UN GLOBAL COMPACT

Communication on Progress

Implementing UN Global Compact principles in ScienceSoft, 2020

Sustainability Report covers ScienceSoft's social, safety, and environmental performance and events during May 2020-2021.

CONTENTS

Locations

Headquarters

United States

5900 S. Lake Forest Drive, Suite 300 McKinney, TX 75070

+1 214 306 68 37
contact@scnsoft.com

Finland

Myyrmäenraitti 2, 01600 Vantaa

+358 92 316 30 70
nordics@scnsoft.com

Belarus

2 Bedy St., 220040 Minsk

+375 17 293 37 36
contact@scnsoft.com

Ukraine

Kruhlouniversytetska, 7, office 33, 01024, Kyiv

+380 97 421 88 52
contact@scnsoft.com

Latvia

Aspazijas bulvāris 20, Centra rajons, Rīga, LV-1050

+371 2569 2767
eu@scnsoft.com

Letter from Nikolay Kurayev, President of ScienceSoft USA Corporation

In May 2019, ScienceSoft joined the UN Global Compact initiative and aligned its reporting with the Ten Sustainability Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption. I am pleased to share our annual Corporate Sustainability Report issued as a part of our commitment. The report details how we ensured working in line with global labor standards and respecting human rights at the workplace and during our marketing campaigns. It shows how we sought to minimize the negative effect on the environment with responsible consumption, stood for transparency in all business operations, and prevented corruption, bribery, and coercion during the year of 2020.

As an international software development company delivering technology and services to 47 countries around the globe, we see it as our duty to promote the principles of fair business competition, equality, human rights, and environmental responsibility. At ScienceSoft, we believe that sustainable development is at the core of an effective business strategy. We also encourage our business partners and customers to do the same.

At the start of 2020, the Coronavirus (COVID-19) outbreak has disrupted the daily routine around the globe and brought uncertainty to the modern world. ScienceSoft is making every effort to return the favor to those fighting on the COVID-19 front line in whatever way we can. Our Minsk-based office regularly helps local hospitals restock their supply of medical necessities and provides medical staff with hot lunches.

Also, we've done our best to deliver our services in new conditions, with no impact on their quality, and support the continuity of our customers' businesses in this challenging time. We've taken all precautions to maintain the safety and well-being of our employees and stakeholders. To limit the spread of COVID-19, 90% of our staff is staying home and works remotely.

We also run an active campaign to save the jobs and wages of our employees and minimize the effect of the coronavirus crisis on employment. For now, we continue hiring new employees.

Furthermore, in 2021 our sustainability focus is directed towards the following priorities:

- **Responsible innovation.** We continue to help businesses across industries to improve the world via meaningful digital transformation, as well as apply techs in the way to reduce environmental impact.

- **Education and Development.** We actively work on the establishment of the in-house Training Center for junior ScienceSoft's employees. We also consider sponsoring and mentoring external educational programs for both children and adolescents.

- **Corporate Spending.** We extend the portfolio of the supported charity projects and start new employee volunteer programs.

In closing, I want to thank all our stakeholders for the ongoing support and collaboration. And to thank the United Nations for the opportunity to participate in the Global Compact initiative. We are proud of the work done and looking forward to challenging ourselves to explore more ways to integrate sustainability into our business and take more affirmative actions in all spheres of the Ten Principles.

Sincerely,

Nikolay Kurayev,
President of ScienceSoft USA Corporation

Social Impact

Compliancy with Principles:

Human Rights:

✔ Businesses should support and respect the protection of internationally proclaimed human rights.

✔ Make sure that businesses are not complicit in human rights abuse.

Labor:

✔ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

✔ The elimination of all forms of forced and compulsory labor.

✔ The effective abolition of child labor.

✔ The elimination of discrimination with respect to employment and occupation.

Occupational Health and Safety

The well-being of employees is the priority of ScienceSoft. We aim to create safe and healthy working conditions for all our employees. Every employee is instructed on safe work practices.

- All of ScienceSoft's employees are entitled to comprehensive medical insurance. The company provides an employee with full compensation for insurance contributions. We also offer 50% insurance coverage for family members of our employees.

- We hold accident prevention training and ask our employees to report unsafe situations at the workplace.

- We take timely measures to prevent occupational diseases and improve the convenience of workstations (introducing ergonomic chairs, noise-canceling headphones, air humidifiers and purifiers, etc.).

- We conduct the workplace assessment and act upon its results immediately if the need arises.

- We provide home office support during the period of remote work. As many ScienceSoft's employees continue to work remotely during the COVID-19 pandemic, the company grants authorization to employees to take home all the necessary pieces of furniture and equipment and organize a suitable home workspace.

- The company pays an injured or sick employee their full pay for 3 weeks and an average monthly salary afterward until they are well enough to return to work.

ScienceSoft also actively promotes a healthy lifestyle and sport engagement among employees.

- All of ScienceSoft's employees are encouraged to lead a healthy lifestyle.
- All ScienceSoft's employees get reimbursement for gym and sports services they use (suspended for the period of COVID-19).
- ScienceSoft's largest office has a well-equipped gym.

2020 goals and results:

- Regular in-office yoga classes.

  Suspended due to COVID-19.

- Paid running races and marathon participation.

  Suspended due to COVID-19. Instead, we encouraged our employees for a month-long virtual running competition that can be carried out in any safe location and anytime in order to help their training and keep their motivation up during the coronavirus pandemic. The winners earned medals and sports accessories.

- Reimbursed sports teams.

  Suspended due to COVID-19.

- Health&Wellness employee classes, seminars, and meetups.

  We conducted regular online wellness and fitness events thought 2020.

2021 goals:

- Offering free COVID-19 vaccination (when getting access to a vaccine for general use is authorized by regulatory agencies in all countries where ScienceSoft operates).
- Training employees in First Aid, CPR, Basic Life Support, and more.
- Educating employees in workstation set up, good posture techniques, including self-massage, yoga and stretching exercises to relieve work-from-home stiffness, and more.
- Deliver psychological services in a workplace environment to help with occupational stress management and COVID-related anxiety and distress handling.

Diversity and Equal Opportunities

ScienceSoft respects and promotes treating people equally and defines equal employment opportunities for applicants regardless of their nationality, age, and sex. We prevent any discrimination in employment and partnership. We hire and promote employees and cooperate with partners without regard to their race, religion, national origin or citizenship status, sex, sexual orientation, gender identity or expression, pregnancy, age, disability, or military status.

First jobs and apprenticeships

We actively support applicants finding their first job and junior specialist employment, be they students, recent grads or those forced to transition to a new role because of the rapidly changing economy.

Women in Technology and Sales

We create a supportive, inclusive environment for female employees and invest efforts into:

- Assistance and advice on navigating the technology and sales environment.
- Mentorship in women's educational programs.

2020 goals and results:

- Continue to support Django Girls and alike initiatives.

  Suspended due to COVID-19.

2021 goals:

- Resuming active participation in women's educational events (if the pandemic situation allows).

Training and Education

ScienceSoft runs a knowledge-based business and constantly evolves employee skills in line with market demands. We retrain employees and improve their competencies by organizing their participation in workshops, forums, seminars, and conferences. ScienceSoft is also committed to furthering tech education and knowledge to promote techs, raise the quality of talent, and help people upskill and reach their career goals.

- The ScienceSoft Meetups initiative was launched. ScienceSoft Meetups is a series of free open events run by ScienceSoft's experts, which cover the most trending IT topics.
- The company covers acquisition expenses for professional certificates.

2020 goals and results:

- The HR team, in collaboration with relevant departments, is working on the establishment of ScienceSoft's in-house Training Center for recent grads, job candidates, and ScienceSoft's junior employees.

  Due to the COVID-19 pandemic, we implemented an online learning platform for junior employees.

2021 goals

- Continue to develop the online learning platform for junior employees.

Inspiring interest in technology among youth:

2020 goals and results:

- Supporting Summer Computer&Code Camp for kids and teens from care institutions.

  Suspended due to COVID-19.

- Mentoring school students at specifically organized seminars and meetups.

  Suspended due to COVID-19.

Also:

- Sponsored XXII Tournament of Young Mathematicians in Belarus.

2021 goals:

- Resuming active participation in educational events for kids and teens (if the pandemic situation allows).
- Donating computers to several schools to foster digital education opportunities.

Respecting Human Rights

ScienceSoft fully supports and further promotes internationally proclaimed human rights and ethics, working in line with the International Labor Organization's core conventions and the UN Global Compact. Our HR team is always available and open to discussion with employees regarding Human Rights issues. Our employees are encouraged to discuss any relevant issues with the HR department or senior management.

The company will not tolerate any form of unlawful harassment against any employee by anyone, including other employees, vendors, or clients.

We require our partners to practice principles that adhere to Human Rights policies.

Safe Working and Employment and Competitive Compensation

ScienceSoft promotes sustainable economic growth and decent employment. We offer competitive salaries and encourage the review of annual wages. Our employee handbook covers policies concerning employee rights, responsibilities and compensation.

Protecting Privacy and Security

We handle all the personal data of our customers and employees responsibly. All newcomers undergo comprehensive security and privacy training.

Freedom of Association and Collective Bargaining

Currently, no restrictions are placed on the ability of our employees to organize themselves or join legally constituted bodies.

Elimination of Slavery, Forced and Compulsory Labor, Child Labor

We don't allow human rights abuses and prevent any forced labor. We don't cooperate with any brands linked to forced and child labor.

Currently, ScienceSoft doesn't have operations in high-risk countries and screens all its clients and partners for compliance.

Environmental Impact

Compliancy with Principles:

Environment:

- ✔ Businesses should support a precautionary approach to environmental challenges.
- ✔ Undertake initiatives to promote greater environmental responsibility.
- ✔ Encourage the development and diffusion of environmentally friendly technologies.

With the consequences of human-induced global warming and other harmful environmental effects of human activities, climate protection and energy conservation have become an important part of every corporate agenda. A mid-size company with operations not directly linked to production and natural resource usage, the environmental impact of ScienceSoft is rather small. Nevertheless, we strive to use every opportunity to reduce it to zero.

Reducing Our Ecological Footprint

As the power supply to desktops and services is a major component of energy consumption in the IT business, the energy efficiency of computer equipment is a key factor in ScienceSoft's purchasing decisions. The introduction of modern blade servers and a drive towards virtualization allowed us to significantly decrease the amount of energy consumed by the server park. Unfortunately, renewable energy is unavailable in the main regions of our operations.

As a part of environmental protection efforts at ScienceSoft, we try to integrate environmental protection into our date-to-day activities in the following ways:

- Use non-disposable kitchenware in the office and re-usable coffee mugs every time away.
- Collect waste paper as a raw material to expand the use of recovered paper further.
- Collect old accumulators and light bulbs to ensure their safe utilization.
- Use electronic documents in place of hard copies.
- Use double-sided printing.
- Donate unneeded goods (computers, chairs) to charities (schools, orphanages).

2020 goals and results:

- Provide separate plastic collection.

  We've installed centralized waste stations for plastic, glass, and paper collection.

- Further reduce energy and water consumption.

  Unfortunately, it's impossible to track real progress in the direction due to switch to remote work.

Also:

- We set up a bike rack for employees.
- We actively decorated offices with plants to reduce offices' carbon emissions.
- We set up hand-dries instead of using paper towels.

2021 goals:

- Install energy-efficient LED bulbs.
- Use environmentally friendly cleaning supplies.
- Conduct free zero waster course.
- Further improve recycling and recovery (e.g., adding organics recycling to our office recycling program.

Promoting Responsible Consumption among Employees

We strive to make care about the environment a part of the mindset of our employees. We drive awareness of responsible consumption and utilization through regular posts in corporate communication networks and ScienceSoft's accounts on major communication platforms (Instagram and Facebook).

We actively promote cycling culture and encourage our employees to use bikes instead of cars wherever possible.

Responsible Business and Corporate Giving (Philanthropy)

Compliancy with Principles:

✔ Businesses should work against corruption in all its forms, including extortion and bribery.

Digital Responsibility, Data Privacy and Security

We don't develop or deliver software that can be used at the expense of human rights (e.g., secret surveillance software) or principles governing sustainable development and environmental protection.

Anti-corruption

We strongly stand for anti-corruption, elimination of bribery and coercion to maintain trust among employees and with our customers and business partners and promote transparency in all our business operations.

- We provide employees with anonymous access to an online grievance and feedback channel, which is reviewed by key internal stakeholders.
- Bribery in any form is forbidden in all our business dealings.
- No company funds may be used for any bribe under any circumstances.

Corporate Giving

Making a meaningful impact in the communities we live and work in is the focus of our sustainability strategy. ScienceSoft contributes to various volunteer and charity initiatives. Our corporate giving includes:

- Monthly/quarterly/yearly donations to volunteer organizations and funds and charity projects.
- Targeted assistance to people and families in difficult situations or via specific institutions, such as the Belarussian Research Center for Pediatric Oncology, Hematology and Immunology.

2020 goals and results:

- Embarking on a long-term charitable project (patronage of an orphanage or an assisted living facility / regular financial support of one of the leading Belarusian charitable non-profit organization "IMENA").

  We've become one of the key official sponsors for 'Niti Druzhby', a unique project on mentoring orphan kids in Belarus. They select and train foster carers to help build their awareness of how they can best support the children in their care, as well as run several other charity projects for children in need.

- Implementation of an employee volunteer project (e.g., funding and volunteering in an animal shelter).

  We've been paying regular visits and donations to Minsk-based pet shelter @soul.home that has been helping homeless dogs and cats for 11 years.

Also:

- Donations to the Belarusian Union of Veterans.
- Quarterly donations to a voluntary search and rescue team 'Angel' (SAR 'Angel').
- Donations and volunteer work for the charity project 'PORA' helping oncology and hematology patients.
- Donating personal protective equipment (PPE) and medical devices for 5 healthcare organizations during COVID-19 in Belarus:
  - Minsk City Children's Clinical Hospital of Infectious Diseases
  - Molodechno Central Distric Hospital
  - Minsk Ambulance Service
  - Minsk City Clinical Hospital No.10
  - Minsk Infectious Disease Hospital
- Volunteered to build a website for Belarusian Children's Hospice.

2021 goals:

- Continue all the current corporate giving and sponsorships.
- Deepen the collaboration with 'Niti Druzhby' further.

Measurement of Outcomes

Ratio of women by year

- 2020 — 27%
- 2019 — 24%

Number of promoted employees by year

- 2020 — 45
- 2019 — 24

The average progress of salary over time

- 2020 — 27.9%
- 2019 — 21.0%

Age diversity

- Under age 30 — 40%
- Age 30-50 — 57%
- Age 50 over — 3%