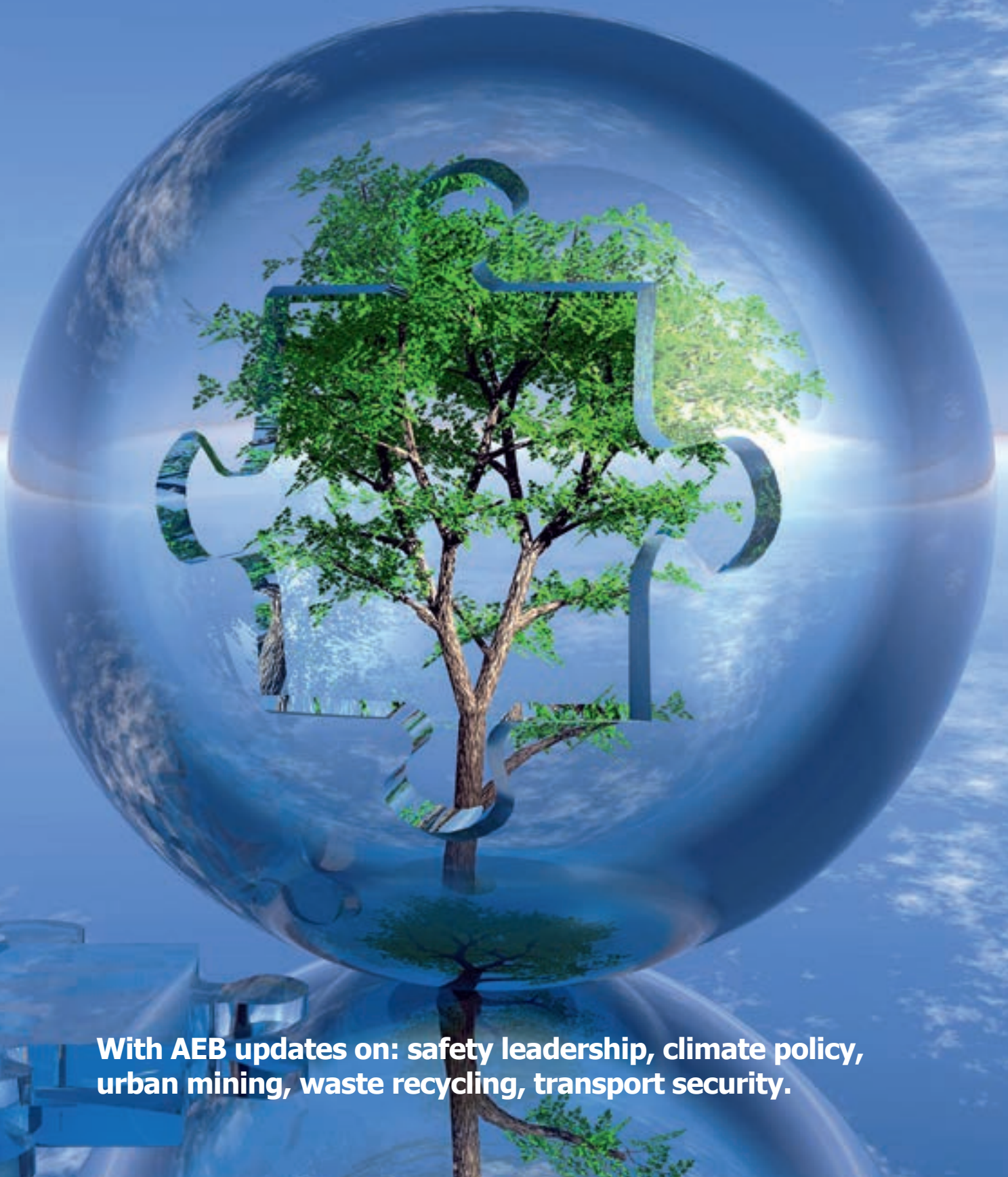




CONNECTIVE. INFORMATIVE. EFFECTIVE.

## **Safety, Health, Environment & Security**



**With AEB updates on: safety leadership, climate policy, urban mining, waste recycling, transport security.**

**Dear readers,**

Welcome to the Autumn 2018 Business Quarterly!

We commence a new business season with a publication related to the safety, health, environment and security (SHES) issues. There is no need to elaborate on the utmost significance of this topic—it speaks for itself. SHES problems affect each of us in various ways, and we should strive to take appropriate measures to tackle them.

Nowadays, more and more businesses have to be engaged into development of up-to-date technologies and innovative solutions to address a myriad of safety, health, environment and security issues.

The articles included in the magazine cover a broad range of SHES topics. To be more specific, they explore the evolution of the safety leadership concept, study companies' investment in safety as a way to increase productivity, review the benefits of behaviour based safety approach to be used at workplaces, analyse new digital tools enhancing industrial production management, and scrutinise legal aspects of medical inspections for employees.

Another bunch of articles provides extra insight into specifically environmental matters. The authors grab readers' attention by introducing the notion of urban mining, describe selection criteria of electronics waste recyclers, and reflect on trends in the climate change policy with regard to the Paris and the Kyoto Agreements.

A separate article deals with security challenges within the transportation industry and cargo theft in particular.

I would like to express genuine gratitude to the members of the AEB Safety, Health, Environment & Security Committee for their efforts invested in the publication. I hope it will be an impressive read!

As always, the magazine comprises news items covering the AEB most recent events and Committees' activities. Likewise, updates by member companies are shared. Traditionally, information about new members which joined the AEB this summer is provided. I am pleased to welcome new member companies on board and look forward to a fruitful cooperation.

Enjoy your reading!

**Frank Schauff**

Chief Executive Officer,  
Association of European Businesses

**Dear readers,**

It is my pleasure to introduce the third edition of the Business Quarterly magazine dedicated to safety, health, environment and security (SHES) issues.

The world is changing. Protectionism, trade wars, unfair competition, sanctions, and geopolitics are becoming the main drivers of decision-making in the international arena, which has a clear impact on economic development and business growth. It also has an impact on the decisions that countries and businesses are making in the space of SHES.

For example, such essential aspects of longer-term societal development like the circular economy—including urban mining, which is an environmentally responsible, economically viable, and profit-making market niche—are getting lower priority or limited attention in the current environment. Recent developments in the climate policy agenda, including the US withdrawal from the Paris Agreement and slow or no action from the side of the main emitters, just re-confirm how quickly priorities are shifting in the turbulence of the modern world. On the other hand, those foreign companies which are still underinvesting in safety and environment and thus demonstrate a negative track record in the area of fatalities, serious injuries, and pollution are becoming increasingly scrutinized by governments, and are vulnerably exposed to losing their “license to operate” in a region or state of presence in case if their SHES performance does not improve—which is sometimes used as a competitive advantage by national companies which operate under different “rules of play”.

This edition of Business Quarterly magazine covers a selection of the aforementioned and other topics within the context of the mission of the AEB SHES Committee—which is to promote initiatives towards a more sustainable and responsible business, sharing best international practice and standards within this sphere among companies operating in Russia, informing member companies of the AEB on the current state of affairs and proposed regulatory changes, while enhancing the exchange of information between European and Russian business through a common platform.

On this note, I wish you a pleasant reading.

Yours sincerely,

**Valery Kucherov**

Chairman of the AEB Safety, Health, Environment & Security Committee,  
Partner, ERM



# AEB BUSINESS QUARTERLY, Autumn 2018

## Safety, Health, Environment & Security

### Maximizing the value of your investment in safety: opportunities and challenges

VALERY KUCHEROV, Chairman of the AEB Safety, Health, Environment & Security Committee; Partner, ERM  
IVAN IVANOV, Principal Consultant, Safety Services, ERM **4**

### Safety leadership: Q&A with David Campbell, BP Russia President

DAVID CAMPBELL, BP Russia President **7**

### Behaviour Based Safety and what it means for business

KONSTANTIN VON VIETINGHOFF-SCHEEL, Chairman of the AEB Health & Safety Subcommittee; Managing Director, Corporate Counselling Services **10**

### Operational safety in digital era of Industry 4.0

VLADISLAV GORBACHEV, Senior Manager, Risk Consulting Corporate Governance and Sustainability Group, JSC KPMG **12**

### Should the white collars undergo obligatory medical examinations?

EKATERINA ALEXANDROVA, Associate, Castrén & Snellman International Ltd **15**

### Urban mining in Russia

DMITRY SOROKIN, Chief Ecologist, Ecopolis Corporation  
VITALY KASLIVTSEV, Head of Marketing, Ecopolis Corporation **18**

### Extended Producer Responsibility. Rules for selection of electronics waste recyclers

PAVEL RUDYAKOV, Technical Regulation Manager CIS, Samsung Electronics **20**



p. 7

Safety leadership: evolution of the concept



p. 12

A digital solution to modify industrial production management



p. 22

Update on initiatives to reduce emissions

**Update on climate change policy**  
 MAX GUTBROD, Chairman of the AEB Climate Policy Working Group; Partner, Baker McKenzie **22**

**Cargo crime dynamics in Russia: general overview and response**  
 ILYA SMOLENTSEV, Supply Chain Security Expert  
 DMITRY BUDANOV, Chairman of the AEB Security Subcommittee; CEO, Elite Security Group **24**

**AEB updates**

**AEB news** **28**  
**AEB Committees updates** **32**  
**Member news** **40**  
**Appointments** **42**  
**New members** **43**



**р. 30**  
 Meeting with Elvira Nabiullina, Governor of the Central Bank of Russia



**р. 30**  
 Meeting by Alexander Shokhin and Johan Vanderplaetse



**р. 29**  
 XV AEB Jubilee Flagship Conference



**р. 31**  
 AEB co-organised International Moscow Automotive Forum

**Publication name/Наименование издания:** AEB Business Quarterly (Ежеквартальное деловое издание АССОЦИАЦИИ ЕВРОПЕЙСКОГО БИЗНЕСА)  
**Published by/Учредитель:** Non-profit making partnership "Association of European Businesses"/Некоммерческое партнерство "АССОЦИАЦИЯ ЕВРОПЕЙСКОГО БИЗНЕСА"  
**Chief Editor/Главный редактор:** Y.S. Melnikova/Мельникова Ю.С.  
**Publication volume and number/**

**Номер выпуска:** 03, 2018  
**Release date/Дата выхода:** 30 September 2018/30 сентября 2018 г.  
**Circulation/Тираж:** 16,000 copies/16,000 экз.  
**Cost/Цена:** Distributed free of charge/ Бесплатно

**Publisher's address/ Адрес издателя, редакции:** 16, bld. 3, Krasno proletarskaya str., 127473, Moscow, Russia/Россия, 127473, г. Москва, ул. Краснопролетарская, д. 16, стр. 3

The "AEB Business Quarterly" is registered with The Federal Service for Supervision of Legislation in Mass Communications and Protection of Cultural Heritage, Certificate registration ПИ № ФС77-24457/ СММ "АССОЦИАЦИЯ ЕВРОПЕЙСКОГО БИЗНЕСА: Ежеквартальное деловое издание" зарегистрировано в Федеральной службе по надзору за соблюдением законодательства в сфере массовых коммуникаций и охране культурного наследия. Свидетельство о регистрации ПИ № ФС77-24457 от 23 мая 2006 года. The opinions and comments expressed here are those of the authors and do not necessarily reflect those of the Non-profit making partnership "Association of European Businesses"/ Мнения/комментарии авторов могут не совпадать с мнениями/комментариями учредителя публикации, Некоммерческого партнерства "АССОЦИАЦИЯ ЕВРОПЕЙСКОГО БИЗНЕСА".

The information in this publication is not exhaustive. While all reasonable care has been taken to prepare it, the Association of European Businesses accepts no responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on it/ Информация в данном издании не является исчерпывающей. Несмотря на то, что были предприняты все меры предосторожности при ее подготовке, Ассоциация европейского бизнеса не несет ответственности за наличие возможных ошибок, допущенных по невнимательности или другим причинам, а также за любой вред, понесенный любым лицом, которое будет руководствоваться данной информацией.

# Maximizing the value of your investment in safety: opportunities and challenges



**VALERY KUCHEROV**

Chairman of the AEB Safety, Health, Environment & Security Committee; Partner, ERM



**IVAN IVANOV**

Principal Consultant, Safety Services, ERM

Most companies have implemented the essential elements of an HSE management system. However, it is very common, that everyone in the company from the top management to frontline personnel instinctively understands that the rituals and routines of a typical HSE management system are literally out of date. As a manager, how many times have you been distracted by pointless safety inspections the main result of which was a tick box on your scorecard? Do workers on the shop floor feel better about it? How many times people had to stop work when the manager came on the shop floor—in order to hide real prob-

lems that everyone was afraid to talk about. Is there a way to break this circle? Or, should we wait when another fatality, life-changing event or even a catastrophic event occurs?

Many companies have even started the journey to improve HSE management system after implementing basic measures. Most organisations have gone through numerous safety auditing programmes, moving HSE function from one manager to another, implementing new software, new policies and procedures, new safety KPIs and scorecards or new incentive systems. It feels like these traditional recipes often seem part of the problem—not the

solution—and increasing the workload on everyone makes things even worse.

According to ERM research through hundreds of interviews and projects undertaken globally, established safety processes and programmes account for as much as 20% of total labour costs. Processes and procedures naturally and quickly decay into a meaningless paperwork and tick box exercise because of repetition. As little as 40% of the resources expended on established safety processes impact behaviours and therefore performance.

In order to maximise the value of investment in safety, address most difficult safety challenges and make a step change in business performance there are three key actions that are common for each successful safety transformation path:

- **people** – emphasising the role of leaders in driving a positive safety culture and shape the awareness, competency and behaviours of the workforce;
- **process** – simplifying overly complex and bureaucratic processes that hinder the effective management of safety related risks;
- **plant** – focussing on the availability, reliability and maintainability of safety-critical equipment.

Although the above actions seem to be simple and obvious, the way



they are driven in the organisation is critically important for the success. A small mistake may ruin the whole effort. Below, we shall look at how to avoid the most typical mistakes and pitfalls on the way to a new level of safety performance.

### People: emphasising the role of leaders

The first action is to emphasise the role of leaders and get as many followers as possible. Without everyone's commitment to safety no processes and procedures can be changed. People just ignore change and hinder the change in the organisation. The most typical solution here would be to deploy a safety leadership training programme aimed at everyone's engagement in safety. Most companies

overspend or spend poorly, so they do not get their return on investment in safety leadership training programmes due to the following reasons:

- overspend on buying a name brand;
- buying pretty details ("bells and whistles"), i.e. style of the training over retention;
- the promise to cover a lot of content in a very short period of time, i.e. volume of information over retention.

The way to maximise the return on your investment in safety is to transform the approach to training and transform training into an exciting learning experience. The biggest thing to achieve learning is to focus on the outcomes. What will be different? How will the Learners do things differ-

ently? The most desired outcome of the learning is that personnel feel how safety is integrated and connected to all other things they do every day (e.g. achieve daily production, etc.). The learning process should be focused on the learner, and how the content, delivery mechanisms, trainers/facilitators and coaches work collectively to enhance safety-related competencies.

### Process: simplifying overly complex and bureaucratic processes

Companies have thousands of procedures in place. They are however not typically comprehensive, effective or easy to use, thereby creating the conditions for life altering and life ending events. An operator at the typical chemical plant must read and

**Environmental Resources Management (ERM)** is the world's leading provider of integrated risk, environmental, health & safety (EHS), social and sustainability consulting services. ERM's global team includes more than 4,900 consultants, working across 160 offices in 40 countries. Our advice is targeted towards risk reduction, returns to the bottom line and enhanced reputation.



Реклама



We provide consulting services in:

- Safety Performance Improvement
- Risk Management
- Training Programs
- EHS Due Diligence & Auditing
- Impact Assessment & Planning
- Public Consultations & Stakeholder Engagement
- Contaminated Site Management & Remediation
- Digital Information Solutions
- Air Quality & Climate Change
- Corporate Sustainability Strategy

#### ERM offices in Eurasia

##### ERM Moscow Office

Trekhprudny pereulok 11/13,  
 build. 3, Office 1  
 Moscow 123001  
 Russian Federation  
 T: +7 495 234 31 77  
 F: +7 495 234 31 78

##### ERM Almaty Office

86 Gogol Street  
 Almaty, 050000  
 Kazakhstan  
 T: +7 727 279 20 82  
 F: +7 727 279 20 82

#### ERM contacts in Eurasia

**Sergey Bourtsev**, Managing Partner

sergey.bourtsev@erm.com

**Valery Kucherov**, Partner

Safety & Risk Services, EMEA

valery.kucherov@erm.com

www.erm.com



Реклама



understand around 400 to 600 pages of various types of operational and safety instructions. It is not surprising that most of these documents have never been read by personnel. Due to huge amount of information, personnel selectively remember the most commonly used requirements without seeing the big picture.

In order to be successful in fatality prevention the organisation needs to shift thinking and recognise that every procedure aims to control a certain unwanted event or a hazard. New thinking must be aligned on its processes regarding major hazards and risks, their management and prevention.

As we know, serious incidents usually happen from lower frequency and higher consequence events. As a result, we have fewer opportunities to learn and less focus comparing to the events that we observe on a daily basis (e.g. lacking fire extinguisher or people not holding a handrail). The safety management system (procedures, SOPs, work instructions, programmes, etc.) must be simple and

support and reinforce proper hazard identification and risk assessment.

### Plant: focusing on safety-critical equipment

After empowering leaders and focusing the management system on critical hazards, the respective controls must be implemented. The most common mistake is that organisations may focus and overrely on lower order controls (e.g. PPEs or organisational controls) without really lowering the risk. Any significant modification of the production involving design modification is a lasting and expensive project that needs to be approved by many parties involved. With this in mind, it is much easier to implement another inspection procedure to observe the dangerous area/activity or provide additional PPE for the workers.

ERM identifies control as an act, engineered object or system (combination of act and object) intended to prevent or mitigate an unwanted event. Controls must be comprehensive, effective and easy to use—preventing conditions for life-altering and life-ending events. There are four elements to control integrity:

- **technical integrity:** people are qualified and know how to design, use, maintain and monitor controls to ensure technical integrity of the controls;
- **design integrity:** processes and infrastructure (the facility/plant/equipment/production sequence) have been designed or modified with safety in mind. There are relief valves as needed, blast walls, permanent barricades. Not everything is left to human interactions;
- **organisational integrity:** the organisation is set up to ensure that a structure with right people with the right competencies have the roles, responsibilities and accountability to keep the system working;
- **operational integrity** ensuring that the processes, equipment, infrastructure, plant are operated as per standard procedures and are not pushed outside of limits and maintenance is done on time.

All these elements are equally important. Otherwise, controls will no longer be strong, creating the opportunity for fatalities.

The most efficient companies agree that investment in safety contributes to profitability in many ways. Based on the International Labour Organization (ILO) study of 19 countries including Russia, the return on investment in health and safety was 1:2.2. Based on ERM's experience a targeted safety transformation programme results in 70-80% incident and accident reduction and high cost emergencies and fatalities can be avoided completely. Emotional involvement of employees in what they do, pride for the company and the achievements lower the workforce turnover while productivity and quality increase. |



# Safety leadership: Q&A with David Campbell, BP Russia President



**DAVID CAMPBELL**  
BP Russia President

**D**avid Campbell has more than 30 years' commercial and technical experience with AEB member company BP, across a wide range of onshore and offshore upstream operations in international locations. Here, Campbell, BP Russia President for the past four years, shares his views on safety leadership and what it means to him.

## **How would you say the approach to safety leadership has changed during your time in the oil and gas industry?**

I think in the early days hazard awareness was not what it is today. That definitely is not the case anymore. Now, we take more time to carefully think through what we are going to

do before we do it and look for ways to remove risk first.

Of course, we have recently commemorated the 30<sup>th</sup> anniversary of the Piper Alpha accident [an explosion on a North Sea platform in July 1988, which resulted in the deaths of 167 people]. This accident and the subsequent inquiry, led by Lord Cullen, brought about significant changes in the way our industry designs oil and gas platforms, the way decisions are made and how we control work. For instance, during the disaster, a nearby platform continued supplying gas to Piper because it was not given permission from onshore to stop. This has completely changed—now, the offshore installation manager has absolute authority to make those decisions.

## **What is the latest thinking on safety leadership?**

I think we are focusing more on creating a caring environment, where everyone is encouraged to look out for each other and think about the risks involved.

What is key is that this has to come from the top. Leadership is the single most important determinant in improving safety. And role modelling is really important. I give great credit to our head of global operations, Fuzzy Bitar. He leads the function that employs the most people and many work in complex and challenging operational envi-

ronments, where managing the inherent risks is of the utmost importance. BP was made up of lots of legacy companies and for a time we tolerated different standards. I think Fuzzy and his leadership team have driven a much more systematic and consistent approach and this has moved us to a different place.

## **Do you think the way people communicate has improved?**

I think so. I was deeply involved in responding to two serious helicopter accidents in the North Sea where we put counselling in place for those affected. Typically, this is a group who might not have thought they needed it, but I had some tough North Sea workers tell me they really benefited from it. I also think younger people coming in to the business are much better at opening up and talking about their concerns.

## **Is there any safety leadership advice that has stuck with you?**

Quite early on, we adopted a programme of behavioural safety conversations and provided training on how to approach and ask people about what they were doing and the risks involved. Being a typical Scottish Highlander, I was not so comfortable engaging with strangers about their work—a trait I also often encounter in Russia—but the training helped me to learn how to go to someone in a respectful way. Audits are important; they show you are serious in terms of



checking conformance. It is important that people are able to ask questions and speak up if they see something unsafe, but we must hold to account anyone who knowingly disregards the rules.

**Do you get the chance to visit sites and why is that important?**

Definitely. To be a good, effective safety leader, you have to get out there and talk to people and show you want to know where the issues are and provide support to resolve them. People need to feel the leadership as well as hear about it. And, you can be more effective because you see what is on the ground, you do not ask for the impossible.

**What would you say are the key attributes of a good safety leader?**

The most important thing is an ability to listen: good leaders listen more than they talk. And, I think people respond, in terms of discretionary effort, when they feel they are being cared for. Then, they start doing that for each other, which is more important. Visiting is also key—that visible felt leadership I mentioned. Then I would say it is about being very clear on expectations.

**Can you give examples of good safety leadership in action?**

During regular appraisals, I always discuss our values and number one is

safety. Making our core value meaningful for people is a great example of safety leadership in action. In BP, we always encourage each other to start meetings or townhalls with a safety moment.

I would also point to our partner company in Russia, Rosneft, which will run a second safety leadership conference. This two-day meeting with their whole executive team and our upstream chief executive will be speaking this year. Supporting efforts like that is important. Again, it is discretionary time spent on leadership learning and talking about our safety journey.

**In places such as Russia, BP works in joint venture partnerships. What value do you bring to that and what can you learn?**

We ask questions at board level and we have also encouraged the creation of a safety committee at an executive management level and we have run a number of workshops with colleagues in Rosneft, where we have shared our experiences on issues such as continuous improvement, safety leadership and culture, and contractor management. We have also organised safety workshops in the field.

On the other side, we get to see how another company works. Rosneft has much more experience of land-based and Arctic operations than we do and they have many more internal services—they run a drilling company, whereas we contract out that work. It gives us a valuable different perspective.

**How is technology helping to shape safety?**

So much work that used to be carried out by people can now be done with

machines. I remember divers going into barometric chambers for a week to work underwater. Now, most of that can be done by remotely operated vehicles. All our subsea equipment is maintained remotely and we have automated iron roughnecks that connect pipes in the drilling process, which was always a potentially high-risk activity. We fly drones at height to inspect difficult to access pipework and equipment instead of sending people up scaffolding. We send machines through our pipelines and use crawling inspection vehicles to go up the side of platforms, instead of peo-

ple doing it. Technology is helping to take people out of harm's way and making this industry inherently safer, particularly around inspection.

#### **How does BP build learning into its systems?**

Our Operating Management System gives us the structure on which to build our procedures, accountabilities, training and verification activities. And where our standards exceed local requirements it is often because we have learned from incidents and applied those lessons back into the business. An example is our driving

safety practice, which has evolved in recent years as we have learned. We treat it as a living document. Technology can be useful here, too, helping us to better record incidents and examples of proven practice, and helping employees to access that learning as easily as they access their music these days.

A final point is that we are not holding safety as a competitive advantage. We work with contractors and other companies and to help each other. I think the oil and gas industry has definitely improved in that regard. |





# Behaviour Based Safety and what it means for business



## KONSTANTIN VON VIETINGHOFF-SCHEEL

Chairman of the AEB Health & Safety Subcommittee; Managing Director, Corporate Counselling Services

“A man fell off a scaffolding not wearing his safety equipment adequately!” Or maybe worse: “Company got fined 100.000 USD in accident of a man falling off a scaffolding!” We all hear about situations where something has badly gone wrong and quickly someone gets pointed out as being the culprit, the person who did something which consequently caused the incident. This is a normal “cause-effect” thinking. However Behaviour Based Safety is associated with many different things from simple study of workflow processes and operational schedules resulting in guidelines for workers to follow, to offering adequate equipment enhancing safety,

protective measures to be taken used in studies of compliance and managerial strategy, improving the safety record of the organisation.

We have in certain industries since many years the “zero” tolerance, striving for accident free workplaces and often sophisticated regulations, accounting for all incidences, including the “near misses”.

Workplaces over the years have looked at the “human error” factor compared to other elements of influence making a given workplace more likely to be unsafe. In certain industries such as the energy sector a lot has been invested to develop engineering that virtually eliminates the potential for human error, creating safety standards and automatized workflow processes that keep the influence of human factor interferences to a minimum. But this is not just an issue in the energy sector. All forms of industrial processes where there is interaction between machines and humans require thorough investigation of such interfaces, going from simple “Slips, Trips and Falls” approaches to much more sophisticated learning processes.

One of the popular procedures are the so-called Root-Cause Analysis (RCA). This is a highly structured process, studying the circumstances of any incident that might have occurred. The Bow-Tie method is one of those procedures, engaging many layers of the organisation and the processes that

might have had influence on the development of an incident. Application of such procedures requires a high level of engagement and investment from the organisation and is considered a significant element in the learning process, helping to develop better preventative measures.

However human behaviour is influenced by many different elements and is often not a straight forward application of rule compliance. Organisational climate, managerial attitudes, interpersonal relations in the work environment, clarity of procedures and the like—all play their part. Further there is the fluctuation of a person’s capacity to perform. Personal factors often influence the individual’s judgement, willingness to comply with rules and role perception. Much has been written about the influence of perceived stress, conditioning a person’s ability to perform. Motivational issues or psycho-social risk factors, as it is also labelled have a significant influence on a person’s attitude and behaviour.

Occupational and organisational psychologists but also health psychologists have studied this domain extensively. Preventative measures, improving work/life balance factors are to be considered.

Changing people’s attitudes for them to engage in safety behaviour remains a significant preoccupation. Many companies have spent a lot of energy, time



and financial resources to do just this. To be successful implementing such initiatives requires distinct and calibrated measures that allow to bring about the level of positive motivation for people to fully integrate and continuously adopt the kind of mindset that is required. Positive incentives, thorough measures of accountability across the lines of hierarchies from top down through the organisation, continued educational efforts and a clear sense of the benefits for all is one of the recipes for success. This translates into open and supportive communication, a sense of “we together” and permanent reminders at all levels of attitudes that emphasise the necessary behaviours to focus on. Nothing much less will bring the financial gains and rewards organisations strive for. It still happens much too often that decision makers

Human behaviour is influenced by many different elements and is often not a straight forward application of rule compliance.

underestimate the importance of this transformational process. They see the initial cost and potential disruption this can create in the organisation. Against this they calculate their risk of getting away with not doing enough of the necessary things. What is not enough considered though to really obtain longer term positive results enhancing behavioural safety is the cultural change of the organisation. We talk in this context about creating a “Culture of Safety” and that goes hand in hand with a “Culture of Health”. Part of this clearly

comes with the creation of safer work processes, better protective measures, creating rules and guidelines for people to follow, but let us not forget the atmospheric elements, the culture of an organisation that might allow for not strictly following those rules, cutting corners, not acting on non-compliance and last but not least the motivational aspects of those who are to perform. Working on height requires a specific mindset and a positive disposition, also coming from the leadership of the work team. |

# Operational safety in digital era of Industry 4.0



**VLADISLAV GORBACHEV**

Senior Manager, Risk Consulting  
Corporate Governance and  
Sustainability Group, JSC KPMG

Industry 4.0 is a new era and a fundamentally new approach to properties and methodology of modern industrial production management, it is the ability of a modern enterprise to respond quickly to client requirements and to integrate changes into a processing chain, it is a digital solution that helps to modify production activities of an enterprise simply and effectively on the principle "right here and right now".

In a traditional industrial environment where production lines or cells are often focused on the production of a single product, safety of workers on the site is generally simple in monitoring.

Risk assessment of all aspects of work, from separate components to operator "contact point" with equipment, forms the procedure of particular step-by-step actions that should theoretically be valid till any changes are made within the entire technological process or its separate stages. Direct hazards can be easily taken into account and mitigated and workers' safety risks are prevented if all procedures are rigorously executed.

However, an enterprise guided by the principles of Industry 4.0 potentially uses more complicated set of various new technological solutions and related problems. Rapid reconfiguration of production lines in a short term including changes of tool kits, relocation and adjusting of equipment, changing rates and types of work can lead to safety problems. A significant number of production processes configurations can also lead to separate assessment of operational and occupational risks for each of them.

Nevertheless, one of the key features of Industry 4.0 is the increasing of the safety level of employees and production processes within the general safety management system of all organisation using modern IT solutions. Numerous digital solutions are now actively developing in various spheres of occupational health and safety—24/7

monitoring of the equipment safety level and employees actions at hazardous facilities, augmented and virtual reality technologies, electronic markers and tags, control of the actual time of working in harmful conditions, control of employees' health, telemedicine, etc.

For instance, digital devices installed on working sites that can reveal and inform about the operator's incorrect operation, which could be a safety risk. The most popular now are intelligent cameras that collect digital images or video materials on the working area and send it to the central control point and automatically mark any abnormal behaviour, such as entering a restricted access area. Some companies equip their technological transport and vehicles with safety monitoring devices that can immediately determine if the driver violated the speed limit or entered to an unsafe area, or was too close to critical equipment. In such cases, as a default, the driver is informed about unsafe action or the vehicle is stopped or, in case of joint work, it slows to a safe level, which allows to significantly mitigate hazardous situation.

Another example is how to deal with noise exposure on a work site. An organisation can invest in inexpensive programming noise measurement technology with specialized sensors for



online measurements of the functional state of the equipment and its noise that allows to determine technological processes with a high noise level, to assess the degree of noise influence on employees' performance and health and develop mitigation measures in accordance with obtained data.

It is no exaggeration to say that Industry 4.0 offers more opportunities for further safety enhancement due to the ability to collect Big Data in real time, rapidly assess potential risks and then act before a potential hazardous situation occurs.

The procedure for operational and occupational risk assessment involving qualified employees and experts can be supplemented with an IT module on assessment and calculation of potential risks based on digital processing of the statistical database of the tech-

nological state of equipment and machines, dataflow about accidents and incidents, identified violations and near miss. The ability of the IT system to analyse the operational dataflow and forecast potential risks, that furtherly could become a failure in the technological chain, an accident or incident, is a real opportunity to safety level enhancement and transition to proactive operational risk management for a modern enterprise.

Another aspect affecting integration and usage of digital solutions is that the automation encourages managers to assess the value of employees, as their roles become less important as executors of routine operations and are more significant in terms of their practical experience, knowledge and skills in qualitative and safe performance of work. Changes in the technology of work execution while integration of

digital solutions without accompanying strategic and cultural changes can cause more problems than it solves. Application of digital technologies on work sites will require the integration and development of new cultural norms for the integration of best practices and maintaining the necessary level of safety. In such conditions, a high level of influence is assigned to the "leaders of changes".

In the field of occupational safety, the HSE specialist should take a role of the leader, become a coordinator and consultant in the integration of digital health and safety solutions in his organisation. New IT products are developing rapidly, and HSE specialists should understand that they need more time to study, get professional help from IT specialists if necessary, which will allow them to prioritise the integration of new technologies in view





Industry 4.0 offers opportunities for safety enhancement due to the ability to collect Big Data in real time, rapidly assess potential risks and act before a potential hazardous situation occurs.

of data about operational and occupational risk, occurred incidents and received experience.

A HSE specialist should actively participate in initiating and developing a roadmap for integration digital safety solutions. The roadmap should include description of existing IT solutions in a company, ways to integrate it with the new digital safety solutions, target indicators and assess the effectiveness of implemented solutions; description of cross-functional interaction, types of

theoretical and practical training, ways to transfer knowledge and practice; a system for recording potential risks and its preventive and mitigation measures, budget calculation, etc.

Considering that the Industry 4.0 moves more and more to the integration, it is clear that no company can significantly leap alone. Safety solutions in the era of Industry 4.0 significantly depend on the ability to openly share knowledge and practices—both technically and organisationally—in the framework of

the whole process of value creation, operational and occupational risk management, uniting production companies, scientific and government organisations, specialists and managers from various industries and knowledge fields. Only through the open cooperation, ideas exchange and approaches to health and safety solutions, digital solutions of the Industry 4.0 will find their way and practical implementation.

In conclusion, it is necessary to note that the integration of digital safety solutions is a long-term investment in sustainable development and a company's success. In the nearest future leaders of the Industry 4.0 will receive an advantage and reward in the form of greater asset reliability, optimized maintenance strategy, less failure, mitigation of losses caused by accidents, greater engagement and employee loyalty. |

# Should the white collars undergo obligatory medical examinations?



**EKATERINA ALEXANDROVA**

Associate, Castrén & Snellman International Ltd

## What the Law says

Obligatory medical examinations of certain categories of employees are generally established by the Labour Code of the Russian Federation. At the first glance its wording provides for obligatory medical examinations only for employees working in harmful and/or hazardous conditions, what definitely does not seem the case when thinking of ordinary office work on PCs.

However, the list of harmful and/or hazardous factors and works approved by the Order of the Ministry of Healthcare and Social Development of the Russian Federation<sup>1</sup> (the "List") recognizes non-ionizing radiation (50% of daily working time with PC) as a harmful and/or hazardous factor. In such a case employees shall be examined by neurologist and ophthalmologist prior to employment and every two years afterwards. The presence of harmful and/or hazardous conditions is revealed during the work conditions assessment.<sup>2</sup>

Similar requirement is established by the sanitary-epidemiological legislation, namely in the Decree No. 118 of 3 June 2003 of the Chief Medical Officer of the Russian Federation. The Decree provides that employees whose daily working time with PC exceeds 50% of their working day must pass medical examinations prior and during the employment. This Decree does not specifically mention non-ionizing radiation, but refers to the procedure of conduct of obligatory medical assessments. According to this procedure, an employer must

steer for obligatory medical examinations those employees who are affected by the harmful and/or hazardous factors (as stipulated in the List), or if such affection becomes evident in the course of the work conditions assessment. At the same time, certain factors are included in the List with a comment stating that they are applied only in case they are revealed during the work conditions assessment, and some factors are not accompanied with such a reference (including working on PC).

This wording raises the question whether some of the harmful and/or hazardous factors are ipso facto harmful and/or hazardous or this should be proved during the work conditions assessment.

## The Ministry of Labour vs. the Federal Labour and Employment Service

This question became a subject of inquiry of the Federal Labour and Employment Service ("Rostrud") and the Ministry of Labour. Despite the fact that the Ministry of Labour is a superior body and coordinates the work of

<sup>1</sup> Order of the Ministry of Healthcare and Social Development of the Russian Federation No. 302n dated 12 April 2011.

<sup>2</sup> Article 13 of the Federal Law No. 426-FZ on Special Assessment of Labour Conditions dated 28 December 2013 (as amended).



Rostrud, both of them are entitled to provide guidance on the issue.

In 2015, the Ministry of Labour issued Letter No. 15-1/OOG-4397 stating that employees whose daily working time with PC exceeds 50% of their working day must pass medical examination irrespective of the results of work conditions assessment.

However, in 2017, Rostrud expressed its opposite opinion in Letter No. TZ/942-03-3. Rostrud concluded that this division of the factors between those which must be detected in the course of assessment and those which are ipso facto harmful and/or hazardous, contradicts the existing legislation (mainly the Labour Code of the Russian Federation), and all harmful and/or hazardous factors may be determined only by means of the work conditions assessment. The position of Rostrud was supported by the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing ("Rospotrebnadzor").

### Position of the Supreme Court

In November 2014, the Commercial Court for Krasnoyarsk Krai heard the case of Norilsk Nickel. Rospotrebnadzor Department for Krasnoyarsk Krai conducted the inspection and revealed that employees working with PCs had not passed medical assessments (the results of workplace attestation revealed presence of non-ionizing radiation on certain workplaces). The local department of Rospotrebnadzor issued an order to eliminate violations,

which Norilsk Nickel challenged in the Commercial Court.

The court of the appellate instance expressed its opinion that 50% of daily working time with PC automatically means the presence of non-ionizing radiation, and even if the results of the workplace condition assessment revealed no excess of the statutory

The liability for violation of the employment legislation is set out in the Russian Code of Administrative Offences and is imposed in the form of a monetary fine in the maximum amount of RUB 50,000.

allowed level of non-ionizing radiation from PCs screens, the employer must organise medical examinations for those workers who spend 50% and more of their working day with PC.

The Supreme Court of the Russian Federation supported the conclusion of the appellate instance in September 2015.<sup>3</sup>

### What to expect?

As the medical assessments are subject both to labour and sanitary-epidemiological legislation, both Rostrud and Rospotrebnadzor are entitled to conduct inspection within their respective competences. Both Rostrud and Rospotrebnadzor are authorized to conduct regular and extraordinary

inspections and charge companies and/or their officials with administrative liability. The liability for violation of the employment legislation is set out in the Russian Code of Administrative Offences and is imposed in the form of a monetary fine in the maximum amount of RUB 50,000 for companies and RUB 5,000 for companies' responsible officers (usually CEO or Head of

HR). More severe consequences may accrue for repeated violations—disqualification of CEO from one to three years.

A violation of sanitary-epidemiological legislation (if the inspection is conducted by Rospotrebnadzor) leads to administrative liability in the form of a fine in the maximum amount of RUB 20,000 or suspension of the company's activity for up to 90 days.

Rostrud has the authority to hear administrative cases on violation of employment legislation itself; however, repeated violations are subject to consideration by a court. Rospotrebnadzor is entitled to hear cases on violation of the sanitary-epidemiological

<sup>3</sup> Resolution of the Supreme Court of the Russian Federation No. 302-KG15-11278 dated 24 September 2015

legislation, but it may pass the case to a court on its own discretion.

**What to do?**

First and foremost, companies should monitor the information on scheduled inspections of Rostrud and Rospotrebnadzor in order to have time for preparation. Schedules of inspections for the following year become available on the websites of competent authorities before the December 31.

Second, companies should conduct the work conditions assessment. The work conditions assessment was introduced in 2014 and replaced the attestation of workplaces. If a company

carried out the attestation of workplaces before 2014, such an attestation is effective as the work conditions assessment and is valid for five years after the date when it was completed. Nevertheless, companies (with certain exceptions provided by the law) are obliged to complete work conditions assessment no later than on 31 January 2018.

If the assessment shows that non-ionizing radiation from PCs screens exceeds the allowed level (what seems to be a very rare occasion as modern screens do not produce such excessive levels of radiation), or that certain employees spend more than 50% of their daily worktime with the

PCs, then the company should consider organisation of medical examinations in order to eliminate possible liability.

When an assessment does not show any of the above factors, the company may rely on the positions of Rostrud and Rospotrebnadzor and expect that these bodies will consider only the results of the assessment. Still, the company should make sure that its internal regulations (internal policies/job descriptions) and/or employment agreements clearly state that the employees work under normal conditions and that they are not affected by any harmful/hazardous factors. |

# KETTING

**-Driving people / teams / organizations / results-**

VALUETAINMENT

Trainings / Masterclasses / Corporate Events / Mentorship



**Hands-on entrepreneur and intercultural expert Jeroen Ketting inspires and motivates professionals and teams to improve their leadership, communication and negotiation skills.**

**Achieve better results in:**

- ✓ Strategic thinking and Goal setting
- ✓ Communication and Presentations
- ✓ Communication between Russian branches and foreign HQs
- ✓ Leadership and Entrepreneurship
- ✓ Negotiations and Mediation

**Value Based Leadership**

- Values
- Awareness
- Skills & Character
- Vision
- Motivation
- Responsibility
- Action

**Value Based Communication**

- Clear idea and message
- Effective delivery
- Engagement of audiences
- High quality presentations

**Jeroen Ketting lives in Russia since 1994 and owns several businesses there.**

**LIGHTHOUSE**  
MANAGEMENT - TECHNOLOGIES - VALUETAINMENT



+7 (495) 980 09 79



www.ketting.com



jeroen@ketting.com

PEKTRAMA

# Urban mining in Russia



**DMITRY SOROKIN**

Chief Ecologist, Ecopolis Corporation



**VITALY KASLITSEV**

Head of Marketing, Ecopolis Corporation

**U**rban mining is a relatively new term used to denote the extraction of metals and other useful elements from used electronic and household appliances such as computers, mobile phones, office appliances and industrial equipment belonging to state-owned and commercial organisations.

Whether you live in the city or the countryside, everyone has some old equipment that has long outlived its usefulness. We hold on to electronic devices that no longer work mainly because we do not know what to do with them. Some just feel bad about parting with gadgets which they no longer use, while many have understanding that electronic waste should not simply be thrown away, because it is toxic to the environment. Appliances and devices may contain hazardous

carcinogens, mercury, radioactive and ozone-depleting substances, cadmium, lead, beryllium, synthetic oils, etc.

At the same time, even the largest conurbations have no centralized points for collecting equipment, the only exception being one-off campaigns organised by large retailers.

Organisations also have large amounts of equipment they no longer use, but which they keep for years simply to avoid the cost of getting rid of them. They might not be aware that doing so can be risky: an administrative penalty of up to RUB 250,000 may be imposed for accumulating waste in offices for over 11 months and for not monitoring how it is being accumulated.

Specialized service centres across the globe struggle to dispose of electronic

waste in an environmentally safe way. It should be noted that administrative accountability is being toughened up, while new legislative requirements for waste treatment are being introduced.

Europe and other leading global economies have long implemented a concept based on behavioural economics. It is a method, actively used in public administration, which involves "nudging" businesses and populations to behave in ways that reduce economic loss.

The closed-loop economy is a modern trend used in economic development and improvement strategies. It was referred to by the Russian President Vladimir Putin in his Orders to the Russian Government in November 2017: economic efficiency must be raised by reducing material resource losses and non-controlled burial of valuable resources.

Russia produces over 1.3 million tons of electronic waste annually. However, current recycling volumes remain very low at about 5-7%.

Urban mining in Russia has all the necessary prerequisites for active development, including growing consumption of household appliances and electronics, and their reduced life cycle.

In Q4 2018, Ecopolis Corporation is launching innovative plants in the Moscow region for electronic waste processing. Three plants will have a



full reutilization cycle, returning up to 90% of recycled waste in the form of ready-to-use products (plastic granules, ferrous and non-ferrous scrap, glass, copper wire) and extraction of up to 99% of useful metals.

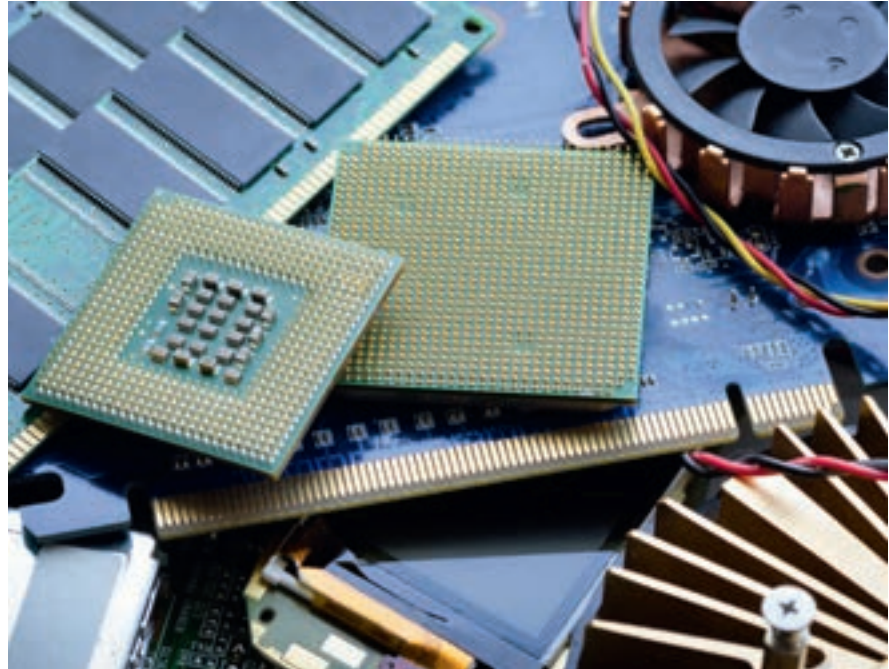
The plants were engineered and built with a focus on environmental issues. The technologies used meet Russian environmental requirements and stricter European standards.

The equipment installed at the company, including its gas treatment facilities, enables Ecopolis Corporation to produce "zero" environmental impact.

The "green" concept is currently gaining widespread popularity in Russia: environmental and awareness raising campaigns are being held, and environmental management standards are being introduced into offices for companies to enhance their image and energy efficiency.

"Any company, tenant or owner can make their office more ecologically sound," says Rashid Ismailov, Head of the Russian Environmental Community. "To start with, we should replace conventional and mercury light-bulbs with energy saving ones, reduce heat loss and water consumption, and introduce separated waste collection, including for office appliances, toner cartridges, etc. Green Office programmes help structure this work and maximise the participation of personnel from participating companies," noted the expert.

Used toner cartridges are a particular problem for offices, as their powder is explosive and disposing of them properly presents a difficult techni-



cal challenge. For this reason, there are no companies on the market that scrap them in an environmentally safe manner. The cartridge processing line launched at the Ecopolis Corporation's facility is the first in Russia to enable automatic and safe removal of powder, which can subsequently be used to produce composite materials, various types of covering, for example, while the plastics can be recycled.

The transportation of used equipment to be salvaged requires special attention. It is crucial to select and form contracts with trusted urban miners who have the necessary licenses and certificates, special equipment and trained personnel. Responsible persons are recommended in the first place to visit the production sites of the companies engaged in receiving and salvaging equipment to see that processing is being carried out using modern technological facilities and waste is not being processed manually using "barbaric" methods where the most precious and easily remov-

able materials are retained while the rest, including components hazardous to human health and environment, is simply dumped.

Professional urban mining is a complex production process using pyrometallurgical, hydrometallurgical and chemical methods to extract useful metals.

Building a processing plant requires high levels of investment, however foreign experience shows that investment alone cannot make a company dedicated to processing primary electronic waste profitable.

It requires professional recycling expertise and the launching of not just one business, but a whole production cycle using cutting-edge facilities capable of advanced processing of electronic equipment and extraction of useful elements for further recycling. Only this kind of complex approach is economically feasible on the one hand and environmentally effective on the other. ■

# Extended Producer Responsibility. Rules for selection of electronics waste recyclers



**PAVEL RUDYAKOV**

Technical Regulation Manager CIS,  
Samsung Electronics

Extended Producer Responsibility (EPR) has been implemented and the norm of recycling of 5% of sold products weight has been set for Waste of Electrical and Electronic Equipment (WEEE) since 2017. Manufacturers and importers are obliged to recycle WEEE and have already begun to actively work on the issue. The main problem faced by everyone is the absence of recyclers on the market that meet the requirements of legislation regarding EPR.

## Market realities

Despite the great number of companies recycling WEEE on the market, more

than a half of them cannot be hired to work because they do not meet the requirements of legislation regarding EPR. Many recyclers themselves often do not understand this, because they have not studied the legislation in detail, but offer their recycling services.

There are a number of requirements relating to EPR only; for example, a recycler must have a license for recycling, not for treatment. It is also important that the license should include the Federal Classification Catalogue of Waste (FCCW) codes of the electronic equipment waste into which the manufacturer's products turn.

The site of the Federal Service for Supervision of Natural Resources of the Russian Federation (Rosprirodnadzor) is the main source of information. According to its data:

- there are about 20 companies that have a license for WEEE recycling on the market;
- the majority of them are engaged in recycling of office equipment.

At the same time, it is very hard to find a recycler which, within the framework of EPR, can be engaged in the recycling of household appliances and not office equipment.

## The minimum selection criteria

The document developed by the member companies of the E-EPR association is one of the most relevant documents containing the criteria for the selection of recyclers. This document is available at the association's site, as are the links to a free training video.<sup>1</sup>

First, the license is always checked. As the law allows reporting on the recycling of analogous goods, it is necessary to analyse the list of products covered by EPR and to find out the recycling of which analogous products can be used for your items; the corresponding items must be included in the recycler's license. You must check how the recycler documents the waste management history and balance. This is done based on form 2-TP (waste), the waste management log, and agreements with contractors. After the analysis of these documents, it becomes clear if the waste has been collected, documented, and recycled correctly. Lately, Rosprirodnadzor has also strongly recommended checking for the presence of the state environmental expert analysis of the technology, waste certificate, and a number of other documents that are important, of course, but not so crucial be-

<sup>1</sup> <http://e-epr.ru/dlya-pererabotchikov/>



cause they cause problems connected with the risk of suspending the recycling activity and not with the risk of invalidation of the recycling reports.

From the point of view of reducing risks, a recent audit by Rosprirodnadzor that revealed no violations by the recycler is a positive factor.

The liability for a failure to comply with EPR, according to Federal Law No. 89-FZ, cannot be transferred to another party, so it is important to understand that, at least for the next three months after the recycling report submission, an audit can reveal a violation and the manufacturer/importer will be obliged to pay a fine in the amount of the environmental fee. The maximum period of liability is three years, therefore it is necessary to check the recycler's financial stability to be sure that, in the event of its guilt, it will be able to compensate the customer for fines imposed on it.

The recycler shall be assessed taking into account the possible risks of negative consequences. It is important to clearly separate critical consequences from others. The invalidation of the recycling certificates is the most criti-

cal negative consequence for a manufacturer/importer. Respectively, in the presence of such risks, it is necessary to develop a remedial action plan, and to not conclude an agreement until this plan has been completely implemented.

The absence of an exhaustive list of critical risks, therefore any noncompliance of a recycler with the requirements of environmental legislation is perceived as a critical risk even though, in fact, the consequence of such a risk may be insignificant, is one of the main barriers for the introduction of the EPR mechanism.

It is necessary to establish a dialogue with the supervisory agencies and to make a list of main criteria for a check of recyclers, having narrowed them down to the minimum. On the one hand, this will allow avoiding excessive requirements on recyclers and, on the other hand, will guarantee the approval of the recycling reports.

There are currently no requirements regulating the special technology of WEEE recycling applied by recyclers. The technology and equipment efficiency shall be checked first of all, to

make sure that a utilizer can recycle the stated quantities of electronics waste a year.

### Control over recycler's work

The control guarantees the actual waste recycling. Mainly, remote video control over the main points of the production process is used: waste acceptance warehouse, production line, ready material warehouse. Along with video control, field audits, the on-site measurements of the actual quantity of recycled waste in a day, is used. The control systems should be equipped with weighing equipment, which makes the process more transparent and is an additional advantage.

The control methods need to be applied altogether or separately depending on the annual quantities of recycling at the particular facilities, the nomenclature of recycled waste, and the specific features of the recycling technology. For example, a field audit will most likely not yield accurate results if it is carried out at small enterprises at which the daily recycling quantities vary considerably; in this case, it is advisable to use video control.

### Conclusion

The absence of clear criteria of recycler selection coordinated by business and supervisory agencies, as well as the large fine sanctions equal to the environmental fee if the recycling reports are invalidated, create excessive tension in the market. For this very reason, the criteria for selection of recyclers or the provisions of agreements with recycling companies may seem severe. It is necessary to discuss the criteria with the regulator and to reduce their list to a reasonable minimum. ■



# Update on climate change policy



**MAX GUTBROD**

Chairman of the AEB Climate Policy Working Group; Partner, Baker McKenzie

When, on 12 December 2015, the Paris Climate Agreement was signed, it was greeted enthusiastically because all countries in the world adhered to it, because it set a benchmark for reduction of carbon emissions so as to keep the increase in temperature to 2° or maybe even to 1.5°, but also because it had been preceded by attention catching unsuccessful attempts to agree on a continuation of what was generally referred to as the Kyoto Agreement. The Kyoto Agreement, that had been entered into in 1997, had provided for commitments relating to emissions from 2008 and, at the end of the validity of its commitment periods, in 2012, had become quite controversial as it was understood as fostering unreliable market mechanisms with many projects not actually benefitting the environment

and people seen as making money on what was also referred to as hot air, and market determined prices were lower than the prices believed to be necessary to contain climate change.

One of the most controversial issues in discussions about climate always is the level of commitment of each country. A typical, very difficult to solve line of debate tends to be that less developed countries argue they would be prevented from reaching the levels of developed countries if they were required to emission levels similar to those of developed countries. The Paris Agreement avoided this line of debate by an intricate set of self-commitments. Most importantly, all countries submitted self-commitments as to the reduction in emissions they were prepared to commit to, the so-called NDCs. Those self-commitments were not reviewed, and there is no enforcement mechanism for them, so that if countries exceed their commitments there are no established sanctions.

Another controversial issue was whether there should be an international market. On the one hand, as mentioned, markets were not popular. On the other hand, it is difficult to conceptualize an international system which provides for sanctions other than to accept market mechanisms. The Paris Agreement solved this contradiction by a vague allusion to countries being allowed to establish mechanisms among themselves, and despite its vagueness this pro-

vision was among the most controversial ones during the final negotiations in Paris. Since then, there has been a very detail oriented effort to establish such an international mechanism. Also, with China and Mexico establishing internal carbon markets, South Korea and Latin America focusing on communication of international links of those markets there appears to be a positive dynamics, which are very much supported by international institutions.

In a slightly different development and to bridge gaps in the international contractual framework, carbon emission plans for aviation and maritime transport have been introduced.

In turn, Russia had been an unhappy member of Kyoto. It had ratified the Kyoto Agreement with a view to enter into the WTO. However, Russia succeeded in acceding to the WTO substantially later than Russia had anticipated, and the EU, who had bargained Russia's Kyoto accession with acceptance of Russia's WTO accession, by raising Russian internal energy prices, was a difficult negotiating partner for Russia in the context of Russia's entry into the WTO. Rumor had it that President Putin therefore disliked the Kyoto Agreement. Whilst Russia made impressive steps to implement the regulations required for the Kyoto Agreement, bureaucratic infighting delayed the sale of emissions units until a time at which prices had dramatically fallen, also due to Ukraine having been quicker than Russia.



It would therefore hardly surprise that Russia has been participating in the Paris process in a manner which can fairly be described as reluctant. Indeed, Russia's NDC does not require bigger efforts from Russia. Moreover, throughout the process, Russia has made reference to the Russian forest potentially contributing to increasing oxygen levels. Some have understood this reference as meaning that forests should in future emit more oxygen to offset emissions, others—as a general reference to the inefficiencies in Russian forest management and yet others—as some Russian interest groups lobbying for subsidies. Russia is among the few countries not having ratified the Paris Agreement and there are different rumors on when the decision on ratification is to be made by Russia. Also, Russia, up to now, has not participated in the formation of

rules for aviation, as many other countries do.

It is not difficult to conceptualize how Russia could derive revenue from overcomplying with the not very ambitious Russian NDC. However, Russian officials seem to be less concerned with the economics, but quite interested with introducing reporting requirements.

On a more global level, events have confirmed how politically loaded an area climate change is, the US withdrawal from the Paris Agreement being a recent, Canada's withdrawal from Kyoto being an older example. The picture becomes much more differentiated considering that there are markets at the level below the states, for instance, in California and Ontario, with the later in turn being an object

of political debate. Furthermore, carbon prices have been low, with the EU reforming its market for that reason, and international institutions believing much higher prices to be required to achieve the emission reduction goals. All this clearly does not allow to be very positive about the current efforts and the introduction of market initiative. At the same time, there very simply is no alternative to the market approach. Given the speed of changes in cost of energy reduction and the diversity of projects around the world, agility of allocation of capital is highly desirable and only possibly achievable through market mechanisms. In particular if market prices increase and reporting obligations are being implemented, it will be advantageous for Russian companies if Russia ratifies the Paris Agreement and actively participates in emissions reductions initiatives. ■

# Cargo crime dynamics in Russia: general overview and response



**ILYA SMOLENTSEV**  
Supply Chain Security Expert



**DMITRY BUDANOV**  
Chairman of the AEB Security Subcommittee; CEO, Elite Security Group

## Market trends and official statistics

According to BusinesStat, in 2017 the size of the Russian commercial road transport market increased by 14.6% and amounted to 733.2 billion roubles (EUR 10,2 billion). The rate of increase in this indicator in 2017 was twice as high as in 2016. The increase in the turnover of commercial trucking is associated with the general growth of local manufacturing and industrial consumption in Russia as well as increasing regional cooperation within the Eurasian Economic Union (EAEU).

Rail and truck modalities continue to prevail in the Russian cargo infrastructure. Commercial turnover of cargo transport in Russia in 2017 amounted

to 130.9 billion ton/km, which exceeded the level of 2016 by 6.4%. The trucking industry is very sensitive to the state of the real sector of the economy. Since the beginning of 2017, there is a process of increasing demand for transportation. This is due to some recovery of the country's economy and the adaptation of business to new conditions under the current sanctions regime.

According to some recent studies and interviews with logistics providers and manufacturers in Russia—despite the general upward trend in transportation sector, issues arise in all areas of the supply chain—planning, sourcing, production, distribution, reverse flows, and security. Surely, the latter requires close specialist's attention.

Cargo theft is one of the permanent risks in Russia that needs addressing at both the government and corporate levels. As widely accepted by the industry experts, major risks are official's corruption, negligence of suppliers to the baseline security precautions, traditional cargo theft (mainly fraud and internal theft) and various types of supply chain disruptions caused by a complex and controversial industry regulation. Clearly, to fully recognise the scope of the problem, one needs trustful statistical information that can be analysed in different ways. Unfortunately, nowadays there is no unique and reliable source of this data in the country.

Despite lack of consistent and meaningful data on freight losses in Russia, it is relatively easy to identify two key trends in official country's cargo crime dynamics: year-on-year decrease of officially reported freight crime; and relatively low level of violence utilized by offenders. Both trends are questionable and do not give the full magnitude of the picture due to a biased approach used in preparation of those numbers and lack of specific details on criminal modus operandi. Generally, the freight crime continues to be underreported partially due to reluctant attitude of the manufacturers and freight forwarders to report offences and general lack of confidence and trust in Russian Law Enforcement's capability to effectively respond and investigate cargo theft.



### Information sources and targeted commodities

Nevertheless, in recent years the international industry and research organisations, as well as local initiatives became active to know the true picture of cargo theft issue in Russia. One of them—Transported Assets Protection Association (TAPA)—in its 2017 Annual Report included Russia in the Top 10 countries effectively reporting cargo incidents with the total

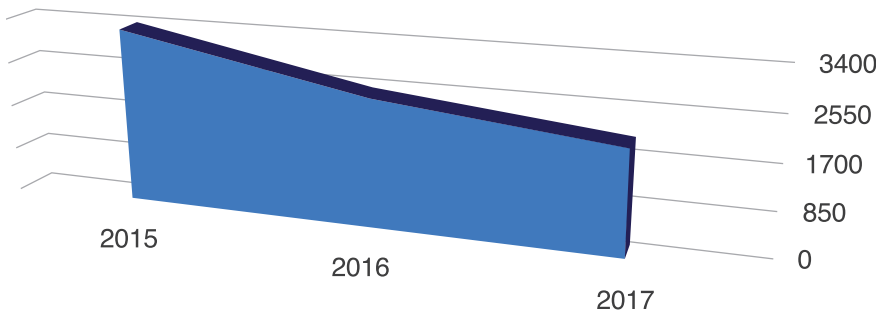
the loads and disappear, as a general crime trend for the country.

According to the IIS report, fraud was the biggest risk to the supply chains in Russia in 2017. In the majority of the 15 or 34% of crimes involving fraud, products that had been picked up simply did not arrive at their destination and, presumably, the individuals or bogus companies assigned to make these deliveries subsequently vanished with-

Geographically, the Central Russia was the region with the highest number of product losses, with 22 or 50% of the annual total, well ahead of the Volga region, which was the scene of a further eight freight thefts. The top five products targeted by cargo thieves were: food and drink – 9 incidents; tobacco – 4; tools/building materials – 3; metal – 2; no load (theft of truck and/or trailer) – 2.

The most frequent criminal modus operandi in Russia remains fraud. Although violence and hijacking are still used, the general lack of security awareness amongst manufacturers, shippers and carriers provides good ground for organised crime to use less violent techniques like fraudulent pick-ups, diverting cargo to “prepared” facilities, falsified paperwork or fictitious carriers, traditional theft in the parking lots and moving theft. Open violent attacks on truck drivers to seize the full loads are rarely reported through both channels—the official statistics and independent data sources. According to the police

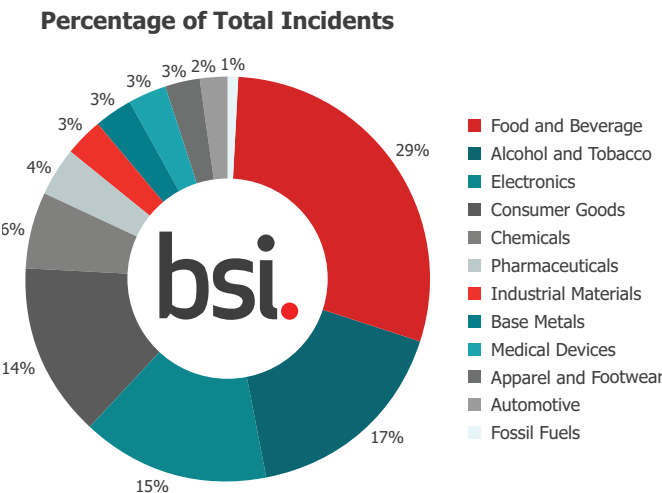
Official Statistics on Cargo Theft in Russia, 2015-2017



44 incidents reported. In its analysis, the Incident Information System (IIS) identified a growing number of crimes involving bogus transport companies that use fake identification to pick up

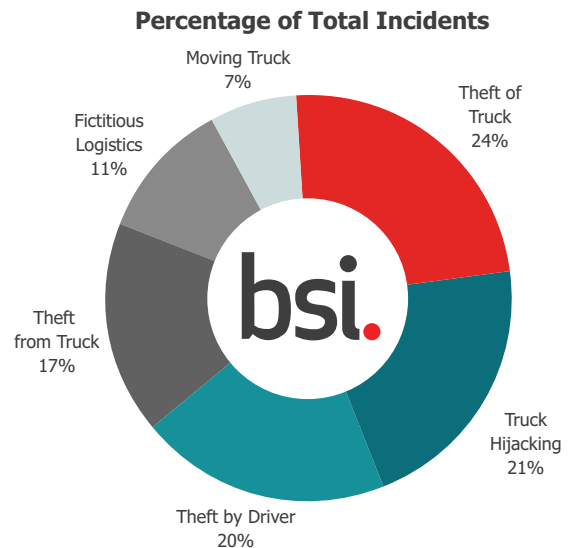
out trace. In addition to cases of fraud, incidents involving Theft of Vehicle, Theft from Trailer, Theft from Vehicle and Hijacking accounted for a further 27 or 61.3% of crimes accordingly.

### Cargo Theft in Russia by Industry Value Loss



Source: BSI SCREEN Report: Russia, June 4, 2018

### Cargo Truck Theft in Russia by Type



Source: BSI SCREEN Report: Russia, June 4, 2018

# RUSSIA 2017

**MOST RECORDED TYPE OF INCIDENT**  
 **FRAUD - 15 OR 34% OF ANNUAL TOTAL**



**ALL INCIDENTS**

Fraud	15 (34%)
Theft of Vehicle	11 (25%)
Theft from Trailer	7 (15.9%)
Theft from Vehicle	7 (15.9%)
Hijacking	2 (4.6%)
Theft from Container	1 (2.3%)
Unknown	1 (2.3%)

**40.5% OF ALL CASES INVOLVING FRAUD IN THE EMEA REGION IN 2017 WERE REPORTED IN RUSSIA**

**BIGGEST SINGLE LOSS: €112,000**

...

**MODUS OPERANDI USED IN MOST CARGO THEFTS: DECEPTION OTHER - 17 OR 38.6% OF TOTAL**

Deception Other	17 (38.6%)
Internal	11 (25%)
Intrusion	9 (20.5%)
Unknown	5 (11.3%)
Theft from Moving Vehicle	1 (2.3%)
Violent & Threat with Violence	1 (2.3%)

**NUMBER OF MAJOR LOSSES IN EXCESS OF €100,000**  
**1**  
 -75% vs 2016 total

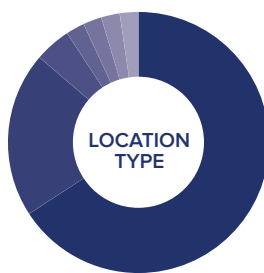
**TOTAL NUMBER OF INCIDENTS IN 2017**  
**44**  
 VS. = 2016 TOTAL OF 62  
 = % CHANGE YEAR-ON-YEAR -29%

**NUMBER & % OF CRIMES WITH A LOSS VALUE**  
**12**  
 = 27.2%

**TOTAL VALUE OF INCIDENTS REPORTING A LOSS VALUE**  
**€432,800**

**AVERAGE LOSS FOR 2017 BASED ON CARGO THEFTS WITH A VALUE**  
**€36,066**

**MOST REPORTED TYPE OF LOCATION**  
 **EN ROUTE - 29 OR 65.8% OF TOTAL**



**ALL INCIDENTS**

En Route	29 (65.8%)
Unsecured Parking	9 (20.5%)
Secured Parking	2 (4.5%)
Destination Facility	1 (2.3%)
Railway Operation Facility	1 (2.3%)
Road Transportation Facility	1 (2.3%)
Unknown	1 (2.3%)

**20.5% OF THEFTS IN 2017 SAW THIEVES TARGET FOOD & DRINK PRODUCTS**

Source: "Cargo crime acceleration", Incident Information Service (IIS), Annual Report 2017

data the average number of hijackings and robberies in Russia vary from 300 to 400 per year (comparing to Italy with 2000 annually).

## Industry challenges and response

To address these challenges many industry players simply do nothing or transfer their risks buying relatively cheap insurance, which in fact, does not cover the risks of sophisticated freight fraud. Another issue is multiple subcontracting of freight orders. In an effort to cut cost and find the cheapest truck, forwarders outsource jobs to small carriers called "individual entrepreneurs", i.e. drivers that own the truck. This "affordable" type of transportation services constitutes up to 80% of the Russian freight market.

Frequently orders are subcontracted several tiers down the chain which creates the opportunity for organised crime to easily interfere and succeed. One level of subcontracting should be the key criteria in selecting the logistics service provider.

Although the volume of cargo moved in trucks grows, continuous cost reduction on the manufacturers and shippers side have virtually "killed" any initiative in the industry to create culture of a responsible, certified supplier. That is why armed security escorts for high value goods are still widely applied and wrongly considered to be efficient, instead of having a robust selection and vetting process for the carrier. The result is that very few companies currently use technological solutions like

GPS-tracking or additional trailer doors locking to protect cargo.

Building supply chain security principles starts with putting your security requirements for the carrier, translating these requirements through a tender process to the suppliers, auditing them and constantly monitoring the compliance. Currently in Russia, there are technologies and monitoring services that are capable to meet most of the TAPA requirements, which serves as the industry "Best practice" in a supply chain security domain. Raising security awareness amongst the transportation industry and the manufacturers should be the key priority for regulators, professional associations and business initiatives which fortunately started to take shape recently in Russia. ■



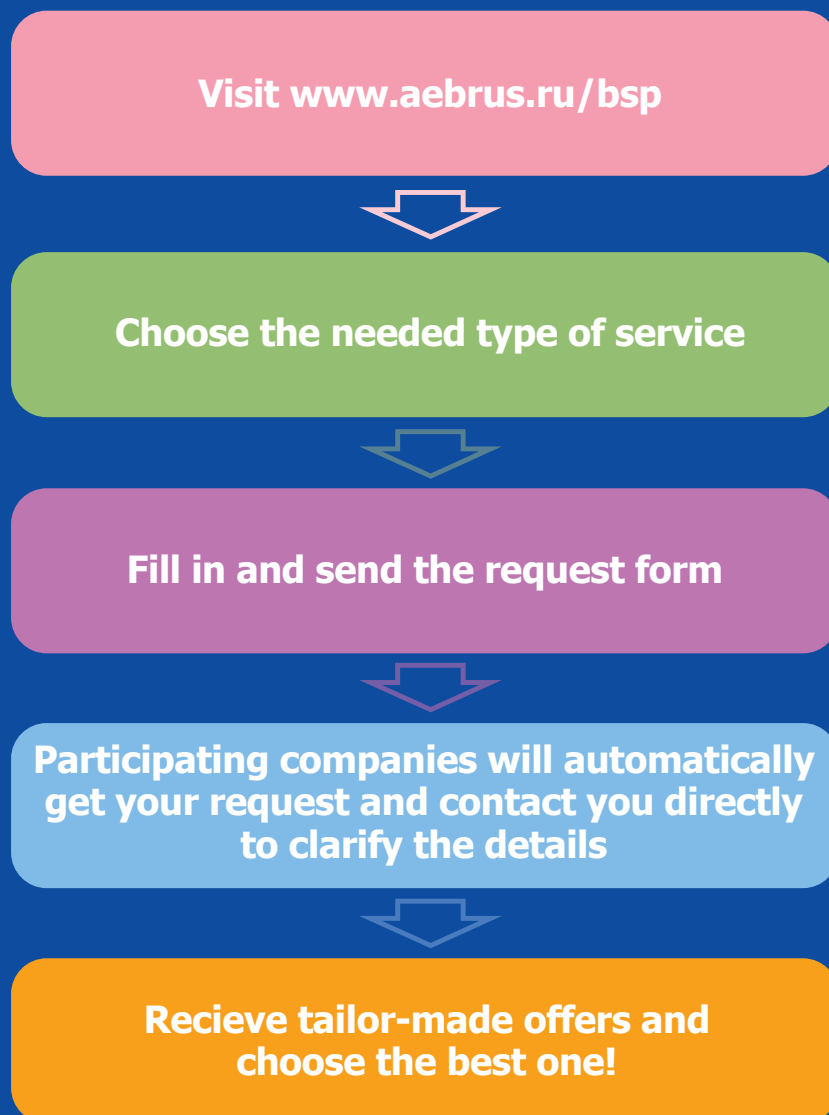
# AEB Business Services Platform

## What is the Business Services Platform (BSP)?

The platform BSP is a webpage where a potential client can request a quotation for different types of services (legal, consulting, auditing, etc.) from AEB member companies by filling in a short form at the AEB website.

## How it works?

The request is automatically forwarded to a number of companies from the pool of service providers. The request is processed by the BSP participating companies — they contact the potential client, clarify all the details and then he/she receives a number of offers and chooses the one that best meets his or her requirements.



## Contacts

To join the BSP-pool please contact **Elena Kabysh**: +7 495 234 27 64, ext. 126 or [bsp@aebrus.ru](mailto:bsp@aebrus.ru).



# AEB News



**Rene Pischel**, Head of the Permanent Mission of the European Space Agency in the Russian Federation

## Chairman of the AEB Auditing Commission elected

On 14 August 2018, members of the AEB Auditing Commission elected Rene Pischel, Head, Permanent Mission of the European Space Agency in the Russian Federation, as Chairman of the Auditing Commission.

The AEB Auditing Commission supervises the AEB's financial activities and internal

procedures. The Chairman of the Commission reports to the Chairman of the AEB Board on a regular basis.

Alexander Chesnykh from FinExpertiza and Igor Bruevich from KWS RUS LLC are members of the Auditing Commission.



CLAAS Field Day in Efimzevo village (the photo was submitted by CLAAS)

## AEB participated in CLAAS Field Day

On 6 June 2018, CLAAS company which is well-known for its agricultural machinery, organised its Field Day in Efimzevo village of the Kaluga region. The event brought together guests from many Russian regions.

The official ceremony was opened by Bernd Ludwig, General Director, CLAAS Vostok. Among the speakers were Hinrich Snell, Head of the Agricultural Department at the Em-

bassy of Germany in Moscow; Leonid Gromov, Minister of Agriculture of the Kaluga region, and others.

One of the key features of the event was the demonstration of the work of a forage harvester JAGUAR which was recognized the "Machine of the year" at the Agricultural Exhibition SIMA 2017. CLAAS team also organised CLAAS football match during which the audience enjoyed the spectacular scoring on different models of the company's tractors.



L-R: **Alexander Grushko**, Russian Deputy Minister of Foreign Affairs; **Fyodor Lukyanov**, Editor-in-Chief, "Russia in Global Affairs", Chairman of the Presidium of the Council on Foreign and Defence Policy; **Alexey Rybnikov**, Director, CIS EY Knowledge Leader; **Natalia Orlova**, Chief Economist, Alfa Bank; **Natalia Porokhova**, Head of Research & Forecasting Group, Analytical Credit Rating Agency.

### XV AEB Jubilee Flagship Conference "Priorities for the Russian economy and the European businesses"

On 20 June 2018, the AEB organised its XV Jubilee Flagship Conference "Priorities for the Russian economy and the European businesses" in AZIMUT Hotel Smolenskaya. Philippe Pegorier, Deputy Chairman of the AEB Board, President of Alstom Russia, delivered a welcome speech.

The first session was devoted to the role of Russia in the new geopolitical context. Alexey Rybnikov, Director, CIS EY Knowledge Leader, moderated the session. The participants discussed the current international environment, the Russian economy and its current challenges.

L-R: **Tatiana Mitrova**, Head of Energy Centre, Moscow School of Management SKOLKOVO; **Arnaud Le Foll**, Total Country Chair Russia and General Director, Total E&P Russie; **Ernesto Ferlenghi**, Chairman of the AEB Energy Committee, Executive Vice-President Market Development for Russia & Central Asia, Eni S.p.A; **Reiner Hartmann**, Head of Representative Office in the Russian Federation, Uniper Global Commodities SE; **Kris Sliger**, Chief Financial Officer, BP Russia.

The second session was devoted to the Russian energy sector and the prospects for its development, as well as the role of foreign investors. The session was moderated by Ernesto Ferlenghi, Executive Vice-President Market Development for Russia & Central Asia, Eni S.p.A, Chairman of the AEB Energy Committee.

The third session moderated by Frank Schauff, AEB CEO, was focused on the technological development of Russia.

Wrapping-up the conference, foreign investors stressed that they still believed in Russia's economic potential and were hopeful about the creation of appropriate conditions for doing business.







L-R: **Sergey Klinkov**, the Central Bank of Russia; **Dmitry Tulin**, the Central Bank of Russia; **Elvira Nabiullina**, the Central Bank of Russia; **Alexander Morozov**, the Central Bank of Russia; **Takhir Makhmadaliyev**, the Central Bank of Russia; **Mikhail Chaikin**, ING Wholesale Banking in Russia; **Frank Schauff**, AEB; **Mikhail Alekseev**, UniCredit Bank AO.

## Meeting with Elvira Nabiullina, Governor of the Central Bank of Russia

On 26 June 2018, the meeting between the AEB and the Central Bank of Russia was organised.

From the side of the Central Bank of Russia, Elvira Nabiullina, Governor; Dmitry Tulin, First Deputy Governor; Alexander Morozov, Director of Research and Forecasting Department; and Sergey Klinkov, Director of International Cooperation Department, took part in the meeting.

The participants from the AEB side were: Frank Schauff, AEB CEO; Mikhail Chaikin, AEB Banking Committee Chairman,

CEO, ING Wholesale Banking in Russia; Mikhail Alekseev, Chairman of the Board, UniCredit Bank AO; and Anna Tsiulina, Coordinator of the AEB Banking Committee and Insurance & Pensions Committee.

At the event, the participants discussed issues related to banking regulation, latest US sanctions, the draft law introducing criminal responsibility for complying to sanctions of foreign states, and agreed on possible areas of cooperation in the future.

## Meeting by Alexander Shokhin and Johan Vanderplaetse

On 13 July 2018, Johan Vanderplaetse, Senior Vice President, President for Russia and CIS, Schneider Electric, Chairman of the AEB Board, met with Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs (RSPP).

The discussion focused on the RSPP-AEB cooperation prospects, in particular on improving the Russian business climate, addressing trade and investment barriers, and advancing the Special Investment Contract legislation.

L-R: **Alexander Shokhin**, RSPP President; **Johan Vanderplaetse**, Chairman of the AEB Board (the photo was submitted by the RSPP).



### Event organised by the AEB sponsor company ManpowerGroup

On 19 July 2018, the AEB sponsor company ManpowerGroup organised "HR Workshop 3.0: preparing for the Labour Inspectorate visit. Outplacement 2018".

The event focused on major issues for HR Directors: preparing for the Labour Inspectorate visit, how to use checklists to your advantage and avoid penalties; practices of releasing staff; outplacement 2018; recommendations for managers and HR.

Hugh Piper, General Director of ManpowerGroup Russia & CIS, addressed the audience with an inspirational speech in which he showed that motivation was a key element for organisations to retain talents.

The AEB would like to take this opportunity to thank ManpowerGroup for its great support as the AEB sponsor company.



Hugh Piper, General Director of ManpowerGroup Russia & CIS



AEB staff at the Oriflame factory

### AEB team made a visit to Oriflame

On 24 August 2018, the AEB team attended the CETES COSMETICS factory (a group of companies Oriflame) in Noginsk, the Moscow region.

During the visit, the AEB staff enjoyed a marvelous opportunity to get an insight into the production process of decorative cosmetics. The detailed tour around the facilities which comprised assembly and packaging lines as well as a warehouse was arranged by the Oriflame employees.

After the excursion, the AEB team took part in the round table with Oleg Akilbaev, Managing Director of CETES COSMETICS Russia.

We would like to express sincere gratitude to the AEB sponsor company Oriflame for their hospitality!

### AEB co-organised International Moscow Automotive Forum (IMAF 2018)

On 28 August 2018, the AEB jointly with the international exhibition operator ITEMF Expo opened the 9<sup>th</sup> International Moscow Automotive Forum (IMAF 2018). The Forum took place at the Expocentre as a part of the MIMS Automechanika Moscow 2018 Exhibition.

This year, the main topic of the Forum was "The new stage of the automotive industry in Russia."

Frank Schauff, AEB CEO, and Michael Johannes, Vice President, Messe Frankfurt GmbH, Brand Manager, Automechanika, made the opening remarks.

The first day was devoted to innovations in the automotive industry, electric cars, and self-driving cars. Among the speakers of the plenary session were: Vyacheslav Burmistrov, Deputy Director, Department of Technical Regulation and Accreditation, EEC; Yves Caracatzanis, President, Avtovaz; Stefan Teuchert, CEO, BMW Group Russia; Alexey Volodin, Managing Director, Peugeot Citroen Rus, and others.

The second day of the Forum covered the localisation of manufacturing by purchasers and suppliers.



Frank Schauff, AEB CEO, delivering the welcome speech



# AEB COMMITTEES UPDATES

## Compliance & Ethics, Human Resources and IT & Telecom Committees



L-R: **Anastasia Petrova**, Associate, ALRUD Law Firm; **Daria Rozhkova**, Junior Lawyer on Eastern Europe countries, Syngenta; **Julia Borozdna**, Chairperson of the AEB Labour Law Subcommittee, Partner, Head of Employment and Migration Law Practice, Pepeliaev Group; **Alexey Muntyan**, Personal Data Protection & IT Security Officer, DHL Express; **Tatiana Vukolova**, Associate Partner, Röd & Partner.

On 12 July 2018, the AEB Compliance & Ethics Committee, Human Resources Committee and IT & Telecom Committee held its open event "EU General Data Protection Regulation (GDPR): implementation experience".

Regulation (EU) 2016/679, the European Union's new General Data Protection Regulation (GDPR), governs the processing of personal data by any EU party. It also addresses the transfer of personal data outside the EU and EEA areas. The GDPR aims primarily to enhance the control by citizens and residents over their personal data and at the same time to simplify the regulatory environment for international business.

The open event provided a platform for discussion of the most important challenges in the process of implementing the GDPR. The feedbacks from the companies provided useful insights into the complex and often resource-intensive process for the Regulation's implementation. The meeting illustrated numerous challenges for companies in the interaction between the GDPR and other laws and regulations (both EU and third countries), especially in domains where the co-existence of different requirements may create a conflict of organisations' legal obligations. The meeting was moderated by Julia Borozdna, Chairperson of the AEB Labour Law Subcommittee, Partner, Head of Employment and Migration Law Practice, Pepeliaev Group.

## Human Resources Committee



L-R: **Andrey Venediktov**, Senior Trainer Consultant, CBSD Thunderbird; **Olga Ilyina**, Head of Mindful Leadership, CBSD Thunderbird; **Irina Zarina**, Chairperson of the AEB Assessment, Training and Development Subcommittee, General Manager, SHL Russia & CIS; **David Gilmartin**, Chairman of the AEB Human Resources Committee, General Manager, Troika Relocations.

On 27 August 2018, the AEB Human Resources Committee held its open event entitled "Life hacks: adult's conscious learning" organised by the AEB Assessment, Training and Development Subcommittee.

The event served as a platform to discuss the following issues: key findings on learning and development trends; most productive learning behaviours, specifics of adult learning within the programme implemented by

the Federal Competency Centre on Labour Productivity; CBSD Thunderbird's approach on how to use brain capacity and to increase learning efficiency; key competencies in adult learning presented by the Beeline Corporate University.

The event was moderated by Irina Zarina, Chairperson of the AEB Assessment, Training and Development Subcommittee, General Manager, SHL Russia & CIS.

## Migration Committee

On 6 July 2018, Frank Schauff, AEB CEO, Liudmila Shiryayeva, AEB Migration Committee Chairperson, and Alexey Filipenkov, AEB Migration Committee Deputy Chairman, met with Alexander Aksenov, Deputy Head of Chief Migration Directorate, the Ministry of Internal Affairs of Russia.

Among other participants of the meeting were: Igor Dudnik, Deputy Head of the Moscow city Migration Directorate; Andrei Kostorei, Deputy Head of the Moscow region Migration Directorate, as well as other representatives of migration authorities. The meeting was devoted to the practical implementation of new rules of migration registration procedure for foreign employees in the Russian Federation, which were adopted by the Federal Law No. 163-FZ "On amendments to the Federal Law of migration registration of foreign citizens" on 27 June 2018.



Participants of the meeting

## North-Western Regional Committee



L-R: **Maxim Kalinin**, Managing Partner of the Baker McKenzie office in St. Petersburg; **Andreas Bitzi**, Chairman of the AEB North-Western Regional Committee, Director, quality partners.; **Stuart Lawson**, AEB Board Member, Chairman of the AEB Finance & Investments Committee, Senior Advisor, EY; **Andrey Gusev**, Managing Partner, BORENIUS ATTORNEYS RUSSIA; **Vladimir Efremov**, Partner, Baker McKenzie; **Vladimir Barbolin**, Partner, Banking Practice, Clifford Chance.

On 17 July 2018, the AEB North-Western Regional Committee organised an open event entitled "Sanctions: overview, risks and challenges for European companies".

The AEB members in the north-western region were able to participate in the discussion related to the most important developments in the operating environment and regulations under sanctions.

The event was moderated by Stuart Lawson, AEB Board Member and Chairman of the Finance & Investments Committee, Senior Advisor, EY, and Maxim Kalinin, Managing Partner of the Baker McKenzie office in St. Petersburg.

Among other experts who took part in the event were: Andrey Gusev, Managing Partner, BORENIUS ATTORNEYS RUSSIA; Vladimir Efremov, Partner, Baker McKenzie; and Vladimir Barbolin, Partner, Banking Practice, Clifford Chance. They shared their views on the topic and answered numerous questions raised by the audience.

The event provided a lively platform for discussion and exchange of practical experience, opinions and concerns. It was kindly hosted and supported by the Baker McKenzie office in St. Petersburg.



## Public Relations & Communications Committee



L-R: **Marina Tatarskaya**, Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia; **Xavier Emmanuelli**, founder of emergency medical service SamusocialInternational.

On 19 July 2018, the AEB Public Relations & Communications Committee organised its open meeting with Dr. Xavier Emmanuelli, founder of emergency medical service SamusocialInternational and the co-founder of Médecins sans Frontières.

At the meeting Dr. Xavier Emmanuelli delivered a presentation entitled "How to stay a human in a megapolis. Importance of social support for the most excluded: the case of SamusocialInternational".

The meeting was moderated by Marina Tatarskaya, Chairperson of the AEB Public Relations & Communications Committee, PR Director, Ferrero Russia.

In his speech, Dr. Emmanuelli appealed to the topic of humanism. He stressed the interdependence of social stratification and social exclusion, interconnection of poverty and homelessness.

Being a huge megapolis, Moscow demonstrates a high degree of social stratification. The employees of SamusocialMoskva face the same challenges as their French counterparts: to win the trust of the homeless, to conduct an inspection, to identify deviations, and then to send them to one of the equipped centres. The Moscow office of Samusocial is experiencing difficulties in obtaining government subsidies and is funded exclusively through private donations.

The participants of the meeting discussed the approaches to the problem of social exclusion in the Russian society, measures taken in this respect at the governmental level, operating organisations providing a systematic approach to tackle this issue.

## Safety, Health, Environment & Security Committee

On 27 June 2018, the AEB Safety, Health, Environment & Security Committee held a round table meeting entitled "Fire safety: prevention and tips".

The event was moderated by Konstantin von Vietinghoff-Scheel, Chairman of the Health & Safety Subcommittee.

Tatyana Konovaltseva, Head of Design and Technical Support Department, Rockwool Russia; Vladimir Grachev, Risk Engineer, Zurich; Vadim Vychigin, expert in fire safety area, and Stanislava Kinach, H&S consultant, spoke about the fire safety legislative framework as well as practical tips for fire safety in construction industry and risk engineering.



**Vladimir Grachev**, Risk Engineer, Zurich



## Southern Regional Committee



L-R: **Juliana Perederiy**, AEB; **Diana Lipinskaya**, Center-invest Bank; **Alexander Polidi**, Public Chamber of the Krasnodar region; **Oleg Zharko**, Chairman of the AEB Southern Regional Committee; **Vladislav Varshavskiy**, Agency of Investments and International Cooperation; **Igor Brener**, Cargill.

On 7 June 2018, the HR conference “Sustainable development of territories: modern requirements for human capital management” was organised.

The conference was held in the framework of the programme “Time for new strategies 2018”, co-organised by the Public Chamber of the Krasnodar region, the AEB Southern Regional Committee, Association “Agency for investment and international cooperation” and the Russian-English social and political weekly “Yug Times”.

The conference brought together HR heads of Russian and foreign companies, heads of recruitment agencies, representatives of the Department of Investment, the Ministry of Education of the Krasnodar region administration, higher educational institutions. It aimed to discuss the possibility of improving human capital in the Krasnodar region.

Igor Brener, Client HR Manager CASC EMEA Russia & Ukraine, Deputy Chairman of the AEB Southern Regional Committee and Chairman of the HR Subcommittee, acted

as a moderator of the conference. He pointed out that such a conference was held by the AEB Southern Regional Committee in Krasnodar for the 10<sup>th</sup> time.

Among the members of the Presidium were: Oleg Zharko, Chairman of the AEB Southern Regional Committee, Regional Corporate Affairs Director, Group of Companies Danone in Russia; Alexander Polidi, Chairman of the Commission on economy, industrial and agro-industrial sector, complex development of rural areas, support for small and medium-sized businesses of the Public Chamber of the Krasnodar region.

The conference participants discussed current trends and best practices in the field of HR management, activities for professional orientation for school students, and the interaction of business with secondary and higher education institutions, as well as the issues of improving the quality of human capital in the Krasnodar region as a whole.



Representatives of the Kuban State University (at the top of the table) and other participants of the round table

On 13 June 2018, the member companies of the AEB Southern Regional Committee took part in the round table "Cross-cultural communication in business" at the Kuban State University.

The round table was organised within the EU Erasmus+ grant "European integration through language and culture", supported by the German Philology Department of the Kuban State University.

The round table was organised by the Faculty of Roman-German Philology, Department of International Relations of the Kuban State University and the Faculty of Economics.

One of the most important challenges that universities face is the correspondence of graduates' competences with the requirements of potential employers.

Representatives of the Kuban State University, administration of Krasnodar, as well as such companies as CLAAS, Cargill, Knauf, Gubskiy brick factory discussed the need and opportunities for the development of students' crosscultural

competences and for deepening the crosscultural aspect in the learning process.

Michael Ritter, General Director of CLAAS, shared with the participants of the round table his personal experience in the field of crosscultural communication.

Igor Brener, Client HR Manager CASC EMEA Russia & Ukraine Cargill, Deputy Chairperson of the AEB Southern Regional Committee and Chairperson of the HR Subcommittee, spoke about the Business Schools project that had successfully been implemented with the support of the AEB Southern Regional Committee member companies for four years already. It aims, in particular, to prepare competitive and competent professionals taking into account the views of potential employers.

The lively discussion of the round table participants confirmed the importance of the development of students' crosscultural competencies and laid the foundation for deepening cooperation in this area between the Kuban State University and businesses.



Participants of the meeting

On 26 June 2018, a meeting was organised for the members of the AEB Southern Regional Committee which support Business Schools of the Kuban State Technological and Kuban State Agrarian Universities. The event was held at the premises of the Cargill company.

At the meeting representatives of the companies Ancor, Bonduelle, Cargill, Center-invest Bank, Nestle Kuban, Syngenta, Philip Morris, Vegas Lex discussed the results of the Business Schools activities as well as prospects and opportunities for their further development.

It was proposed to create a common resource at the Universities websites, where information about internships and practice for students of Business Schools would be provided.



L-R: **Sergey Ogurtsov**, Vice-Chairman of the Krasnodar Regional Association of RSPP; **Lyubov Popova**, Chairperson of the Public Chamber of the Krasnodar region and Deputy Chairman of the AEB Southern Regional Committee; **Alisa Andreeva**, Manager Corporate Affairs South, Philip Morris International.

On 27 June 2018, the members of the AEB Southern Regional Committee participated in a debatable session "Integration of UN Sustainable Development Goals into the business strategies of modern companies. Context, meanings and advantages" in Krasnodar.

The event was organised by the "National Network of the Global Compact" and the Krasnodar Regional Association of RSPP with the assistance of the Philip Morris International company in Russia.

Participants of the discussion were welcomed by Sergey Ogurtsov, Vice-Chairman of the Krasnodar Regional Association of RSPP, and Lyubov Popova, Chairperson of the Public Chamber of the Krasnodar region and Vice-Chairman of the AEB Southern Regional Committee.

The experts of the panel session were: Alexei Borisov, Head of UNESCO Chair on Human Rights and Democracy, MGIMO-

University, Deputy Chairman and Secretary-General of UNA-Russia; Larisa Ovchinnikova, Chairperson of the Board of the Association "National Network of the Global Compact", Managing Director of the Institutional Development Department of Vnesheconombank; and Elena Feoktistova, Deputy Chairperson of the Board of the Association "National Network of the Global Compact", Managing Director of RSPP on corporate responsibility, sustainable development and social entrepreneurship.

Representatives of the companies IKEA, Nestle Kuban, Syngenta and Philip Morris International spoke about implementation of their programmes for the achievement of the Sustainable Development Goals.

The meeting finalised with the signing of the Cooperation Agreement between the Krasnodar Regional Association of RSPP and the "National Network of the Global Compact".



On 10 August 2018, members of the AEB Southern Regional Committee took part in the official reception of the youth delegation in the administration of Krasnodar.

Evgeny Pervyshov, Mayor of Krasnodar, and Vera Galushko, Chairwoman of the Krasnodar Duma, expressed gratitude to the companies Bonduelle, Cargill, CLAAS, Knauf for their participation in the implementation of the international project.

Five students from Karlsruhe, Nancy, and Harbin for almost a month (from 4 August to 1 September) undertook an internship at the enterprises of these companies.

The meeting was attended by the following participants: Agroindustrial HR Manager of "Bonduelle Kuban" Olga Luganskaya; Cargill Client HR Manager CASC EMEA Russia & Ukraine Igor Brener; Director of Sales from the Southern Directorate Branch of "Knauf GIPS" Sergey Bondarenko; Commercial Director of CLAAS Michael Ritter; Deputy Chief of the Administrative Department, Chief of the Department of foreign relations and protocol



Participants of the meeting

of the Krasnodar administration Boris Staroselsky; Director of the Department of international relations of the Kuban State University Galina Govorova; and Director of the branch of the Association of European Businesses in Krasnodar Juliana Perederiy.

## Taxation Committee



On 6 July 2018, the AEB Taxation Committee held an event entitled "Development of the Russian tax system: results of the first half of 2018 and perspectives".

The event highlighted tax reforms' new settings, recent experience of application of Article 54.1 of the Russian Tax Code, new clarification by the Federal Tax Service on beneficial ownership concept, OECD discussion on intra-group services, transfer pricing and other important tax matters, and provided an excellent platform for discussion and exchange of knowledge by professionals.

Maria Semenova, Mazars; Anna Modyanova, PwC; Anton Nikiforov, Pepeliaev Group; Alexander Erasov, Bryan Cave Leighton Paisner; Nina Goulis, KPMG; Maria Kostenko, Baker McKenzie; Lyusine Satiyan, EY; and Dzhangar Dzhachinov, Dentons, shared their expertise and gave recommendations on important tax and related matters.

Daniil Egorov, Deputy Head of the Federal Tax Service, was the event's distinguished guest.

The event was moderated by Alina Lavrentieva, Chairperson of the AEB Taxation Committee, PwC, and Vadim Zaripov, Deputy Chairperson of the AEB Taxation Committee, Pepeliaev Group.

Presenters (L-R): **Daniil Egorov**, Deputy Head of the Federal Tax Service; **Alina Lavrentieva**, Chairperson of the AEB Taxation Committee, PwC.



# MEMBER NEWS

Dear members, please be informed that you can upload your news or press releases on our website in "Member News" section via personal page absolutely free of charge.

## Bryan Cave Leighton Paisner



### Bryan Cave Leighton Paisner Russia ranked first by M&A deal count in Mergermarket

Bryan Cave Leighton Paisner (Russia) LLP was placed first by M&A deal count\* among all law firms in Russia for H1 2018, according to the renowned Mergermarket League Table.

Behind the firm's top position are big-ticket transactions handled by the Corporate/M&A Practice over the past six months, including sale of a majority stake in the Sailfish OS developer; Ecolab's acquisition of a chemical plant; acquisition by Siberian Generating Company of 78% of the shares in Sibeco; Alfa-Bank's acquisition of a stake in the fin-tech company PayMe, which develops mobile acquiring platforms.

Mergermarket, a leading M&A data and intelligence provider, relies on its network of key M&A media and experts in America, Europe, Asia and the Pacific, Central Europe and Africa to rank law firms worldwide based on their work on major M&A deals.

*\*The deal size is not disclosed for confidentiality reasons.*

## DHL Express and eBay



### DHL and eBay provide new opportunities for Russian exporters

DHL Express and eBay announced their partnership aimed

at supporting exports of Russian goods and developing SME's in e-commerce. It offers integrating DHL Express logistics services into the seller's personal account on eBay platform as well as special terms for goods delivery to 220 countries for Russian exporting retailers on eBay.

Exporters get complete access to information and services of DHL Express from the sellers' account on eBay.com platform. It enables posting goods simultaneously on eight eBay websites in different countries. All the information on goods is automatically translated into ten languages and the prices are set in the local currency.

Retailers may have delivery costs calculated automatically for any destination in the world. They may also book the delivery and pick-up of goods very fast and get all the necessary paperwork done, following which the only thing to do is to print the documents and hand them to the courier picking up the shipment. Partnership with DHL Express will help Russian eBay sellers deliver goods to customers in 220 countries within the shortest possible time: 1-2 days to Europe, 2-3 days to the USA, China and Australia.

## Servier

### Servier and the Government of Kazakhstan signed Cooperation Agreement

On 3 July 2018, Servier concluded Cooperation Agreement with the Government of Kazakhstan during the Kazakhstan Global Investments Roundtable (KGIR). Out of 32 companies, Servier was the only pharmaceutical one to have signed an agreement during the event.

The day before Jérôme Gavet, Managing Director Servier EAEU, had an official meeting with the Prime Minister of Kazakhstan and the Minister of Healthcare to present Servier's activities in Kazakhstan and to discuss the opportunities and conditions for potential investments to Kazakhstan that was highly supported and approved at the government level.



According to the signed agreement, Servier is to assess the opportunities for potential transfer of modern pharmaceutical technologies for contract manufacturing production in Kazakhstan. This Agreement also considers the development and implementation of joint scientific projects in different therapeutic areas and carrying out a set of educational and awareness campaigns and programmes in the field of prevention and treatment of non-communicable diseases.

"For Servier development and strengthening of our cooperation with the Republic of Kazakhstan, where we have been operating for more than 20 years, is one of the priorities. We still have a lot to do together with our partners, but I am confident that this is a very important and timely step towards increasing the availability of high-quality innovative solutions for patients of the Republic of Kazakhstan," said Jérôme Gavet.

### Swissôtel Krasnye Holmy



### Swissôtel Krasnye Holmy won two awards

On 30 June 2018, at the World Travel Awards ceremony in Athens, Swissôtel Krasnye Holmy Moscow was recognized as Europe's and Russia's Leading Luxury Business Hotel 2018. The World Travel Awards is the most prestigious award for outstanding achievements of the travel industry. The World Travel Awards was established in 1993 and this year marks its 25<sup>th</sup> anniversary. WTA is awarded according to the results of voting of thousands of tourists and industry professionals. Swissôtel Krasnye Holmy Moscow receives a prestigious award for the 12<sup>th</sup> time and from year to year confirms its leadership in the Russian market.

In 2018, Swissôtel Krasnye Holmy Moscow was first recognized as Europe's Leading Luxury Business Hotel 2018.

"We are honored to once again become the owner of this prestigious award. Despite the growing competition in the market, the hotel manages to maintain the highest reputation, offering travelers the Swiss hospitality combined with the highest quality of service. We are very pleased that our efforts are valued both by the professionals and our guests, and we promise to constantly deliver the top standards of service. This year we are dedicating these awards to late Sarik Tara, the founder and honorary chairman of ENKA Holding, hotel owning company," said Jan Chovanec, General Manager of the hotel.

Continuing maintaining its high reputation at the market, the City Space Bar and Restaurant was recognized as BAR of the YEAR 2018 by the international prestigious award—Luxury Travel Guide, in September 2018.

"We are happy that our guests appreciate our quality and service and this is the best stimulus for us to continue developing," said Jan Chovanec.

### Tablogix



### Tablogix started managing operations of Michelin logistics centre

One of the leaders of the tire market, Michelin, selected Tablogix for managing operations of the logistics centre in Russia. The warehouse is located on the territory of the Michelin industrial site in Davydovo (Moscow region); the warehouse area is 61,000 sq m. Tires from this warehouse are shipped to points of sale in Russia and CIS as well as for exports. Tablogix started working on 1 August 2018.

The logistics centre allowed Michelin to optimise logistics processes in Russia and CIS, reducing storage costs and delivery time. The company develops an innovative approach in logistics to provide the best service and quality for its customers.

"It is strategically important for us to expand cooperation with the world industrial leaders. We are happy to provide logistics support to our new partner and we expect that our collaboration will allow both companies to strengthen positions in the market," said Denis Savelyev, Sales Director of Tablogix.

Tablogix is known in Russia as one of the first logistics company who began to provide warehouse services for the automotive aftermarket according to international quality standards. Today, Tablogix manages the central part distribution centres of the largest automotive companies.

# APPOINTMENTS

## Dentons



Vladimir Sokov

Partners Vladimir Sokov, Sergey Klimenko, Tamer Amara joined Dentons with a team of lawyers.

Vladimir Sokov specializes in corporate law, M&A, and in the field of life sciences. He also has extensive experience in consulting clients in commercial law, antitrust and real estate. Vladimir previously worked at Pepeliaev Group, where he headed the Corporate Practice Group, and Hannes Snellman, where he managed the Moscow office. Vladimir contributed to numerous articles on legal issues dedicated to the Russian legislative system, participated in legislative drafting projects and is a member of the Russian Bar Association.



Sergey Klimenko

Sergey Klimenko will head Dentons' Life Sciences practice. Sergey is ranked among the leading life sciences lawyers by Chambers Europe 2018. He has extensive experience advising companies in the life sciences industry on a wide range of regulatory and commercial matters. Sergey formerly worked at Pepeliaev Group, where he head-



Tamer Amara

ed the Life Sciences Practice, and at the Russian manufacturer of original biologic medicines.

Tamer Amara will lead Capital Markets Practice. Tamer specializes in cross-border financing transactions principally within capital markets, derivatives and financial regulatory advice. He advises financial institutions and corporate clients in the context of debt capital markets, margin lending, repos, restructuring and liability management, with a particular focus on Russia, the CIS and Central and Southern Europe. Tamer's previous experience includes nearly 20 years of work at Clifford Chance, where he headed the debt capital markets and derivatives practice.

## Moscow Marriott Hotel Novy Arbat

Alina Abramovich is a professional with great experience in PR & Marketing in hospitality industry. She was responsible for public relations and marketing at such hotel chains as Radisson BLU, Marriott and Accor. Her great knowledge, dedication and attention to the details is the basis for a successful career.



Alina Abramovich

In her new role, Alina becomes a key-player at 5\* Moscow Marriott Hotel Novy Arbat, being responsible for hotel's PR and marketing activities, strategy planning and launching, as well as strengthening hotel's positions within the Moscow market.

Alina Abramovich studied marketing and public relations in the UK, graduated from the University of Westminster, London "Global Marketing" in 2012.

Before joining Moscow Marriott Hotel Novy Arbat, Alina held position of Marketing Communications Director at Swissotel Krasnye Holmy, Moscow.

"I congratulate Alina on her new role," says Cornelia Brinkman, General Manager of Moscow Marriott Hotel Novy Arbat. "We are extremely happy to have such a strong team member on board. Alina's experience in hospitality PR & Marketing will certainly help us to reach great brand recognition and strengthen our presence within Moscow market."

"I am happy to be back to Marriott family and to become part of the newest Marriott property in the Russian capital. I will try my best not only to meet the expectations, but also to exceed them," says Alina.

## Orange Business Services



Robin De Keyser

International service provider Orange Business Services appointed Robin De Keyser as a new Head of Business Solutions and Innovation Department in Russia and CIS. His main goal in the new position will be creation of innovative solutions for international and Russian enterprises from different industries. Robin will be responsible

both for the development of new services that take into account wishes and ideas of Orange's clients, and for the implementation of complex integration projects. He will also be in charge of development of Orange technology partners ecosystem.

Robin has a degree in programming and accounting and has more than 26 years of experience in technology companies. Prior to joining Orange Business Services, Robin held senior positions in FNAC Belgium, KPN and Hewlett Packard.

# NEW MEMBERS



## ART DE LEX

ART DE LEX is a Russian boutique law firm following latest global business trends and providing creative legal solutions to domestic and international clients. We have practices in mergers and acquisitions, corporate law, dispute resolution and mediation, international arbitration, real estate and construction, competition regulation, intellectual property, energy and natural resources, insolvency and restructuring, banking and finance, as well as international economic compliance. In addition to serving clients from anywhere in the world, ART DE LEX operates three dedicated international client service desks for clients in Brazil, South Korea and Turkey.

Our attorneys work closely with clients on cases and transactions in order to help them achieve significant and sustainable benefits for their businesses. We strive to satisfy our clients' requests within the shortest period of time and at the lowest possible cost.

We collaborate with other law firms and organisations that share our commitment to delivering the best expertise and the highest quality service. This allows us to take advantage of world-standard best practices, whether completing projects in Russia or abroad.

ART DE LEX participates actively in major international legal organisations: International Bar Association, International Association of Judicial Independence and World Peace, and International Association of Procedural Law.

[www.artdelex.ru](http://www.artdelex.ru)



## BLG LOGISTICS

BLG LOGISTICS as one of the biggest logistics providers in Western Europe offering worldwide shipment services has started developing its activities in Russia in the 1990s. BLG has established itself on the Russian market as a reliable and open partner, always ready to address cargo shippers' special needs.

We offer effective logistics solutions based on the delivery terms and special requirements for the cars transportation. Thanks to our quality management systems implementation, we can always guarantee high-quality services to our customers.

The office in St. Petersburg was established in 2008. Its main task is to offer the whole range of services to the automobile industry: from port handling and storage to distribution to the dealers. Together with its partner LLC "Fenix", BLG offers 120,000 square meters of terminal area in the Port of Bronka (St. Petersburg region), dedicated to automobile logistics and RoRo business. Our auto transportation department is located in Moscow and is operating 50 own trucks and up to 300 trucks of subcontractors' fleet.

Our main focus is all kinds of forwarding activities. We offer famous German logistics quality to our Russian partners.

[www.blg-logistics.ru](http://www.blg-logistics.ru)



## ECCO

ECCO is one of the world's leading shoe brands combining style and comfort.

ECCO's success is built on products with a great fit and top-quality leathers.

ECCO owns and manages every aspect of the value chain from tanneries and shoe manufacturing to wholesale and retail activities.

ECCO's products are sold in 88 countries from over 2,000 ECCO shops and more than 14,000 sales points.

ECCO is family-owned, founded in Denmark in 1963, and employs more than 20,000 people worldwide.

[www.ecco.com](http://www.ecco.com)



## Graftonex Investments Limited

Graftonex Investments Limited is a holding Cyprus company, which has a subsidiary in the Russian Federation (LLC "Open-pit mine Arshanovskiy"), the main activity of which is coal mining.

According to geological data, the "Beyskiy" coal deposit is located in the southern part of the Minusinsk coal basin and belongs to the northern wing of the Abakan trough. In administrative structure, the deposit is located on the territory of the Altai and Beyskiy districts.

The license area is 18 square kilometers. The maximum development depth is 150 meters.



The nearest industrial centres are the cities of Abakan (45 km) and Sayanogorsk (45 km), connected by a road, which passes east (15 km) of the site. The nearest town is Arshanovo located 1 km north-west of the site.

There is a railway branch (9 km to the south of the site) connecting the railway station Kamyshta of the Abakan-Novokuznetsk branch of the Krasnoyarsk railway from Sayanogorsk.

Fossil coal of mark D is extracted from the coal deposit in the open way.

The total reserves of the "Beyskiy" coal deposit are four billion tons of coal. This is 200-300 years of open-pit mining. Graftonex Investments Limited attracts financing for LLC "Open-pit mine Arshanovskiy" which produces commodity output of high-grade classes: DR 0-300, DPK 70-200 (300), DPKOM 13-200 (300), UP TO 25-70, HOUSE 13-70, DMHSH 0-25.



### Nomisgroup

Nomisgroup founded in 2007 by Hans-Dieter Weingärtner is working as importer and exporter on three main sections: wine, event management, and general representation of products from Ritzenhoff – Germany.

We are the first importer of Russian wine to Germany and Europe and we are doing export of wines from different countries to Russian trade companies.

We are specialized on high class events with a focus on food and wine if it is a jubilee, reception or a business network event (from 10 up to 500 persons).

We are representing the German leading company Ritzenhoff in the life style section of design glassware and table ware.

Our international clients are very well known in Russia and we are glad to be a partner with them.

[www.nomisgroup.de](http://www.nomisgroup.de)



### Perfetti Van Melle

Limited Liability Company "Perfetti Van Melle" is a part of a multinational Perfetti Van Melle Group operating on the Russian market. The Group's principal product is confectionery of the following brands: Mentos, Fruittella, Alpenliebe, Meller, Chupa Chups, Sula, Big Bubble, Smint.

Perfetti Van Melle Group was established in March 2001 when Perfetti Spa acquired Van Melle, creating the world's third largest global confectionery company. In 2006 Perfetti Van Melle acquired the Spanish company Chupa Chups.

Perfetti Van Melle is one of the world's largest manufacturers and distributors of confectionery and chewing gum. Privately owned and headquartered in Amsterdam, the Netherlands with operations globally, the company creates imaginative products and brands that are enjoyed in more than 150 countries across the world. There are a total of 30 plants and production facilities worldwide.

In Russia there are two production facilities. One plant is located in the Moscow region in Leshkovo Village, the other one is in St. Petersburg.

Research and development plays an important strategic role at Perfetti Van Melle. Our central laboratories in Lainate (Italy) and Breda (the Netherlands), supported by local laboratories in various countries, are constantly researching new chewing gum and candy formulations as well as qualitative improvements to existing products.

Investment of Perfetti Van Melle company in state-of-the-art equipment and facilities ensures the highest standards of product quality, safety and efficiency, as well as the health and safety of employees.

[www.perfettivanmelle.com](http://www.perfettivanmelle.com)



### Promaco TR

Promaco TR is a public policy and strategic communications advisory firm with a focus on sustainability.

The firm was created through the merger of Promaco, a Helsinki-based communications agency, and TIAR Center, a Moscow-based advisory firm and think tank specializing in promoting circular economy in Russia and the Eurasian Economic Union.

Promaco TR is a business with purpose. The firm sees its purpose in supporting the transition from traditional linear economic models to circular models through helping companies, governments and communities with adopting sustainable practices. How can sustainability boost your business in Russia and Eurasia? That is the central question Promaco TR helps to answer. Promaco TR's core fields of expertise include Environment, Energy Efficiency, and Sharing Economy & Collaborative Consumption. Promaco TR's clients are world-renowned brands in extractive industry, FMCG and tech sectors.

[www.promaco.fi](http://www.promaco.fi)

# SAMSUNG

## Samsung Electronics

Samsung Electronics Co. Ltd. is one of the largest manufacturers of TVs, smartphones, portable devices, tablets, cameras, home appliances, medical devices, network systems, semiconductors and LED solutions. The company's offices are located in 79 countries.

Since 1991 the company has operated on the Russian market. In 2008, Samsung factory was opened on the territory of the industrial park in the Borovsky district of the Kaluga region. As of today, the factory produces 100% of all TVs, monitors and washing machines sold under Samsung brand in Russia.

Samsung Research Center has operated in Moscow since 1993. In May 2018, the company opened Artificial Intelligence Center in Russia, which became Samsung's fifth research institution in the world.

In Russia, Samsung is contributing to the education sector by developing social and educational projects "IT School Samsung", "IoT Academy Samsung", "UchimZnayem", "Samsung Technical Education Center". The company is a partner of the Worldskills movement, aimed at developing professional education and popularizing skilled occupations.

Samsung is the oldest partner of the Bolshoi Theatre; cooperates with the State Hermitage and the State Museum and Reserve "Peterhof"; is the co-founder of the annual literary prize "Yasnaya Polyana". The company is developing the "Live Pages" project, which allows to study Russian classical literature in a new interactive format.

[www.samsung.com/ru](http://www.samsung.com/ru)



## Scope

With offices in Moscow and Amsterdam, Scope Audit & Assurance is ideally positioned to audit the global ambitions of our international clients.

We provide audit and audit related services such as valuations, financial reviews, due diligence, financial projections and forensic audit. In addition, we define our clients' internationalisation strategy and improve performance.

Our strategy and our culture make us unique:

- We have a highly selective recruitment and a "grow your own" people strategy.
- We reject individualistic behaviour.
- We compensate based on group performance.

- We make decisions jointly and use consensus-building approaches.
- We selectively choose our services and markets.
- We win through significant investments in focused areas.
- We highly invest in research and development.
- We have extensive intra-firm communication.

Scope Audit & Assurance BV is licensed by the Netherlands Financial Markets Authority (AFM) to conduct statutory audits (license number 13020069).

In Russia, Scope is a member of the self-regulating auditors' organisation Russian Union of Auditors (RSA), recorded under number 11803029175.

We work under the highest standards of ethics, compliance and transparency in the acceptance of our clients and the performance of our services.

[www.scope-audit.com](http://www.scope-audit.com)



## Segula Technologies

Segula Technologies is an engineering group with a global presence helping boost competitiveness within all of the major industrial sectors: automotive, aerospace, energy, rail, marine, pharmaceutical and Oil & Gas.

Present in 28 countries, with its 140 offices worldwide, the Group fosters a close relationship with its customers thanks to the expertise of its 11,000 employees. As a leading engineering specialist placing innovation at the heart of its strategy, Segula Technologies conducts large-scale projects, ranging from studies to industrialisation and production.

The international presence of Segula Technologies is a strength that we continue to cultivate every day. With 140 sites around the world we can pay close attention to our customers and adapt perfectly to local differences, mainly through our top-level field resources. This proximity can also be seen within our group, where many synergies exist among our various business areas.

Our ambition is to serve the ambitions of our customers. As a leading engineering company, our success lies in our ability to project ourselves and to share our love of challenges with our teams and stakeholders. In a technological age where anything is possible, we take pride in the achievements of our group and know that we can still go one step further through our combined efforts.

At Segula Technologies, Research and Innovation form the core of our engineering projects. We are involved with fascinating technological projects, anticipating the developments that will shape the world of tomorrow. Our know-

how in projects such as connectivity, renewable energies, energy consumption and many others open up exciting prospects for creating the future together.

[www.segulatechnologies.com](http://www.segulatechnologies.com)



### WACKER

WACKER is one of the world's leading and most research-intensive chemical companies, with total sales of €4.92 billion.

Products range from silicones, binders and polymer additives for diverse industrial sectors to bioengineered pharmaceutical actives and hyperpure silicon for semiconductor and solar applications.

As a technology leader focusing on sustainability, WACKER promotes products and ideas that offer a high value-added potential to ensure that current and future generations enjoy a better quality of life based on energy efficiency and protection of the climate and environment.

Spanning the globe with 4 business divisions, we offer our customers highly specialized products and comprehensive service via 23 production sites, 21 technical competence centres, 13 WACKER ACADEMY training centres and 50 sales offices in Europe, North and South America, and Asia—including a presence in China.

With a workforce of some 13,800, we see ourselves as a reliable innovation partner that develops trailblazing solutions for, and in collaboration with, our customers. We also help them boost their own success. Our technical centres employ local specialists who assist customers worldwide in the development of products tailored to regional demands, supporting them during every stage of their complex production processes, if required.

[www.wacker.com](http://www.wacker.com)



Minerals

### Weir Minerals

Weir Minerals are specialists in designing, manufacturing, delivering and supporting critical process equipment solutions including pumps, hydrocyclones, valves, comminution equipment, rubber and wear resistant linings for the global mining, mineral processing, sand, aggregates and industrial sectors.

We are proud of our extensive global service and manufacturing presence in more than 70 countries that develops, supports and sustains market leading technologies that deliver enhanced performance in your process critical applications.

At Weir Minerals we have over 20 design centres of origin across the globe, which are the centres of research and development for specific product categories.

Through a customer focused strategy Weir Minerals has used its unique technologies to develop an unrivalled range of comminution, mine dewatering, process water and specialist slurry processing equipment for some of your most critical processes. This means that today's Weir Minerals is much more than a pump company.

[www.global.weir](http://www.global.weir)





Association  
of European  
Businesses

## AEB MEMBERSHIP APPLICATION FORM / ЗАЯВЛЕНИЕ НА ЧЛЕНСТВО АЕБ

Please, email a scan of completed and signed application form to: [membership.application@aebrus.ru](mailto:membership.application@aebrus.ru), and send the original document by post / Пожалуйста, вышлите скан заполненного и подписанного заявления на адрес: [membership.application@aebrus.ru](mailto:membership.application@aebrus.ru), а оригинал направьте почтой.

Calendar year / Календарный год: 2019  (Please check the appropriate box/boxes / Укажите соответствующий год/года)

Name of your AEB Contact / Ваше контактное лицо в АЕБ: \_\_\_\_\_

### 1. COMPANY / СВЕДЕНИЯ О КОМПАНИИ

Company Name in full, according to company charter. (Individual applicants: please indicate the company for which you work / Название компании в соответствии с уставом. (Для индивидуальных членов – название компании, в которой работает заявитель):

Legal Address (and Postal Address, if different from Legal Address) /

Юридический и фактический адрес, если он отличается от юридического:

INN / KPP / ИНН/КПП:

Phone Number / Номер телефона:

Fax Number / Номер факса:

Website Address / Страница в интернете:

### 2. CATEGORY / КАТЕГОРИЯ: THE CATEGORY IS DETERMINED ACCORDING TO THE WORLD'S TURNOVER OF THE COMPANY

Please attach the information letter on the activity of the company and its annual turnover with the signature of the head of the company on the official letterhead

Please indicate your AEB Category / Отметьте категорию	Company's world-wide turnover (euro per annum) / Мировой оборот компании (евро в год)	AEB Membership Fee / Членский взнос в АЕБ
<input type="checkbox"/> SPONSORSHIP / Спонсорство	–	10,000 euro/евро
<input type="checkbox"/> CATEGORY A / Категория А	>500 million/миллионов	6,300 euro/евро
<input type="checkbox"/> CATEGORY B / Категория Б	50–499 million/миллионов	3,800 euro/евро
<input type="checkbox"/> CATEGORY C / Категория С	1–49 million/миллионов	2,200 euro/евро
<input type="checkbox"/> CATEGORY D / Категория Д	<1 million/миллионов	800 euro/евро
<input type="checkbox"/> INDIVIDUAL (EU/EFTA citizens only) / Индивидуальное (только для граждан Евросоюза/ЕАСТ)	–	800 euro/евро

Any non-EU / non-EFTA Legal Entities applying to become Associate Members must be endorsed by two Ordinary Members (AEB members that are Legal Entities registered in an EU / EFTA member state or Individual Members – EU/EFTA citizens) in writing/

Заявление любого юридического лица из страны, не входящей в Евросоюз/ЕАСТ, и желающего стать членом АЕБ, должно быть письменно подтверждено двумя членами АЕБ (юридическими лицами, зарегистрированными в Евросоюзе/ЕАСТ, или индивидуальными членами – гражданами Евросоюза/ЕАСТ)

Individual AEB Membership is restricted to EU / EFTA member state citizens, who are not employed by a company registered in an EU / EFTA member state /

К рассмотрению принимаются заявления на индивидуальное членство от граждан Евросоюза/ЕАСТ, работающих в компаниях, страна происхождения которых не входит в Евросоюз/ЕАСТ

Please bear in mind that all applications are subject to the AEB Executive Board approval /  
Все заявления утверждаются Правлением АЕБ

### 3. CONTACT PERSON / INDIVIDUAL MEMBER / КОНТАКТНОЕ ЛИЦО / ИНДИВИДУАЛЬНЫЙ ЧЛЕН

Title, First Name, Surname / Ф.И.О:

Position in Company / Должность:

E-mail Address / Адрес эл. почты:

4. COUNTRY OF ORIGIN / СТРАНА ПРОИСХОЖДЕНИЯ	
<b>A. For a company / Компаниям:</b> <b>Please specify COMPANY'S country of origin /</b> Указать страну происхождения компании <sup>1</sup>	
<b>or B. For an individual applicant /</b> <b>Индивидуальным заявителям:</b> <b>Please specify the country, of which you hold CITIZENSHIP /</b> Указать гражданство	
<p align="center"><b>Please note that only EU / EFTA members can serve on the Executive Board and the Council of National Representatives/</b>            Внимание! В Совет национальных представителей и Правление могут быть избраны члены,            представляющие страны Евросоюза или ЕАСТ.</p> <p align="center"><b>Please fill in either A or B below/</b> Заполните только графу А или В</p>	

5. COMPANY DETAILS / ИНФОРМАЦИЯ О КОМПАНИИ			
<b>Company present in Russia since: _____ /</b> Компания присутствует на российском рынке с: _____ г.			
<b>Company activities/</b> Деятельность компании	<b>Primary /</b> Основная:	<b>Secondary /</b> Второстепенная:	
<b>Company turnover (euro)/</b> Оборот компании (в Евро)	<b>In Russia /</b> в России:	<b>Worldwide /</b> в мире:	<input type="checkbox"/> Please do not include this in the AEB Member Database/ Не включайте это в справочник АЕБ
<b>Number of employees/</b> Количество сотрудников	<b>In Russia /</b> в России:	<b>Worldwide /</b> в мире:	<input type="checkbox"/> Please do not include this in the AEB Member Database/ Не включайте это в справочник АЕБ
<p align="center"><b>Please briefly describe your company's activities (for inclusion in the AEB Database and in the AEB Newsletter) /</b>            Краткое описание деятельности Вашей компании (для включения в базу данных АЕБ и публикаций АЕБ)</p>			

6. HOW DID YOU LEARN ABOUT THE AEB / КАК ВЫ УЗНАЛИ ОБ АЕБ?	
<input type="checkbox"/> <b>Personal Contact /</b> Личный контакт	<input type="checkbox"/> <b>Internet /</b> Интернет
<input type="checkbox"/> <b>Media /</b> СМИ	<input type="checkbox"/> <b>Event /</b> Мероприятие
<input type="checkbox"/> <b>Advertising Source /</b> Реклама	<input type="checkbox"/> <b>Other /</b> Другой

**Signature of Authorised Representative of Applicant**  
**Company /** Подпись уполномоченного лица заявителя:

**Signature of Authorised Representative of the AEB /**  
 Подпись Руководителя АЕБ:

\_\_\_\_\_

\_\_\_\_\_

Date/Дата:

Date/Дата:

<sup>1</sup> Location of a parent company or of the main shareholder/ Местонахождение головной конторы или основного учредителя.

JOIN US:



Association  
of European  
Businesses

Insurance and Pensions

Banking  
Insurance & Pensions  
Machine Building  
& Engineering  
Human Resources  
Health and Pharmaceuticals  
Health & Pharmaceuticals  
Finance & Investments

Connective.

Effective.

Energy Agribusiness

Taxation  
Informative.

Real Estate Small & Medium-Sized Enterprises

Real Estate Migration  
Product Conformity Assessment

Retail Trade Construction Equipment

Construction Equipment

WE HAVE BEEN SUPPORTING  
EUROPEAN COMPANIES IN RUSSIA SINCE 1995

WWW.AEBRUS.RU



# AEB SPONSORS 2018

Allianz IC OJSC  
Atos  
Bank Credit Suisse (Moscow)  
BP  
BSH Russia  
Cargill Enterprises Inc.  
CHEP Rus  
Clifford Chance  
Continental Tires RUS LLC  
Crocus International  
Deloitte  
DuPont Science & Technologies  
Enel Russia OJSC  
ENGIE  
Eni S.p.A  
Equinor Russia AS  
EY  
FAURECIA Automotive Development LLC  
GE (General Electric International (Benelux) B.V.)  
HeidelbergCement  
ING Wholesale Banking in Russia  
John Deere Rus, LLC  
KPMG  
ManpowerGroup  
Mercedes-Benz Russia  
Merck LLC  
Messe Frankfurt Rus  
MetLife  
METRO AG  
Michelin  
Novartis Group  
OBI Russia  
Oriflame  
Porsche Russland  
Procter & Gamble  
PwC  
Raiffeisenbank AO  
ROCA  
Shell Exploration & Production Services (RF) B.V.  
Signify  
SOGAZ Insurance Group  
Total E&P Russie  
Unipro PJSC  
VimpelCom PJSC (Beeline)  
Volkswagen Group Rus OOO  
YIT  
YOKOHAMA RUSSIA LLC