

Communication on Progress on the UN Global Compact Principles

2022



FBK

FBK has a strong professional team with impeccable business reputation that managed to earn customer loyalty and become a leading Russian audit and consulting group

The firm delivers a wide range of audit and assurance, tax and legal, valuation, consulting and outsourcing services. The group consists of audit and consulting firms, as well as **FBK Legal** and **FBK CyberSecurity**.

since 1990

30+ years
as a leader in assurance
and consulting services

FBK in RAEX rankings 2021

No. 5

in the statutory audit category (by revenue)

No. 1

Audit of banks

Audit of leasing companies

No. 6

in the list of the largest Russian audit firms

Top 3 in key categories

Financial consulting

Legal consulting

Tax consulting

No. 7

among the largest audit firms in Russia and largest audit groups and networks

Top 10

Valuation

IT consulting



Lawyers of **FBK Legal**, one of the best law firms in Russia, are regularly recognised by Russian and international rankings

Best Lawyers

Forbes



ПРАВО^{RU}
300



Коммерсант

IFLR1000

Statement of Continued Support by the Chairman of the Board of Directors



Sergey Shapiguzov

Chairman of FBK's Board
of Directors

FBK became a participant of the UN Global Compact Local Network in Russia in August 2018, which affirms its commitment to the UN Global Compact principles and the UN Sustainable Development Goals.

This means that FBK's strategy is aimed to integrate the firm in the global sustainability processes, extend the potential of Russian business and society in contributing to the global agenda and improve investment prospects of the Russian economy.

The firm is actively involved in the operation of the UN Global Compact Local Network. FBK's Partner Vladimir Skobarev was elected to the governing board of the UN Global Compact Local Network Association.

It should be noted that FBK promotes the SDGs for them to be integrated into strategies of Russian companies. The firm provides over 30% of all non-financial assurance services in Russia.

FBK provides sustainability services to leading Russian companies



ROSATOM



In addition, the firm contributes to the development of sustainability standards. In particular, Vladimir Skobarev participated in the development of the new revision of AA1000 AccountAbility Principles Standard (2018), and regularly speaks at events organised by UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting dedicated to companies' reporting on their contribution to the SDGs.

In 2022, FBK was included in the list of verifiers of sustainable finance instruments prepared by VEB.RF, Russia's national economic development institution. FBK is the only audit firm certified as a verifier of green financial instruments.

Sustainable Development of Russian Companies Through Services Provided by FBK

FBK is committed to sustainability and focuses on the following aspects:

1. We implement sustainability and social responsibility initiatives
2. We are willing to assist Russian companies in sustainable development by providing a range of sustainability services



Vladimir Skobarev

Partner, Director of Corporate Governance and Sustainability Services at FBK, the only specialist in Russia with international qualification LCSAP

Memberships in committees, councils and working groups:

- Corporate Social Responsibility and Sustainable Development Committee of the Russian Union of Industrialists and Entrepreneurs
- Council for Non-Financial Reporting of the Russian Union of Industrialists and Entrepreneurs
- Interdepartmental working groups on preparation and implementation of the Concept for Development of Public Non-Financial Reporting in the Russian Federation
- Global working groups on development of AA1000 standards
- Governing Board of the UN Global Compact Local Network Association

Participation in sustainability reporting initiatives



Licensed Assurance Provider

Licensed sustainability assurance provider

FBK's experience in non-financial reporting and assurance, including in accordance with AA1000 AS and ISAE 3000, for 2008–2021:

- GRI Standards: Preparation and assurance (over 80 reports)
- International Integrated Reporting Framework: Assurance (over 26 reports)
- Over 38 GRI certified training courses for over 500 employees of the major companies in Russia and Kazakhstan in 2011–2021
- Review of non-financial reports of the major Russian companies as a member of the Council for Non-Financial Reporting of the Russian Union of Industrialists and Entrepreneurs

Sustainability services

- Elaboration of a sustainability / ESG strategy
- Development of a sustainable supply chain management system
- ISO 26000 self-assessment
- Analysis and evaluation of social programmes efficiency
- Establishment of a non-financial / sustainability / ESG reporting system — regulation, automation
- Sustainability trainings
- Arrangement and coordination of cooperation with stakeholders during sustainability reporting process
- Sustainability reporting (sustainability reports, integrated reports, combined annual and non-financial reports)
- Assurance of sustainability reports
- Verification of green financial instruments

Human Rights

FBK respects, protects and upholds internationally accepted human rights, and is governed by the Russian Labour and Civil Codes of the Russian Federation, Constitution of the Russian Federation, and other laws and regulations that comply with international human rights and freedoms standards

The Corporate Code of Conduct and other internal documents adopted by the firm contain fundamental provisions intended to protect the dignity and freedom of each and every person

The Corporate Code is binding for the management and all employees of FBK, who undertake to abide by its provisions while interacting with colleagues, clients, business partners, public officials and the society on the whole

There have been no discrimination or human rights violation cases registered for over 30 years of operation

Local regulations provide for social guarantees and benefits to employees in addition to those granted by the current legislation. In particular, they provide for guarantees of working conditions, sick leave payment, payment for education, voluntary health insurance, cell phone reimbursement, allowances in certain cases, anniversary and other bonuses, work-related compensation

The firm has zero tolerance for any discrimination and is committed to providing equal opportunities for employees to realise their full potential irrespective of their race, skin colour, gender, religion, political belief, nationality or social background

FBK traditionally balances professionalism and integrity, tact and high internal communication standards

Decent Work

The FBK audit and consulting group is widely known in Russia and abroad for high quality audit, effective consulting and top-rated legal defence services, as well as commitment to social responsibility.

The firm does not restrict employees' right to organise unions or initiate collective bargaining, does not use child labour, forced or compulsory labour and has zero tolerance for any discrimination.

FBK is always open to any suggestions from personnel and ready for dialogue with any employee, regardless of their position. Our firm has no pronounced hierarchy or division into managers and subordinates. Each employee can express a personal opinion, which will be factored into the general HR strategy.

FBK knows how to combine principles of democratic management and professional ethics. Employees can benefit from flexible working hours, but have to follow strict rules obliging them to observe deadlines set by clients.

The HR Department has generated an employer value proposition, which includes various options to satisfy key needs of our employees. This means stable salary, bonuses, voluntary health insurance allowing family members to join, an opportunity to choose between work in a comfortable modern office in the historical centre of Moscow or remote work, a corporate laptop and cell phone.



The firm pays particular attention to corporate well-being. Since 2022, internal news has been communicated to employees in a corporate digest sent out twice a month. It has a special section about events and educational programmes.

In addition, we give employees a chance to develop their soft skills at the expense of the firm and receive training with partial or full reimbursement by the firm. Employees can take part in corporate events, including sports competitions.

In February 2022, FBK became a finalist of the all-Russian rating 2021 as an attractive and open employer with good HR processes and corporate image.

FBK's specialists are active members of the sustainability expert community with extensive experience in sustainable development and non-financial reporting. Since 2019, the firm has been arranging free of charge sustainability webinars, which are open to the general public.



Corporate culture and non-monetary motivation were established by involving the firm's personnel. The HR Department conducted several pulse surveys to measure employee loyalty index, identify advantages of working for the firm and understand employees' expectations about their education and development, as well as to analyse changes in sentiments among personnel caused by internal and global trends.

FBK promotes the SDGs for them to be integrated into strategies of Russian companies.

The FBK audit and consulting group meets market requirements and applies quality and performance standards, provides further training opportunities and organises good working conditions for employees, and contributes to the sustainable development of the society.



In 2022, FBK significantly extended its well-being programme. The firm launched a series of webinars to support employees who work remotely and online yoga classes.

Environment

FBK is not engaged in any industrial production, so its operation is not harmful for the environment.

FBK has integrated environmental protection into its quality management system and corporate culture.

To promote responsible consumption, FBK shifted to eco-friendly souvenir products for partners and employees. In particular, in order to reduce the global consumption of disposable tableware that causes serious harm to the environment, we give all coffee lovers a stylish and eco-friendly alternative to disposable cups

To move to more responsible consumption and production, we introduce eco-friendly and energy-efficient technologies, promote and encourage environmental protection

All FBK's offices are equipped with water purification systems, waste bins for separate collection of batteries, plastic and paper, and energy efficient appliances. Lightbulbs and car tyres are disposed through specialised companies

In 2022, the FBK audit and consulting group continues to support environmental initiatives:

Employees can use eco-friendly dinnerware from biodegradable materials in the corporate canteen

We draw attention to the problem of plastic bags at corporate sustainability seminars and encourage choosing reusable eco-friendly bags

In 2022, FBK joined the Ecosystem project and installed clothing donation containers in the office. Donated clothes are used for charity to help people in need. Clothes that are not wearable are sent for processing or to animal shelters

FBK continues cooperation with the environmental and charitable project 'Kind Caps', and has collected over 4,000 caps over the past period. By participating in the campaign to collect plastic caps, the firm's employees make the world cleaner and more beautiful, as well as help orphans with special developmental needs



Anti-Corruption

Customer and partner loyalty is FBK's main competitive advantage.

To achieve that, the firm ensures strict compliance with the requirements and restrictions provided for by the Russian legislation and international auditing standards, the standards established by professional associations and internal bylaws.

The firm follows professional ethical principles and ensures that employees maintain independence when providing services, and applies an unbiased approach when considering any issues, making judgements and conclusions.

FBK has been delivering high quality services for many years.

We take measures to prevent and fight corruption inside the firm and regard financial forensic investigations as one of the key consulting services.

FBK's forensic experts have financial accounting, forensic and criminal law expertise.

We work not only with open sources, but also with physical evidence, including those obtained using digital forensics methods, which allows us to go beyond ordinary analytical procedures and solve non-routine tasks.

Internal departments interact efficiently and can quickly solve specific tasks, pursue investigations for business owners and provide various services, even represent clients in criminal cases.

A representative of FBK is a member of the Committee for Counteraction of Corruption and Legitimization (Laundering) of Proceeds of Crime and Financing of Terrorism under the Self-regulatory organization of auditors Association "Sodruzhestvo". The Committee advises the Association on the improvement of legislation, gives opinions on draft regulations, participates in the development of local regulations of the Association and considers requests from its members.



Financial investigation services

- Financial investigations, financial and economic examination, and compliance control
- Corporate and business intelligence
- Analysis of digital evidence
- Forensics
- Compliance, internal audit and corporate governance efficiency assessment
- Prevention and identification of corporate espionage
- Services for credit institutions

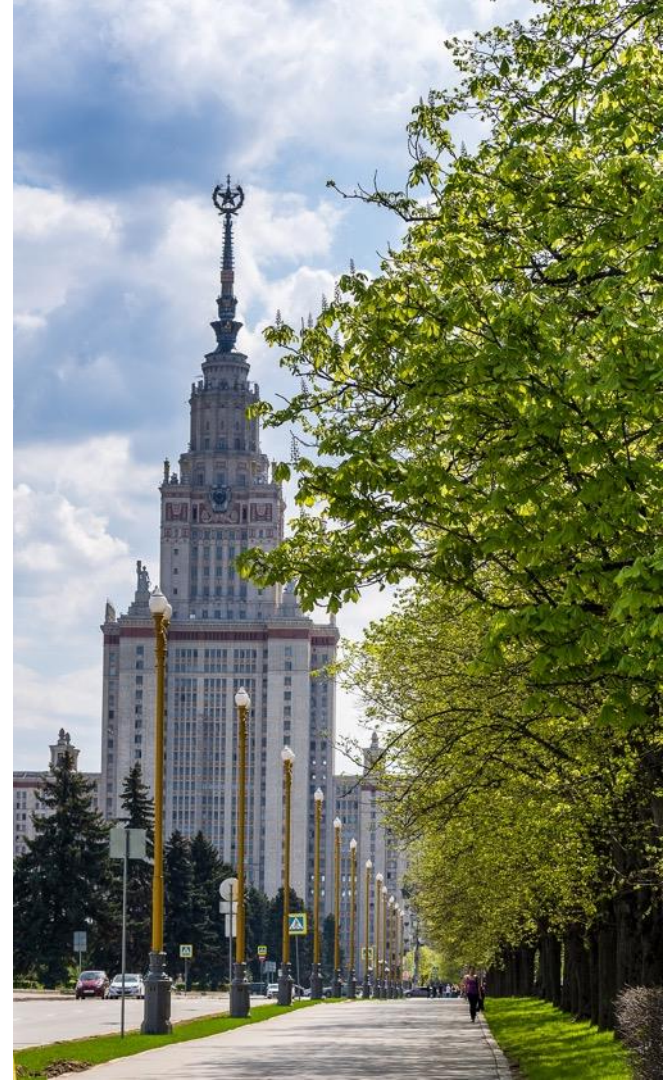
Quality Education

The FBK audit and consulting group has established partnership relations with universities to attract the best talent. The firm has arranged a series of offline and online meetings with students of such universities as

- Lomonosov Moscow State University, Faculty of Economics
- Financial University
- Higher School of Economics
- Kutafin Moscow State Law University
- Plekhanov Russian University of Economics
- Moscow Engineering Physics Institute
- Moscow State Linguistic University, Department of Information Security

For many years, FBK has cooperated with the Faculty of Economics of Lomonosov Moscow State University.

The faculty has a scholarship named after Anatoliy Sheremet for third and fourth year bachelor's degree students, which is supported by FBK.



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