

CROSS-SECTORAL COMMITTEES



SAFETY, HEALTH, ENVIRONMENT & SECURITY COMMITTEE

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CLIMATE POLICY AND INTERNATIONAL COMPANIES ESG STRATEGIES

To resolve the climate change issue is one of the biggest global challenges in 21st century. The average global temperature is continuously growing due to higher CO2 and other greenhouse gas concentrations.

On the worldwide basis the regulation is focused on Paris agreement objectives. More and more countries are joining the agreement to stabilize atmospheric concentrations of greenhouse gases at a level that would prevent further dangerous anthropogenic intervention in the climate system.

A number of countries have taken or deepened initiatives. It is important to emphasize that, international corporations have continued working on implementation of their commitments to reduce their or, at times, their suppliers' emissions. As a consequence, climate professionals are experiencing a

substantial uptake of work and expect that demand will also increase soon.

Green "wake up" is also subject to the Russian national interest.

In October 2021 the Russian government has approved a long-awaited Low-carbon development strategy 2050 which constitutes a basis for a further social-economic development of the Russian Federation and establishes a set of measures that allows Russia to reach carbon neutrality by 2060 with sustainable economic growth.

Today responsible business highlights the key role of ESG to achieve more sustainable and resilient future.

The implementation of ESG principles in Russia and worldwide has already altered investing significantly. Investors are increasingly focused on how business compensate for the



damage to the environment caused by companies' activities, how companies take care of their employees and clients, and how to improve the quality of corporate governance.

The greenhouse-gas emissions reduction pointed out as a key issue on the way to greener future globally.

St. Petersburg International Gas Forum, Russian energy week, Verona International Forum, COP 26 - it is hard to imagine international event without discussion on energy transition and the green economy.

RECOMMENDATIONS

- › It is recommended to speed up legislative efforts so as to facilitate participation of Russian business in international carbon markets. We strongly believe that the more comprehensive legislation is, the more Russian business will be able to take advantage of regulations, including at an international level.
- › General expectations in global climate regulation include better carbon trade regulation, greater ambition towards 1.5 degree scenario, bigger climate sponsorship, more balanced roadmap.

INFORMATION AND CYBER SECURITY

According to various surveys, in 2022 corporate spending on cyber security will exceed USD 60 billion.

In the past few years, the highly relevant topic of cyber threats and the protection against them has topped the agenda for private and public companies around the world. This was prompted by an increase in the number of attacks by the so-called ransomware programs.

According to the Ransomware report of May 2021, known cryptocurrency ransomware payments in the United States rose to USD 400 million in 2020, and reached USD 81 million in the first five months of 2021. The authors of the report rightly believe that the actual payment amounts are substantially higher. The reason for this latency is the fact that payments to ransomware attackers do not only carry huge reputational risks but also pose a serious risk of sanctions for the companies choosing to pay ransoms. Moreover, the total amount of known payments has increased five-fold, on average. It is known that significant part of ransomware attacks were initiated from the post-Soviet space. Each time, such attacks follow more complex scenarios. The most well-known cases are those of Garmin, Acer, CPC, Bombardier, Honda, Enel and many others.

Money received by cyber-criminal gangs is mostly cashed through various semi-legal or illegal exchanges, as well as through the gambling industry.

Cyber criminals also sell access to various victim companies through online exchanges. This is business which does indeed involve serious money.

The cyber security market grew by over 40% in 2020-2021.

There are several reasons. Firstly, the relevance of cyber security has changed dramatically. Secondly, many companies are modernizing cyber security by introducing modern solutions. Thirdly, companies have a different approach to budgeting IT and cyber security.

Often, attacks are not made directly on large companies, but on smaller companies which are part of the supply chain for large businesses and are significantly more exposed.

Social engineering techniques are becoming more complex, as the number of attacks on online conferencing and remote access software is on the increase.

RECOMMENDATIONS

- › Understanding how the digital infrastructure is established within the company (technically and procedurally).
- › User identification control, for example, using multi-factor authentication and different passwords for different services.
- › Regular external audits for evaluating IT infrastructure resilience (penetration testing, etc.).
- › Implementation of monitoring systems to track threats – creating a new type of SOC.
- › Data backup. It will allow to recover from an attack of any type and level of complexity quickly.
- › Staff who are professionally involved in and responsible for IT and information security within the company.

HEALTH AND SAFETY ASPECTS DUE TO COVID-19 PANDEMIC

With the COVID-19 crisis having impacted most of this year's business activity and still looming over the coming year is a significant factor to reckon with.

While Government authorities are implementing new COVID-19 restrictions the employers are searching for better ways to organize the workforce. At the same time, employees are facing with huge stress being forced to stay at home and then invited to come back to the offices. This process affects the workforce wellbeing as a result.

Working from home during COVID-19 means spending a lot of time on video meeting applications and having to cope with unforeseen challenges such as rethink connectivity, manage remotely, keep work teams engaged and motivated while ensuring continued performance and quality of work and achieve a balance between work and home.

In 2021 AEB launched a COVID-19 mental health and workforce wellbeing impact survey.

The survey showed valuable inputs: 76.8% of employers admitted the negative impact on employees' mental health. 65.2% noticed that COVID-19 had affected the general well-being of employees. Self-isolation, travel and leisure restrictions, work overload and school disclosure are among the biggest challenges employees had to face in relation to COVID-19.

RECOMMENDATIONS

- ▶ Continue to keep a narrow focus on related COVID-19 issues and their impact on H&S in the workplace. In the framework of AEB - H&S Subcommittee together with HR Committee will pursue a joint agenda looking at the risks and the studied impact on mental health on employee's well-being, given a more specific room for preventative strategies, assisting workplaces to combat the fallout from COVID-19.
- ▶ The specific attention should go to further analyze the data collected through the AEB survey in the fall of 2021 and any conclusions in terms of actionable interventions and support services.
- ▶ Integrate HR strategies into the upcoming changes in the process of work, employability, application of strict sanitary rules and how to create a safe and secure work environment, embracing opportunities of remote work organization where it is possible.
- ▶ Further cooperation with regulatory bodies, offering interpretation of the regulatory framework conditions and how those will impact the organization of work and with that the safety and well-being of individual work groups.
- ▶ It is important to share experiences from constituents (models of good practice) aiming at a broader array of such experiences and what can be learned to moderate the impact on organizational and individual well-being.



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Committee page**