In practice, this means that:

▶ one parent receives not only a maternity leave but also one additional day off per month until a child turns 18;

▶ people with disabilities working in ICL Services are provided with special conditions — 2 additional days of vacation;

▶ employees, who experienced important happy (like the birth of a child or a wedding) or sad (like the death of loved ones) events may receive an additional vacation and financial support.

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 practices in providing IT services. Geography of 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.

ABSOLUTELY FAIR COMPETITION

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.

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.

EVERYONE SHOULD KNOW

"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."*

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

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

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 (average age 31 years old) and their willingness to participate in environmental initiatives.

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.

We started with cleaning lakes near the city and collecting and recycling waste batteries. In both cases volunteers among employees acted as initiators and the company provided the necessary support. This scheme eventually became common.

EXAMPLES

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

▶ **Removal of debris from suburban lakes.** This initiative was one of the first for the company and has become an annual tradition. Typically, it gathers 10-30 volunteers. The company provides all the necessary equipment and transport. In addition, volunteers from ICL Services support local charitable initiatives on protection and restoration of the natural environment.

▶ **Collection and recycling of batteries.** All we had to do was simply install special bins in company offices and ensure regular transportation of discarded batteries to a recycling center — our staff took the initiative with fervor. Today we annually remove and dispose of more than 100 kg of toxic waste that otherwise would have contaminated the soil. This experience has been extended to waste paper collection for recycling (our offices are equipped with boxes for waste paper); we also plan to organize the collection and recycling of plastic.

▶ **Landscaping.** In the autumn of 2015 the company sponsored the landscaping in a suburban village where one of the offices is located. More than 30 employees voluntarily took part in tree planting.

▶ **Using office and household items from eco-friendly materials.** Replacement of office garbage bags, plastic cups, etc. with biodegradable analogues will help reduce the environmental pollution.

▶ **Energy saving.** After having analyzed the rate of energy consumption by computers we have developed plans for improved energy use with precise and economical switching to Sleep mode. At the time the article was published these plans were being implemented. They are expected to help reduce electricity consumption by 130,000 kWh annually. We plan to save another 35,000 kWh by installing special energy-saving equipment.

▶ **Making corporate souvenirs from eco-friendly materials.** Perhaps this is a quite small contribution to the preservation and protection of the environment. Nevertheless, it is a clear declaration of our green values.

▶ **Using bicycles instead of cars.** The company supports employees with bicycles by providing free parkings and conducting special corporate events (bicycle picnics and races.) We have also equipped showers in our offices. As a result, each summer dozens of employees switch to this environment-friendly and healthy transport.
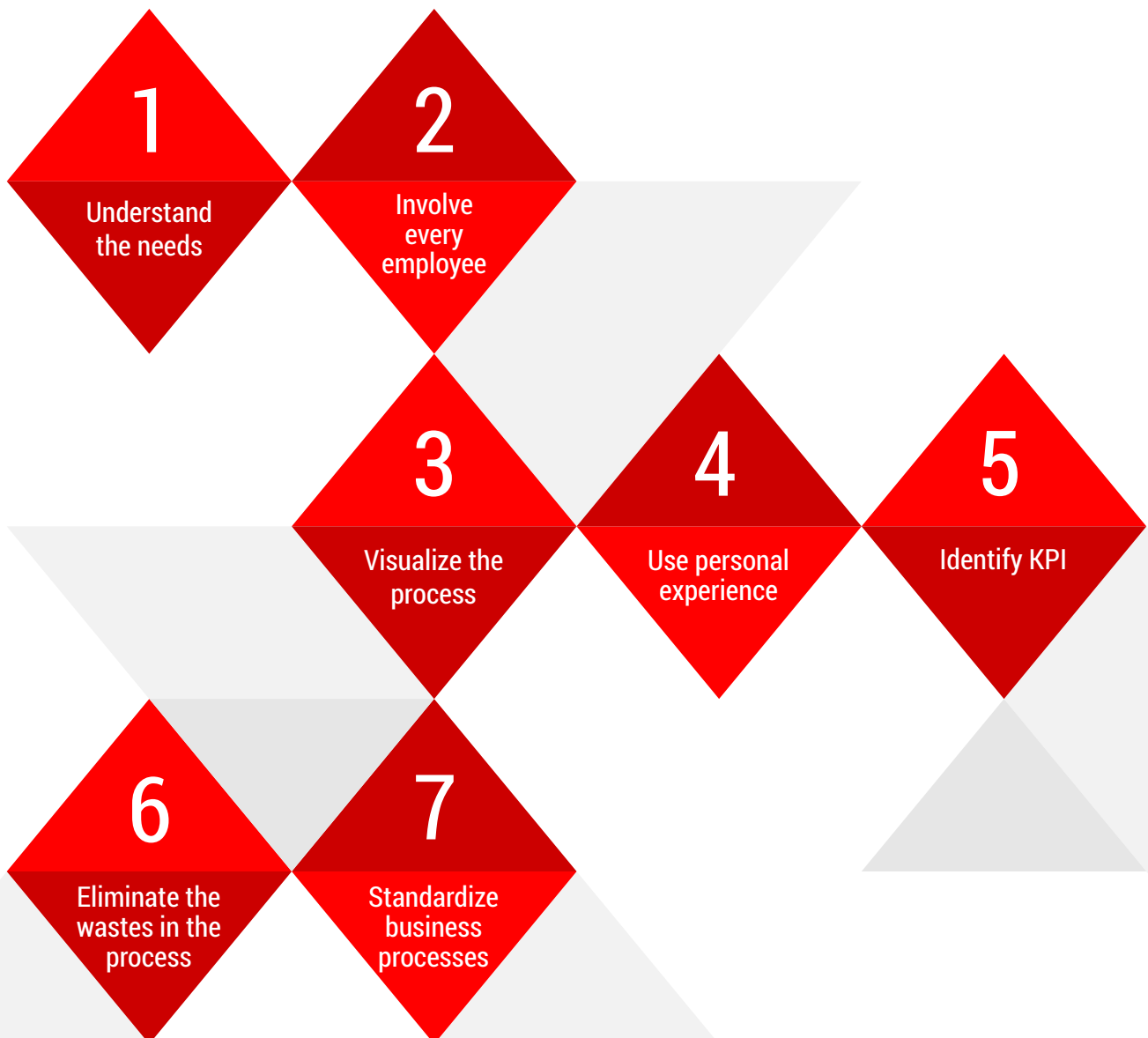
"LEAN" APPROACH IN THE INTERESTS OF CLIENTS

In December 2013, ICL Services launched implementation of lean production tools aimed at continuous improvement in terms of understanding and meeting the clients' requirements and implemented it through involvement of all employees in the process. There are 7 principles which help to improve performance and become more customer-oriented in the long term:

Thus, a constant search for ways to improve processes with the involvement of all personnel of the company and continuous contact with customers for understanding and full implementation of their requirements become the standard practice in the company, and this is the first important step in customer-oriented approach.

1 Understand the needs

2 Involve every employee

3 Visualize the process

4 Use personal experience

5 Identify KPI

6 Eliminate the wastes in the process

7 Standardize business processes

20

NON-STOP MONITORING OF IT INFRASTRUCTURE

With the customer's consent, a constant monitoring of the IT infrastructure is carried out during the process of providing services to capture the state of the IT infrastructure at any moment including historical data. This allows us to make preventive decisions and reliably maintain a high level of services.

Moreover, the monitoring system can be integrated with the ITSM system. In this case, the incident for the recorded event is created automatically and almost immediately, and monitoring team is not necessary at all, which entails a further reduction of the service costs for the customer.

SYSTEM APPROACH

Working with major customers we often face a need to perform similar repetitive tasks on multiple devices with batch configuration changes and regular or one-off collection of multi-type statistics. These tasks make a substantial proportion of labor costs for the infrastructure maintenance and take considerable time. Therefore the project of automation for a large number of supported servers significantly increases the productivity of system administrators. One of the key advantages of this solution for customers is absence of license costs, which, as a rule, comprise the biggest share of the ownership cost for such systems. The solution is based on open source products which we have integrated into a single module and adopted for solution of the tasks which can show benefits of automation to the maximum extent. The solution has incorporated our long-term experience in IT infrastructure support and the best industry practices.

An important feature for the customer is the ability to adapt solutions to its infrastructure.

This tool enables us to improve the customer satisfaction by 30% reduction of direct costs for server support.

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.

BY 30%
reduction of direct costs for server support

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

1. Cloud storage support;
2. Configuration Management Database;
3. Equipment maintenance services ;
4. Network and telecommunications services;
5. Remote infrastructure management services.

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.

60%
incidents can be automated through cognitive architecture
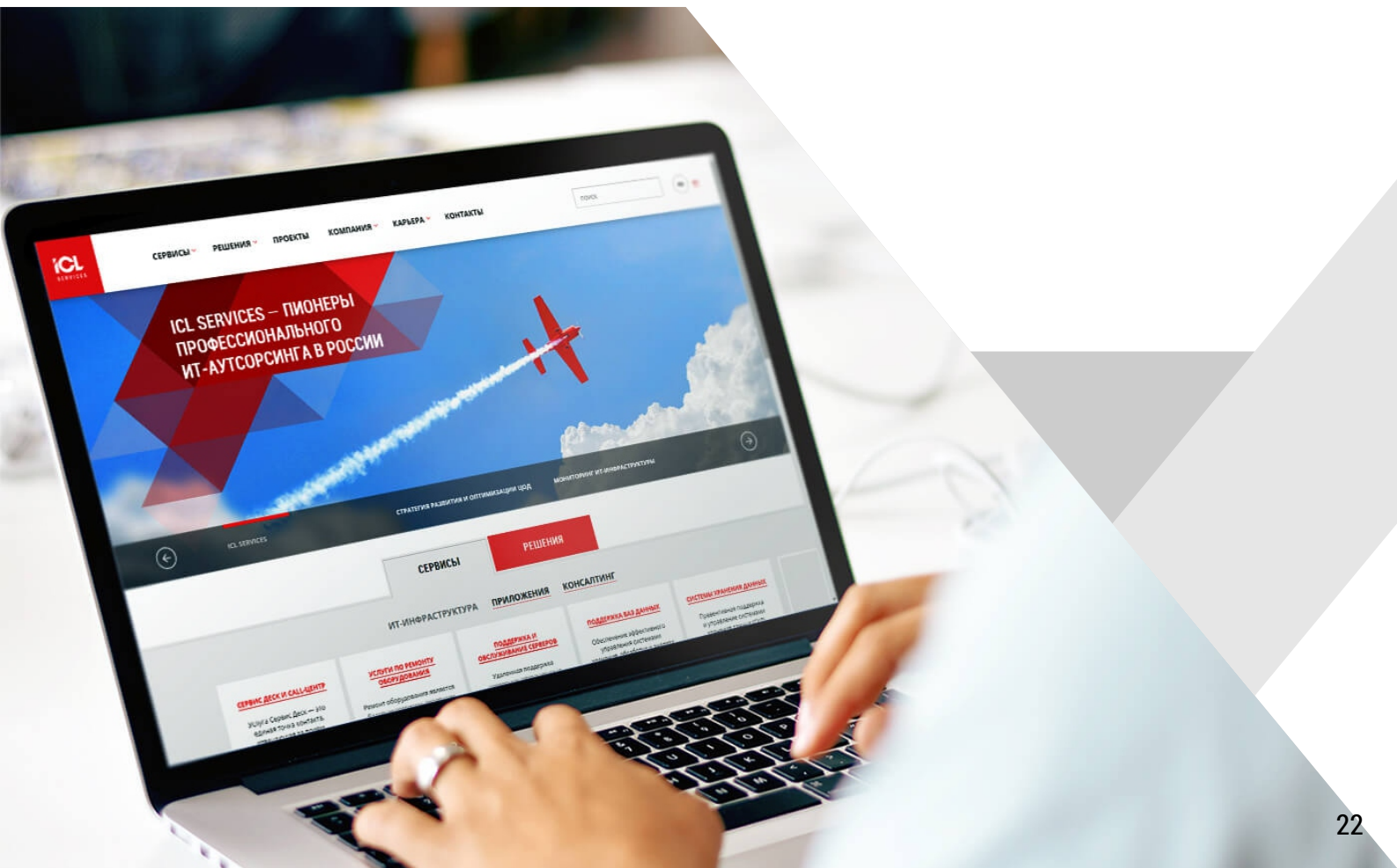
For convenience purposes we have created an excellent Service Assistant that will be your benchmark in the world of IT infrastructure and complex variety of outsourcing services and solutions. For example, if you need your computers to operate properly and uninterruptedly, select the Computer icon. One click, and the system will select the services useful for a customer.

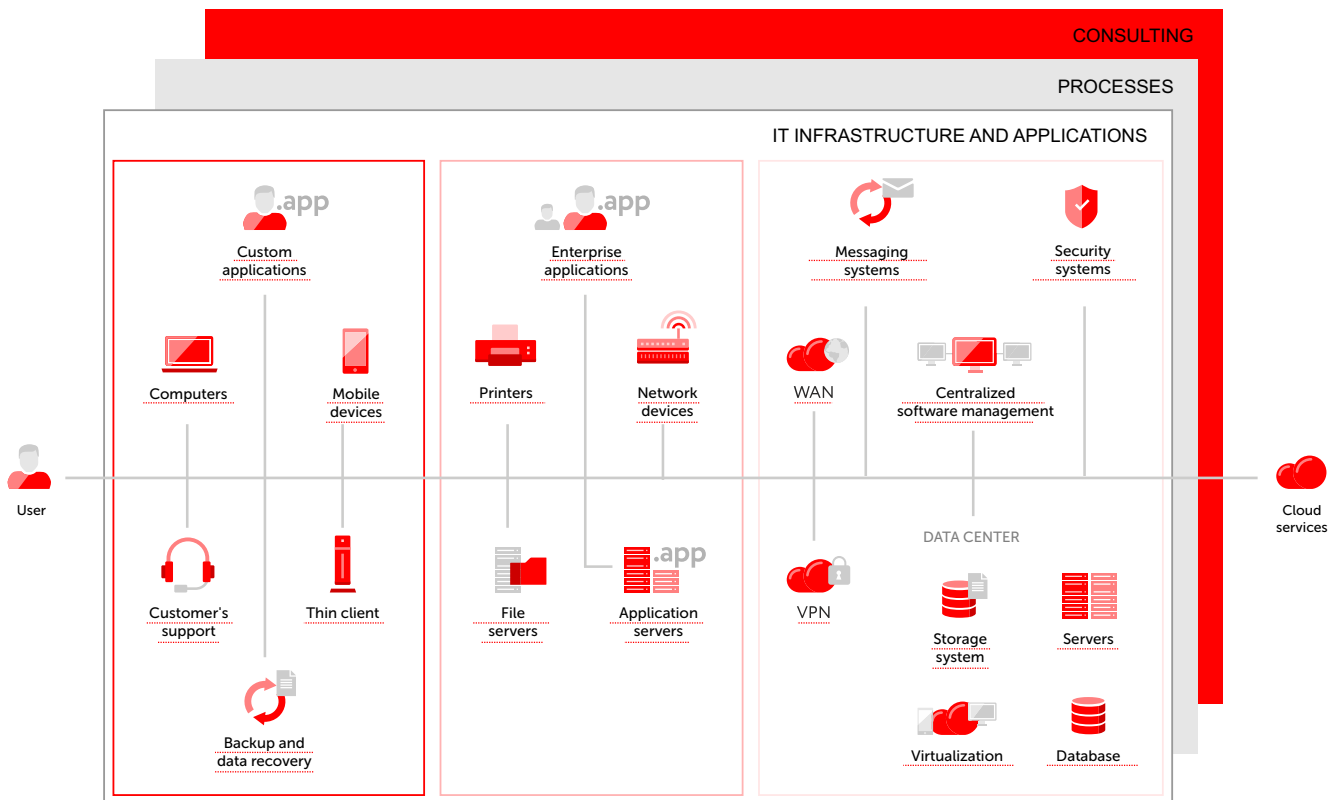## THE SECURITY OF CUSTOMER BUSINESS

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.

UP TO 50%

of incidents through the Service Desk can be automated

Service Assistant

CONSULTING

PROCESSES

IT INFRASTRUCTURE AND APPLICATIONS

Custom applications

Enterprise applications

Messaging systems

Security systems

Computers

Mobile devices

Printers

Network devices

WAN

Centralized software management

User

Cloud services

Customer's support

Thin client

File servers

Application servers

VPN

DATA CENTER

Storage system

Servers

Backup and data recovery

Virtualization

Database

"*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.*"

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.

ISO/IEC 27001
work with certificate
of Quality and standards

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?)

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.

9,5 OUT OF 10

the average score of the customer satisfaction

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.

HELP FOR CHILDREN

Another important area of socially-oriented investments of ICL Services is the help for children.
Sometimes it takes the form of special charity events like sending computer equipment to schoolchildren in Beslan after the terrorist attacks in 2004. This event was organized by the parent company of ICL Services — ICL-KME CS.

In other cases this is a targeted aid or participation in national/regional charity events (such as raising funds for the Life Line Fund or the Laishevskaya boarding school). One of the biggest achievements of the ICL Services team was the help to one of our employees, whose 2-year-old daughter was diagnosed with cancer. Dozens of colleagues raised funds for treatment. On an urgent vote among all employees it was unanimously (except for one vote) decided to abandon the activities in honor of the birthday of the company and transfer its budget for the child's treatment. After a year of struggle the tumor was successfully operated and the contribution of employees of ICL Services was of big help.

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:

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

- ▶ sponsorship of a student sports team;

- ▶ landscaping of city squares and territories adjacent to office buildings;

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

- ▶ support of labor veterans;

- ▶ 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 IN UNIVERSITIES

We work closely with leading universities specializing in IT education — KFU and KNRTU-KAI.

Fujitsu Labs — the joint project of ICL Services with its long-time partner, Fujitsu corporation — operate in ITIS educational center in KFU since 2011. The Enrollment 2015 took place not long ago.

Students undergo specialized training in labs over 2-3 semesters: they study technologies used in ICL Services and gain hands-on experience on a "simple-to-complex" basis. Diploma papers are usually based on real projects in ICL Services. IT professionals from ICL Services hold classes (a total of 24 courses) and complement theoretical knowledge with real-life experience on the basis of business objectives of the company.

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!"*

Cloud Computing and Unix Lab (training in modern cloud-based and Unix technologies; the Cloud Competence Center is created on its basis).

iOS Lab (mobile application development);

Java Lab (Java development);

6
major laboratories

Testing Lab (training in testing);

Workplace Lab (training in automation solutions for complex, distributed and large IT infrastructures);

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.

In addition, ICL Services collaborates with KFU on master's programs and special projects (for example, associated with artificial intelligence) and carries out joint educational programs with KNRTU-KAI. We are also improving our cooperation with the Innopolis university.

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.

OLYMPIADS FOR STUDENTS

ICL Services annually organizes university and school olympiads in informatics, like the ICL Tournament (included in the list of competitions n informatics of the Faculty of Computer Science of the Higher School of Economics.)

The purpose of such tournaments is to identify talented youth and contribute to its development in the IT field (for example, by inviting to Labs.) Many winners become leading experts in ICL Services or other IT companies in the region.

CORPORATE SCHOLARSHIPS

Another form of support for talented youth are nominal corporate scholarships.
As a rule, they are given to students from technical faculties of specialized universities — KFU, KNRTU-KAI, Kazan State Power Engineering University, etc. Nominal scholarships also do not oblige students to work in ICL Services.

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

INTERNSHIPS

ICL Services provides opportunities to trainees of various fields of knowledge: programmers, lawyers, quality assurance experts, etc. Young people experience the full cycle of work in IT companies first-hand — from serious hiring interviews to project management. Internships are long — 3 months — and allow trainees to gain real competence.

Some internships suggest the possibility of employment, while others — not. However, internship programs always draw the interest of student audience and the competition amounts up to 20-30 applicants per place! In general, more than 50% of interns who had joined the company in the first half of 2015 remained in ICL Services.

We also cooperate with universities and vendors. This contributes to the creation of a unified educational space, which is to be welcomed!

MORE THAN 50%
of interns who had joined the company in the first half of 2015 remained in ICL Services

SPECIALIZATION.
SHORT-TERM COURSES

Together with our partner universities — KNRTU-KAI and KFU — we hold intensive courses on IT specialization. As a rule, they are triggered by the need of ICL Services to (re)train IT students for specific company projects. However, course scopes are large enough and the program concentrates on standards and technologies rather than on the specifics of a particular project. Graduates, even if they do not join ICL Services, receive corporate certificates. Therefore, some students use these courses as an opportunity to improve professional skills.

This approach to business involvement in education is useful for everyone:

▸ graduates and young professionals enhance their relevance and value in the labor market;

▸ the regional high tech business is developing. This increases the investment attractiveness of the region as a whole and favors the development of all its IT companies, from large to small ones;

▸ ICL Services employs strong young professionals who already have significant experience and skills immediately after graduating. In 2015, for example, about 60% of participants of our educational programs came to work in the company.

This is an example of a win-win strategy, which ICL Services strives to adhere in its activities.

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.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. 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'.

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. To do this, ICL Services created a special wellness 'aura'. It includes the following:

- ▶ Encouraging the employees' sports activities through partial reimbursement of the cost of membership fees.

- ▶ Creating corporate teams (football, basketball, volleyball) playing at domestic, municipal and departmental tournaments. Participants and winners of such tournaments become heroes of corporate media.

- ▶ Renting football, basketball and volleyball playgrounds, so that employees can compete with each other after work for free.

- ▶ Participation in Global Corporate Challenge (GCC) — an international corporate program to maintain a healthy lifestyle. ICL Services pays up to 70% of membership fees and conducts internal motivational campaigns popularizing GCC.

- ▶ Creating playgrounds on the territory of office buildings.

- ▶ Monitoring of wellness offers in the cities where ICL Services offices operate and providing special conditions for employees. For example, discounts in the I Love Running school, fitness clubs, etc.

- ▶ Promoting healthy initiatives of employees — from large sports projects to rink nights. HR services inform colleagues, thus stimulating active employees to new healthy initiatives.

- ▶ Regular reports on sports achievements of employees in corporate media. Those may include a victory in the city swimming tournament or even a world cycling tour (3 years ago one of the employees took part in this project.). The constantly sustained information field cannot be overestimated!

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 plain to see: in 2015 every tenth employee of ICL Services participates in GCC and the company flag was put atop the Mount Elbrus by company's employees.

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);

▶ 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.

▶ 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);

Support can manifest itself in everyday activities. For example, employees who work in rented office buildings and can not use the corporate dining room at the headquarters receive additional reimbursements for food. Nonresident specialists who move to work in ICL Services at first receive temporary housing or rent compensation.

55%
of respondents called this support an important advantage of the company

67% an important distinction from competitors

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