



# UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2020

Interstate Corporation for  
Development

Period covered by our  
Communication on Progress  
March 2019 to December 2020



This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact** and  
supporting broader UN goals.

We welcome feedback on its contents.



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**United Nations**  
Global Compact



## STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE MANAGER

To our stakeholders:

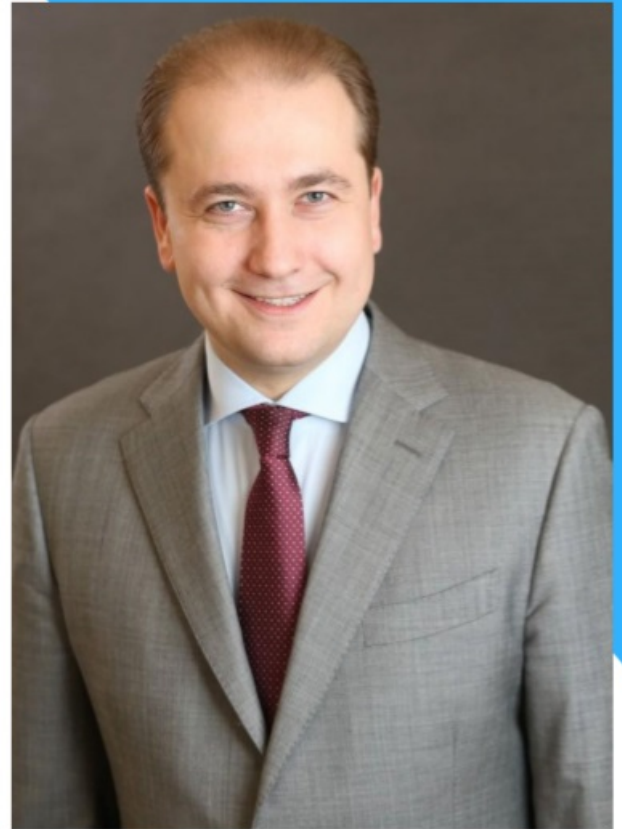
*I am pleased to confirm that the Interstate Corporation for Development reaffirms its support for the Ten Principles of the UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-corruption.*

*By doing so, we want to be part of a global movement which is underway, changing markets from within. Corporate social responsibility is shifting from a moral imperative to a material one. As a result, sustainability in the private sector is going up the priority list, away from the public relations realm to a strategic goal setting.*

*We firmly believe that markets must move beyond the short-termism, while long-term outcomes must become the overarching criteria for decision-making.*

*While commitment to sustainability is quite impressive worldwide, there is still a significant gap between rhetoric and reality. That's why in my capacity as the CEO of the Intergovernmental Corporation for Development I intend to further integrate sustainability across strategy, operations and stakeholder engagement.*

*As another proof of my support for these values and objectives, last September I took part in the Global Compact's major event, "Uniting business for a better world". I signed onto the Statement from Business Leaders stressing, among other things, our resolve to partner with the UN, Government and civil society to ensure accountability and transparency, promote equality and respect for human rights.*



*Despite the Covid-19 pandemic, the 2030 Agenda for Sustainable Development remains one of the private sector's guiding lines to restart the economies. We intend to use it as a framework for management in the area of state-of-the-art technologies, a valid element of disruptive and innovative solutions.*

*We also commit ourselves to share this standpoint with our stakeholders through our usual channels of communication.*

Sincerely yours,

**IVAN POLYAKOV**

CEO of the Interstate  
Corporation for Development

## **INTRODUCTION**

The Interstate Corporation for Development, ICD, a holding company established in 2011, carries out production, investment, research and management activities in Russia and member states of the Eurasian Economic Union (EAEU), the BRICS grouping, and the Association of Southeast Asian Nations (ASEAN). The ICD is also involved in mass media and socio-cultural projects.

The mission of the ICD is to contribute to industrial, high-tech and research cooperation among business organizations at the national, regional and international level – as well as with other stakeholders including governments - aimed at promoting sustainability and changing markets from within.

The Corporation's innovation portfolio is \$2,5 billion. Its Representative Offices in Moscow and Saint Petersburg are responsible for coordinating the business and legal aspects of its operations.

The ICD is a member of the UN Global Compact.

## **HUMAN RIGHTS**

### **Assessment**

Our focus remains on ensuring occupational health and safety for the ICD employees as well as respecting high standards of working environment. Also, we have put an emphasis on preventing any business-related abuse arising in the context of new technologies, securing accountability and gender equality.

### **Implementation**

At the time of employment, staff members are provided with an overview of the company's policies and procedures which include a Code of conduct as well as a manual setting out their rights and obligations.

Elements of the UN Guiding Principles on Business and Human Rights have been incorporated across our company's operations including fresh measures in response to the COVID-19 pandemic.

### **Measurement of results**

During the COVID-19 pandemic there have been no claims that the ICD was not meeting relevant duties and responsibilities towards its personnel. Also, there has not been a single case when problems with access to remedy were cited.

## **LABOUR**

## Assessment

The Interstate Corporation for Development complies with the existing hiring standards and non-discriminatory access to work. Equally, it respects the minimum wage standards in effect in the Russian Federation and assists its employees whenever problems arise with retirement pensions. In 2019, the company conducted a regular health check for all its personnel.

We offer maternity leave with pay for a period of 2 months and 10 days during which time social insurance benefits in the amount of average earnings are guaranteed (in line with standards enshrined in the model Russian collective labour agreement).

On an ongoing basis, the company supports its employees in building skills and expertise, vocational training and professional development.

## Implementation

To give due weight to commitments in the labour area company-wide, the ICD has incorporated them into key politics endorsed by senior management, including a Code of conduct. There are concrete procedures the company applies to put standards into practice, in particular, regular consultations of the management board with designated staff members.

## Evaluation of results

The company's top management fully realize that merely re-stating their principled attitudes is not enough. That's why the ongoing dialogue enables a two-way communication whereas workers and employees can express their views and concerns. Since spring 2020, a more inclusive engagement mechanism has been in place addressing new realities of the Covid-19 pandemic. Its efficiency was ascertained at year end.

## **ENVIRONMENT**

### Assessment

One of the main goals of the Interstate Corporation for Development is to become not only a successful, but also a sustainable business. In 2019-2020, we increasingly concentrated on how to minimize the impact of the company's activities on the environment seeing this process in a long-term perspective.

### Implementation

In the period under review, we focused on addressing several specific issues, such as resources conservation, insulation materials, lightweight plastics. We are assisted in this endeavour through clearly defined responsibilities, study of best practices, and systemic materiality analysis.



## Evaluation of results

Regarding resource conservation, switching to paperless work during internal meetings proved to be a rational solution. Recycling different plastics, including cartridges, is also a worthwhile option. The management board recommended at the end of 2020 that these practices should be strengthened, while more should be done to improve the ecological aspects of our products and processes along the value chain.

## **ANTI-CORRUPTION**

### Assessment

Our internal anti-corruption policy and procedures have been strengthened lately. We are fully aware that this is one of the most important factors affecting the operations of business organizations in Russia. While the situation still remains a concern, the phenomenon has been on the decline across the country.

### Implementation

The best solution at our disposal remains the same: to build adequate systems and controls. These systems include regular checks on business counterparties – agents, consultants, and intermediaries in order to ensure that ongoing deals do not endanger compliance with the current legislation and authorized practices. Also, one of the board's priorities is a zero-tolerance attitude towards management corruption.

### Assessment

We understand that corruptive activities are deep seated and cannot be eliminated without a shift in individual employees' and management's intellectual paradigm. We continue encouraging and promoting such a shift targeting both corporate culture and the implementation of more effective control and compliance systems. A recent assessment (mid-2020) confirmed that these control measures have reduced the company's exposure to internal fraud.

## **NEW STEPS FORWARD**

In 2019-2020, the Interstate Corporation for Development significantly increased its contribution to the activities of the Russian Local Network of the UN Global Compact.

While advancing implementation of the 2020 Strategy of the Global Compact and the Russian Network's work plans, this input also sought to improve the ICD's business model rooted in international rules, and promote the company's long-term priorities.

### Assessment

It is broadly recognized today that human rights are key to achieving the Sustainable Development Goals (including SDG 16 of promoting just, peaceful and inclusive societies). This is why we have opted for the **“BUSINESS AND HUMAN RIGHTS”** to be the main thematic area for our involvement with the Russian National Network and the UN GC New York Office.

#### Implementation

Thus, we have actively supported the first all-Russian study “Business and Human Rights. Implementation of the UN Guiding Principles on Business and Human Rights in strategies and practices of Russian companies” (2020). The ICD has also replied with a number of specific recommendations (including the notion of the corporate “sphere of influence”) to the “Open call for inputs: UNGPs 10+” made by the UN Working Group on Business and Human Rights in September, 2020. In addition, we proactively participated in the 9<sup>th</sup> annual UN Forum on Business and Human Rights held in November, 2020, in the online format.

#### Evaluation of results

Over the last few months, the ICD has managed to take stock of achievements to date in addressing business-related HR abuses and promoting a “socially sustainable globalization”. We are concentrating now on diverse consequences of the Covid-19 pandemic and the way those affect human rights of many, especially vulnerable workers and communities. In 2021, our company will seek to make a tangible contribution to the UN WG’s project “Business and human rights: towards a decade of global implementation” aimed at achieving the SDGs and putting into effect Secretary General’s Call to Action on HR. Our focus will be on advancing uptake of the UN Guiding Principles beyond multinational corporations and pioneers, reaching mainstream businesses and SMEs.

### **ICD’s CONTRIBUTION to the ATTAINMENT OF SDG 17 on PARTNERSHIPS for the GOALS**

#### Assessment

We firmly believe that private sector entities cannot create change acting alone. To support achievement of the SDGs, they must work alongside other stakeholders - and among them, we particularly single out governments and international organizations. From our company’s viewpoint, such partnerships are especially valuable if they facilitate the exchange of information, knowledge and technologies. Most importantly, Goal 17 is cross-cutting, and can help in the realization of other SDGs.

#### Implementation

We are proactively looking for opportunities to partner with governments (including, of course, the Russian government), industry peers and other stakeholders through the “TV BRICS” project run by our subsidiary, the ICD Media.

TV BRICS has been evolving as a multimedia platform intended to benefit international cooperation, causes, campaigns, global events. In the period under review, its core activities have covered Russia’s chairmanship in the BRICS club including how it relates to collaborative ties with the UN system. Thus, the media platform has continued its involvement with the UN- run Sustainable Development Goals Media Compact, and in particular, highlighted the WHO activities countering the Covid-19 crisis. When

news organizations under the aegis of the BRICS Media Forum met virtually in early December, 2020, they took stock of their multifaceted job in informing and educating audiences in five countries on the Covid-19 pandemic and its fallouts for people's lives, health and livelihoods.

#### Evaluation of results

One of the main results of the TV BRICS platform's partnership arrangements in May, 2020, was the launch of the "BRICS Against Covid-19. InfoHub" set up as a common tool to overcome the health and social crisis. This was one of the very first purposeful efforts aimed at providing a reliable and all-embracing information on the pandemic in the five nations. According to the UN Information Center in Moscow, the InfoHub initiative is in line with the global communications strategy that the UN is pursuing – hence, the WHO Office in Russia decided to support the initiative.

### **COOPERATION WITH UN AGENCIES**

#### Assessment

We know that the UN is taking care to ensure that actions to further partnerships are ambitious and leverage the core competencies of all those involved. Our company is confident such coalitions should fully use local capacities and experience, take account of all voices, including national businesses and governments.

#### Implementation

Apart from "Business and Human Rights" programme and TV BRICS agenda, the Interstate Corporation for Development has pursued a number of collaborative activities with members of the UN System.

Among other things, our company took part in the Uniting Business LIVE conference convened by the UN Global Compact in September, 2020. The ICD Director General, Ivan Polyakov, signed into the Statement from Business Leaders for Renewed Global Cooperation and thus, demonstrated his support for partnering with the UN, Governments and civil society to ensure the accountability of business organizations, promote equality and enhance multilateralism to achieve the SDGs.

#### Evaluation of results

An intentional, mature commitment to improving collaboration with UN agencies in the context of the Agenda 2030 is supported by the top management of the Interstate Corporation for Development. We will be proactively looking for opportunities to partner with UN entities and other stakeholders to advance the SDGs. In this regard, ensuring there is a shared vision within the Russian National Network will be a key priority for us in 2021.



