



bercut

Corporate Social Responsibility Report

2018

Bercut is an innovative global business company of young creative specialists committed to IT and up to date communications. Over 23 years we have been working hard to build successful, long-lasting and transparent cooperation between all the parties: subscribers and clients, partners and suppliers, employees and shareholders.

We see it as our contribution to a better society and act in full compliance with our corporate social responsibility policy bercut.com/company/social.

We share the principles and goals of the United Nations Global Compact and have been its member since 2016.

This report is to affirm that Bercut Ltd is committed to the Ten Principles of the UN GC in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Here we briefly describe our actions to integrate these principles into our business strategy, culture and daily operations and focus on some changes that took place over the reporting period.



*Yours sincerely,
Vladimir Kichatov
Director, Bercut Ltd.*

1. Human Rights

1. For more than 23 years we have been working in the field of software development for telecom and Internet in strict compliance with the Russian and, where applicable, international law. We have never received any claims or complaints neither from the clients, nor from the employees, nor from any of the regulatory bodies.
2. Our friendly, open-minded and highly educated team aimed at intellectual and innovative activity has always been free of any harassment, abuse or threats.
3. The Company's employees are provided safe, suitable and sanitary work facilities in a modern office built in 2014. All workplaces are certified in compliance with the requirements and standards prescribed by the authorized federal body of the Government of the Russian Federation.
4. The Company has not faced a single incident of safety breach and / or workplace injuries at least for ten last years.
5. The Company appreciates the opinion of every employee. Our intranet site is not being censored, and employees use it to freely share and discuss important issues, including those related to improvement of working conditions. The Company's top management quickly reacts to any and all questions and suggestions, regularly runs opinion polls and asks the employees for feedback.
6. The Company regularly arranges offsite meetings for the workers, which combine outdoor recreation with corporate activities: team building retreats, seminars, training.
7. Twice a year corporate parties are held to celebrate the New Year and the Company's birthday in July. They usually include entertainment and various motivational activities: award giving ceremonies, lotteries. Birthday corporate parties are treated as family days, which means family members and friends are always welcome to come. In December, the Company organizes a New Year children's matinee with gifts and interactive activities. At Bercut, we have some other traditions which bring workers together such as congratulations with national and local holidays.
8. Since 2017, the Company has been supplementing all the contracts with business partners with mutual obligations to respect the rights and freedoms of employees and prevent human rights violation on any ground.

2. Labour

1. The Company regularly reports to the regulatory bodies of the Russian Federation to comply with the Labour Code of the RF.
2. In strict compliance with the Russian law, the Company totally eliminates all forms of forced and compulsory labour.
3. The Company complies with minimum wage standards, and today even intern salary exceeds the minimum monthly wage by 1.5 times.
4. The Company annually provides all employees with voluntary medical insurance policies, including year 2018-2019. Also regular health examinations and immunization are arranged for the employees.
5. The Company's office has a fully-equipped kitchen and a recreation room. In 2018 we also arranged shower facilities, a new study room and a bicycle parking rack.

6. Additional benefits and facilities as well as a flexible work schedule are offered to disabled persons, pregnant workers and female employees with kids. The Company pays social security benefits to its employees, such as maternity aid, death and survivor benefits.
7. The Company pays close attention to education, development and career growth of its employees. At least 40 percent of the staff annually get retrained and upgrade skills by taking part in third-party or corporate education. The employees compete for vacant posts; since 2016 the Company regularly holds corporate hackathons and other contests to solve technical challenges and support and encourage the most talented and promising workers.

3. Environment

1. The only business we as an IT company are involved in is software development, installation and support. Daily operations performed by 200-250 workers in a contemporary office cannot cause any significant or negative effect on the environment. The Company's business does not produce noticeable amount of CO₂, does not deal with dangerous chemical substances or huge water consumption, and is not harmful to our clients in any way.
2. Nevertheless, we do our best to increase energy efficiency and promote greater environmental responsibility among our employees. We strive to correctly dispose of consumables, monitor energy saving.
3. We are able to save energy by applying virtual servers. Since 2016 we have been measuring the rate of server virtualization and set goals to increase it.
4. The Company supplements all the contracts with business partners with mutual obligations to avoid environmental damage and to comply with the principles of environmental protection: use eco-friendly technologies, meet current waste regulations, undertake initiatives to boost recycling where possible.

4. Anti-Corruption

1. Bercut adheres to transparency in business and aims at long-term tight cooperation with its partners based on anti-corruption and ethical behavior. In the IT sphere, technologies and solutions compete, and only real and unique functional advantages and quality create market demand.
2. The Company has never faced any problems or incidents related to ethical behavior.
3. A brief code of conduct contains must-follow rules for all employees who deal with clients and partners.
4. The Company supplements all the contracts with its suppliers with mutual obligations concerning anti-corruption.

5. Monitoring and evaluation in the sphere of CSR

Over the reporting period, we continued monitoring the set **target values** for some CSR indicators which we are able to measure and control and for which we defined the following target values:

- **No accidents at work** (no injuries during the reporting period and over the last 12 years). Target value: 0.
- **Minimum wage in the Company to exceed the minimum monthly wage** set out by the Russian Government **by 50% over the reporting period**. Target value: at least by 40%.
- **Increase in the rate of server virtualization by 0.35% over the reporting period**. Target value in a three-year perspective: at least by 0.3% annually.
- **No problems or incidents concerning ethical behavior** (none during the reporting period and ever). Target value: 0.