

RSPP'S SUSTAINABLE DEVELOPMENT, CORPORATE RESPONSIBILITY AND REPORTING INDICES: KEY RESULTS OF THE THIRD EDITION

ABOUT THE PROJECT

RSPP has been compiling its sustainable development, corporate responsibility and reporting indices (hereinafter, the Indices) since 2014.

The project's objective is to develop a toolset for independent assessment of business performance with a view to:

- advancing a systemic view of sustainable development and corporate social responsibility as the general platform for fair and impartial recognition of the business's contribution to and impact upon the society and the environment;
- translating the corporate social responsibility discourse into the language of tangible, comparable and verifiable indicators;
- increasing corporate transparency and the quality of governance in the area of sustainable development and corporate responsibility;
- fostering brand reinforcement and strengthening the reputation of Russian companies.

Under the project, the following indices are compiled: the *Responsibility and Transparency* index, and the *Sustainable Development Vector* index. They serve as an extension of a line of tools for measuring and performing a selfassessment of a business's performance in the area of corporate social responsibility (hereinafter, CSR), developed by RSPP and adopted by corporate practitioners. More specifically, the indices make use of such products as the ISO 26000-based company self-assessment methodology and the methodology for providing public assurance on non-financial reports¹.

Compiling and publishing the Indices on a regular basis provides the means to monitor the changing situation, identify each year's leaders, identify the growth areas associated with the improvement of the reporting information quality.

This third edition of the Indices takes stock of the 2016 results².

1 See materials posted on RSPP's web site at <http://rspp.ru/simplepage/448>; <http://pcnn.pf/simplepage/138>

2 For materials from the first and second editions, refer to: A set of indices for corporate social responsibility and nonfinancial reporting, RSPP, 2015, at <http://pcnn.pf/simplepage/475>; 2012-2014 issues of Responsible Business Practices in the Mirror of Reporting, the Analytical review of corporate non-financial reports, RSPP, 2015, at <http://rspp.ru/simplepage/505>

The project enjoys the support of the RSPP Committee for corporate social responsibility and demographic policy and is being implemented with the assistance from Metalloinvest. In 2016, additional support to the project was provided by SUEK and Severstal.

PRINCIPLES AND GENERAL METHODOLOGICAL APPROACHES

The project is underpinned by the understanding of corporate social responsibility in the context of sustainable development as the organization's responsibility for the impact its decisions and activities have on the society and the environment, inclusive of the economic, environmental and social aspects of such impact.

This understanding is recognized by and built into a number of international documents (such as the United Nations Global Compact, the ISO 26000 standard) and is shared by the Russian business community (The Social Charter of the Russian Business). Pursuant to this understanding, issues of corporate social responsibility are considered in a broad context of a competitive economy and sustainable socio-economic development of the society, effective and frugal use of natural resources, development of the human potential and improvement of living standards.

In addition, the indices are compiled with consideration of the basic principles of the Global Initiative for Sustainability Ratings (GISR) in order to ensure that appropriate techniques are applied to compare companies' performances in the area of sustainable development and corporate social responsibility³.

At the core of the indices is the analysis of quantifiable data. In defining the appropriate sets of indicators for both of the indices, consideration was given to the recommendations of the existing guidances for non-financial reporting. However, evaluating corporate reports' compliance with any of these guidances has not been an objective. The compilers instead focused on those indicators that were singled out through juxtapositioning "demand and supply". On the one hand, the analysts studied the stakeholders' demand for information as manifested by requests coming from financial

3 See materials posted on RSPP's web site at <http://rspp.ru/simplepage/448>; <http://pcnn.pf/simplepage/138>

analysts, and from rating systems focusing on sustainable development, by stock exchanges' requirements and recommendations, as well as recommendations of professional and business associations, along with the standards and guidelines that pertain to this field. The other aspect that was taken into consideration was the "supply" defined as the sets of indicators that are being most actively disclosed by major Russian and foreign companies in their non-financial reports¹. The information under review includes over 50 cross-industry indicators spanning economic, environmental and social aspects of companies' activities and performance, including corporate governance issues.

The analysis is focused on public corporate reports produced by Russia's largest companies (by sales volume), i.e. the companies whose importance in matters social and economic is the most significant. To produce the index, the compilers reviewed both annual and non-financial reports of Russia's 100 largest companies by volume of sales², available in Russian on official corporate web sites. It is believed that these corporate documents provide a solid enough foundation to help form an opinion regarding the true degree of corporate transparency:

- public corporate reports are addressed to such business audiences as investors, business partners and the government, presenting the company's business with the use of facts and numbers;
- corporate reports are official publications – the information contained in the reports gets to be verified and approved within the organizations with the management assuming responsibility for its accuracy and authenticity.

The project aims at studying the changes that are taking place in the realm of corporate social responsibility, reporting and sustainable development. Ranking companies has not been a central objective. That said, the insights from the projects do allow to identify examples of the best practices in this field.

The Responsibility and Transparency and the Sustainable Development Vector indices are interrelated. The former represents both a standalone tool for assessing the situation with disclosure of corporate information, but also a "filter" that is used to select the sample for building the latter index that reflects the change in the disclosure of actual facts built into the reports.

1 For materials from the first and second editions, refer to: A set of indices for corporate social responsibility and non-financial reporting, RSPP, 2015, at <http://pcnn.pf/simplepage/475>; 2012-2014 issues of Responsible Business Practices in the Mirror of Reporting, the Analytical review of corporate non-financial reports, RSPP, 2015, at <http://rspp.ru/simplepage/505>

2 For further details, refer to A set of indices for corporate social responsibility. RSPP, 2015

THE 2016 RESPONSIBILITY AND TRANSPARENCY INDEX

The *Responsibility and Transparency* index: the disclosure index

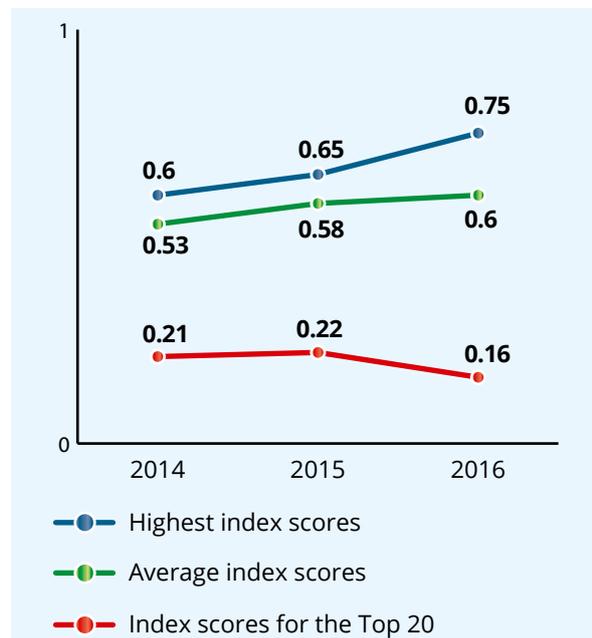
How transparent is the «benefit» of large companies to the society?

How serious are companies about disclosing sustainability/CSR-related information? How high are the frequency and quality of disclosure?

The third edition of the index for the disclosure of information on sustainable development and corporate social responsibility in public corporate reports has demonstrated that the best practices for disclosure of sustainability and CSR-related, viewed in conjunction with data on economic performance, are getting increasingly widespread.

The leading group with individual company indices above 0.5 includes 14 companies (as opposed to the previous edition's five). The average index value for the first 20 standings is 0.5 (which is noticeably higher than the preceding year's value of 0.42). In addition, the first 20 positions in the rating are shared by 25 companies (the number was 20 in the previous edition).

Graph 1. Historical changes in values of the *Responsibility and Transparency* index in 2014-2016



INDIVIDUALLY MEASURED INDEX VALUES FOR COMPANIES IN THE LEADING GROUP	COMPANIES
0.5–0.75	AFK Sistema, Gasprom EuroChem, Bashneft, Inter RAO, Metalloinvest, Nizhnekamskneftekhim, Nor Nickel, Rosatom Rosneft, Sakhalin Engergy, Severstal, SUEK, PhosAgro (14 companies, listed alphabetically)
0.4–0.5	Aeroflot, Lukoil, MMK, NLMK, Novatek, OMK, RZD, Rostelecom, Rushydro, Tatneft, Uralkali (11 companies, listed alphabetically)

Leaders of the 2016 Responsibility and Transparency Index

Top 20 companies (listed in the alphabetical order)

AFK Sistema, Aeroflot, Bashneft, Gasprom, Eurochem, Inter RAO, Lukoil, Metalloinvest, MMK, Nizhnekamskneftekhim, NLMK, Novatek, Nor Nickel, OMK, RZD, Rosatom, Rosneft, Rostelecom, Rushydro, Sakhalin Energy, Severstal, SUEK, Tatneft, Uralkali, PhosAgro.

Positions 21-30 (listed in the alphabetical order)

AvtoVAZ, Alrosa, Atomenergoprom, VTB, Zarubezhneft, Rosseti, UAC, Sberbank, Sibur, Surgutneftegas, TMK, Transneft.

How the Responsibility and Transparency index was compiled

The index is intended to characterize the real situation with the disclosure of corporate information on CSR as compared with the “ideal” one: the measured level of disclosure is compared to the highest level possible. The information disclosure index (I_t) is calculated using the following formula:

$$I_t = \frac{e}{E},$$

where e is the sum of points scored across the entire sample, E is the highest possible score ($E = xmn$, where x is the highest possible score per the indicator; m is the number of indicators thus measured; n is the number of companies).

The index's composition in terms of topics covered and the set of indicators measured (50 indicators) follows the contemporary CSR model to reflect the economic, social and environmental metrics of the corporate social responsibility, as well as the quality of corporate governance in the area of CSR¹ and the corporate governance domain. The breakdown into topics is largely notional: there is quite often an overlap between the topical blocks' contents. When deciding on attributing a particular indicator to a given topical area the compilers did so in consideration of the thematic structure suggested by the GRI².

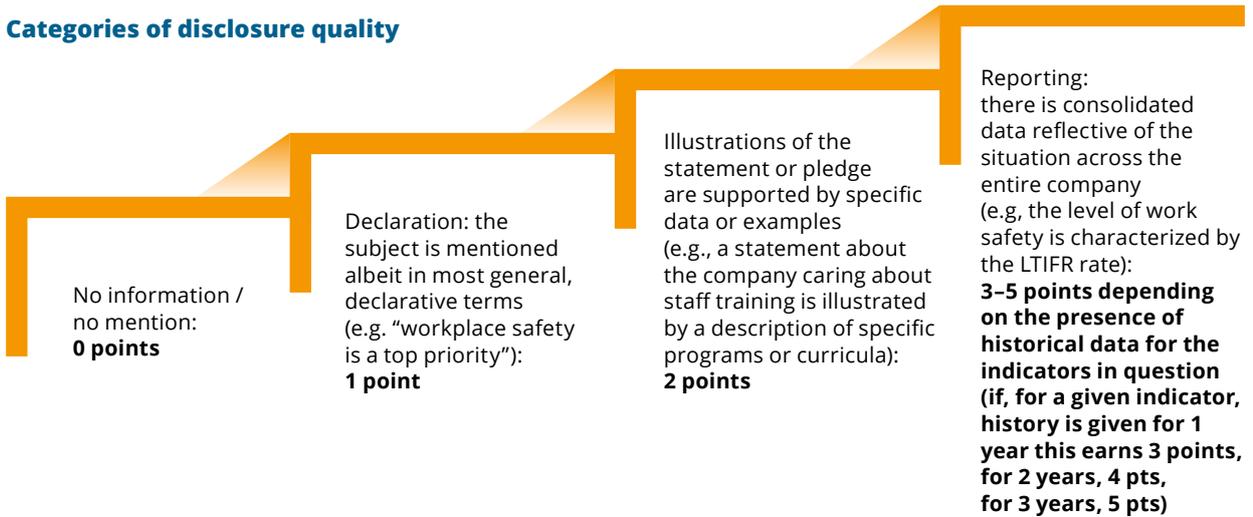
The quality of disclosure was measured by looking at the following two parameters:

- frequency of disclosure by companies in the sample;
- quality of disclosure with regard to the indicators disclosed.

¹ For further details on fleshing out the index's content model, refer to A set of indices for corporate social responsibility. RSPP, 2015

² The Human Rights theme is not specifically called out in the list of main thematic blocks. Under Russian reporting practices, this topic is mostly covered in conjunction with other CSR aspects.

Categories of disclosure quality



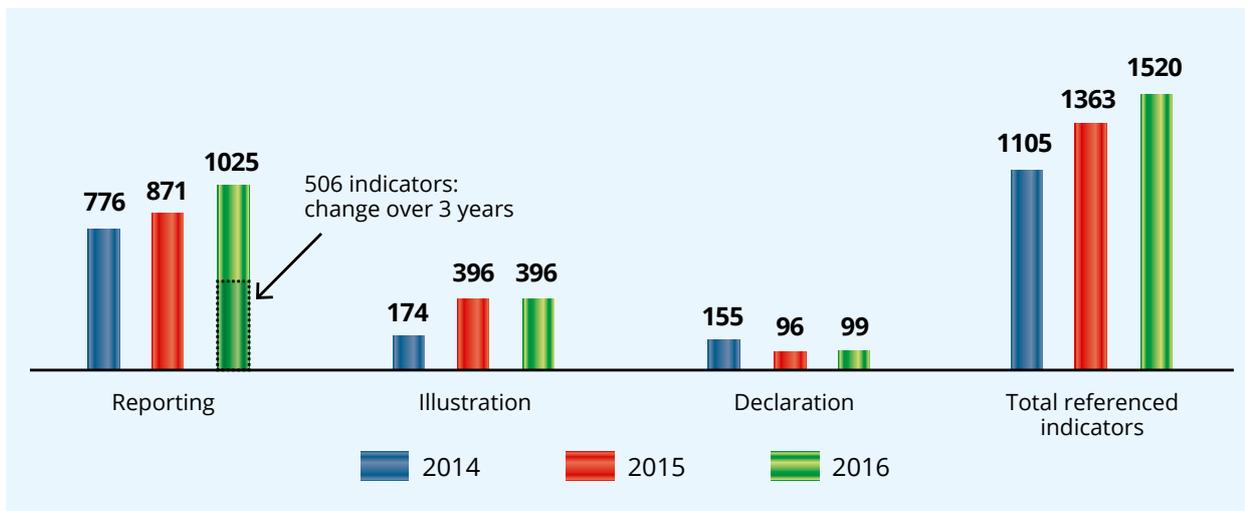
Materials used for compiling the 2016 *Responsibility and Transparency Index* include publicly available corporate reports, published in Russian on official web sites of Russia's Top 100 companies with the highest volume of sales¹.

Observations conducted throughout 2014–2016 show that many companies have expanded the number of indicators disclosed in their publicly available reports. As an example, such parameters as workforce productivity, workforce attrition, greenhouse gas emissions are being increasingly reported. There has been an upturn in disclosure on environmental impact. There

has also been increasingly more focus on reporting the effectiveness of investments made in support of local community development.

An improvement in the quality of the information being disclosed has also been noted as more indicators get disclosed at the Reporting level. Moreover, a significant percentage of indicators are shown as they change over a 3-year period. This seems to confirm that the companies take care to regularly monitor their performance in the key areas of corporate social responsibility. It should also be mentioned that some of the large companies treat HSE and social performance indicators as part of their key performance indicators and are looked at in the context of strategic management.

Graph 2. Changes in the volume and quality of disclosure in 2014–2016



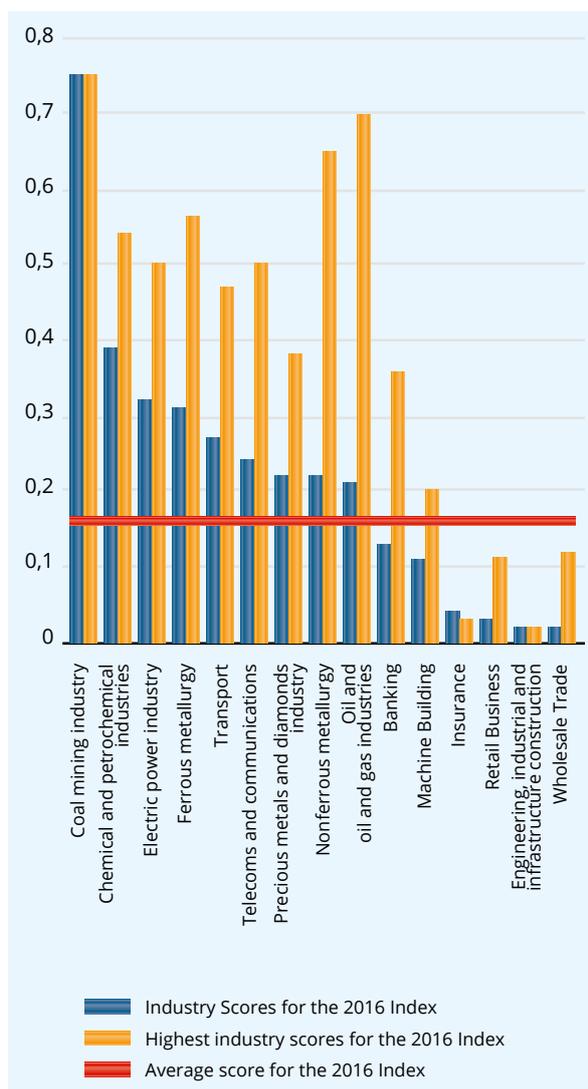
¹ The actual number of companies included in the sample was equal to 124, as it took into consideration the rankings for the largest companies developed by RAEX and RBC, whose Top 100 lists were not a 100 percent match.

Yet, the gap between the leaders and the remainder of the sample is quite considerable. Not only has the index's average value failed to grow but it has, as can be seen from Graph 1, declined somewhat year on year.

Graph 3. Leadership in information disclosure vis-a-vis the size of business



Graph 4. Leadership in information disclosure: the industry aspect



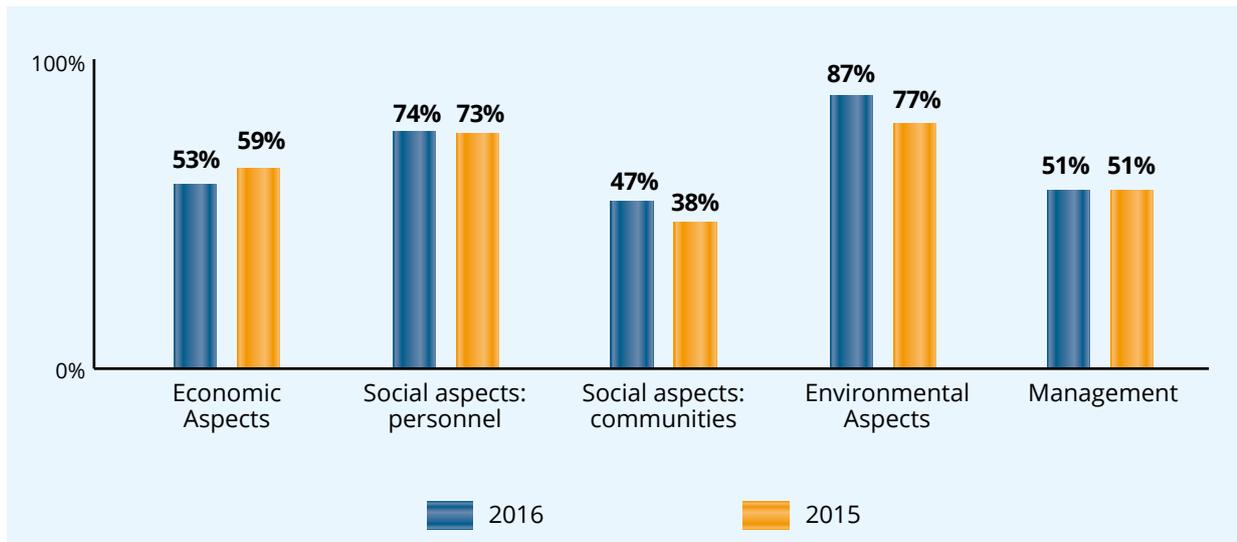
It is evident that the best practices of public disclosure reside with a relatively confined circle of the largest-size companies who mostly belong in the upper part of the list of Top 100 companies by volume of sales.

That said, the company's size is arguably not the only factor determining the management's level of attention to disclosing information about the company's activities in the areas of social responsibility and sustainable development. The degree of disclosure of this information varies quite considerably within this group of "the largest of the largest". Clearly, this is, to a significant degree, influenced by what industry the company in question belongs to¹.

Observations conducted throughout 2014–2016 have shown that many of the companies representing such industries as chemical and petrochemical, coal mining and power generation, iron-and-steel and non-ferrous metallurgy, oil and oil and gas industries, have been working consistently to improve their reporting on sustainable development and corporate social responsibility.

¹ The sample that was used as the basis for compiling the index does not provide a uniform distribution of industries, with some industries being represented by just one company while others are being represented by ten or more. Of equal importance is the fact that according to the criteria of the RAEX rating (which reflects results from consolidated reports developed by holding companies) the sample did not include several companies that are actively pursuing corporate nonfinancial reporting. This includes Gasprom Neft and MTS, as well as a number of companies from the nuclear industry. Had their results been incorporated, this would have definitely had an impact on the overall picture within the relevant industries. Therefore, the industry aspect is not always reflective of the real situation. In this context, of primary interest would not be the average index value but rather the best results demonstrated within a given industry. This approach helps one to see which industries have the best accounting and reporting practices and where there are companies that "set the pace" in the field.

Рис. 16. Доля показателей, раскрытых на уровне «Отчётность» (%) по основным темам



It has also been noted that increasingly more attention is being paid to disclosing this type of information by companies representing the infrastructure-type industries. In the telecoms sector the industry index has grown from 0.11 in the 2014 edition to 0.24 in the 2016 edition; for the transport sector the gain has been from 0.22 to 0.27. The industrial indicator of the banking sector is slightly below the average index value, but even within this sector an active search is underway for approaches and solutions applicable to non-financial reporting. For example, individual scores of Sberbank and VTB by far surpass the average values of the *Responsibility and Transparency Index*.

As was the case with the previous editions, the thematic structure of the set of indicators being disclosed is reflective of all components of social corporate responsibility, such as economic, social and environmental aspects of companies' performance, as well as management of these aspects. The coverage of the constituent elements of corporate social responsibility is fairly balanced: the grouping of values of the *Responsibility and Transparency Index* has been a fairly close one, hovering around the average index value. However, if one were to compare this with previous year's results one would clearly see a noticeable improvement of the quality of disclosure in such areas as environmental protection and support for social development of local communities. In addition, it is worth noting a growing number of companies that report specific data on workforce productivity and workforce attrition. There has been a visible increase in the level of attention paid to such globally relevant business subjects as reduction of greenhouse gas emissions, and responsibility along the supply chain.

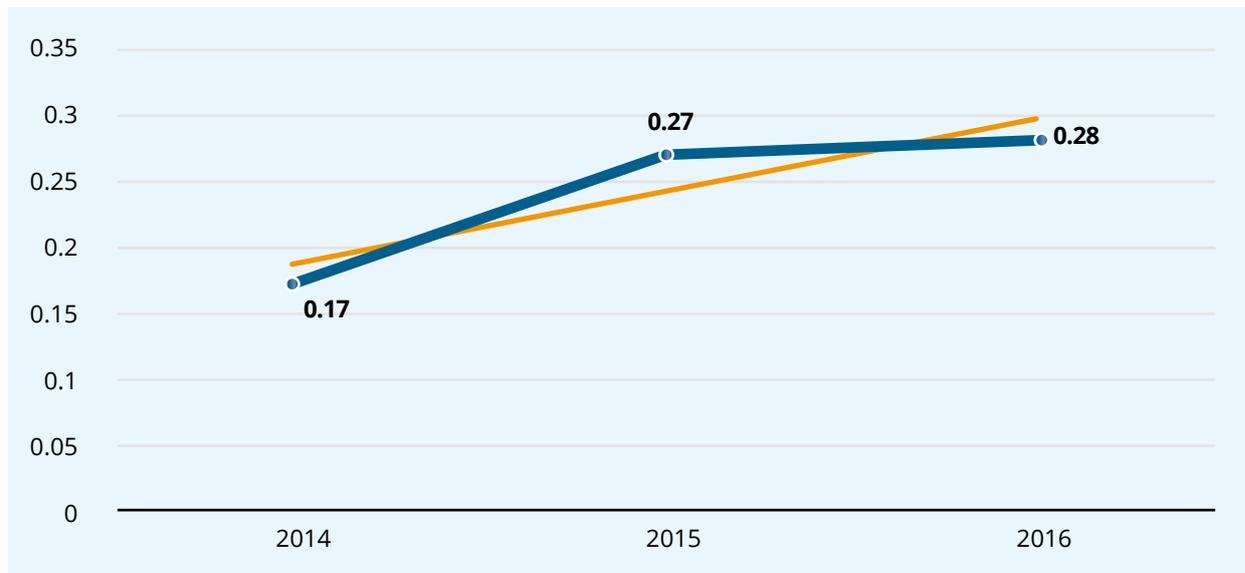
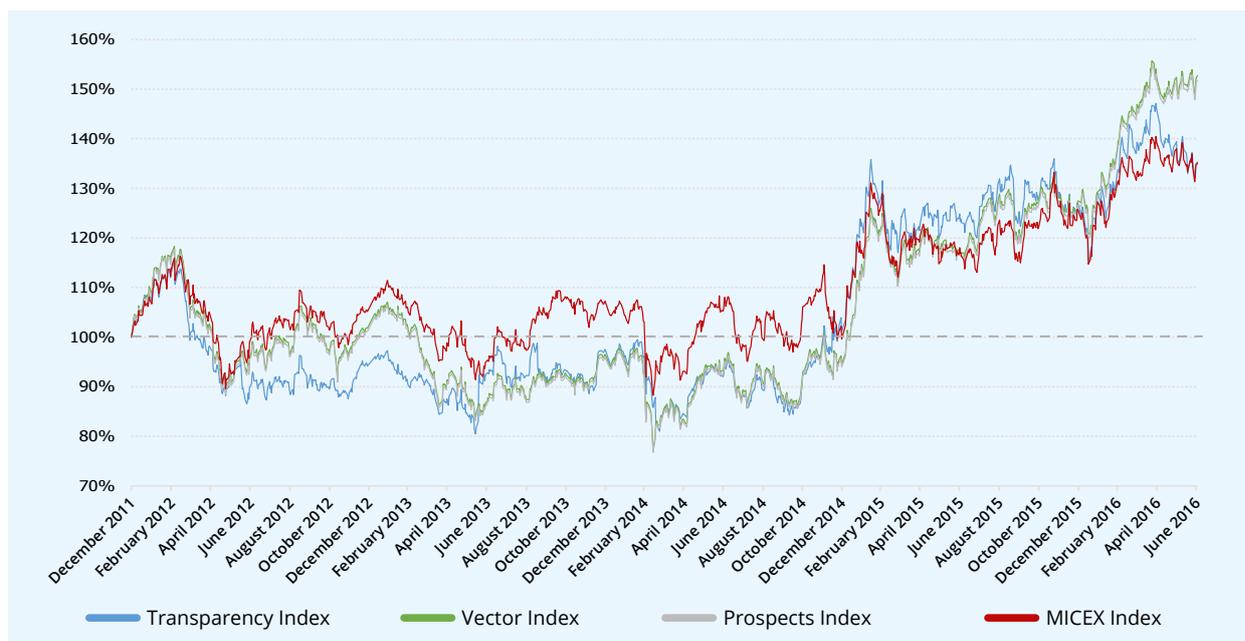
The Sustainable Development Vector index: the index of the changing performance

The reality behind the CSR indicators: which trend direction do public reports represent? Are there more social benefits on offer on this "market" today? Is the environmental "price" of production on a downward slope?

How sustainable are the results? What does the future entail?

The third edition of the Sustainable Development Vector index reflects a positive trend with the business performance indicators for key areas of corporate social responsibility. The index has been growing steadily over a period of three years despite the challenging economic environment.

It seems reasonable to surmise that the positive change in the index which is compiled based on the data collected from publicly available corporate reports of the leaders of the Responsibility and Transparency index does indeed adequately reflect the link between the quality of the work performed to account for socially relevant indicators and the disclosure thereof, on the one hand, and the real performance of the companies in question, on the other.

Graph 6. The Sustainable Development Vector index during 2014–2016**Graph 7. Indices' profitability since the start of 2012 through mid-2016****Graph 8. Historical comparison of indices**

INDICES	SINCE START OF 2016, %	1 CALENDAR YEAR, %	2 CALENDAR YEARS, %	3 CALENDAR YEARS, %	ENTIRE PERIOD, %
MICEX Index	7.37	14.30	28.09	42.14	34.86
Transparency Index	6.45	8.10	46.62	46.12	34.95
Vector Index	19.64	29.21	63.58	75.99	52.55
Prospects Index	19.64	29.21	63.58	75.99	51.54

This affects the companies' market value, as demonstrated by the analysis carried out by MICEX together with RSPP¹. The results of the study indicate that over a similar period of time the sustainable development indices outpace profitability of the MICEX index almost by a factor of 2, which is proof that there is a further need to continue the monitoring and to record the results while assessing the issuers' prospective stability. As an outcome of this stock index modelling, a higher level of profitability has been demonstrated by the *Sustainable Development Vector* and *Responsibility and Transparency* indices as compared with the country benchmark, the MICEX Index. It is worth noting that the list of instruments for the indices was compiled at the end of 2015 using issuers' reports over the preceding 3 years.

How the *Sustainable Development Vector* index was compiled

The Sustainable Development Vector index, as is the case with the preceding index, does not intend to rank companies. Its purpose is in sensing the change, the real movement of life beyond the indicators contained in the corporate reports. It is calculated as sort of an analogue of the directional movement index that is commonly used to identify market trends. When calculating the index, instead of recording the indicators per se one would capture the vector of their change, whether positive or negative. The index is based on the ratio between the positive and the negative "signals" that show the direction of the change that could be discerned out of 3 years' worth of reporting data.

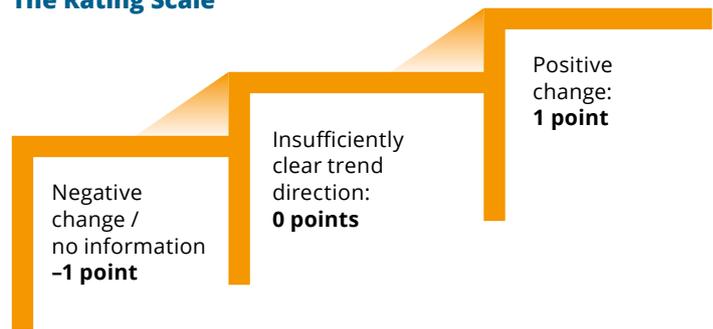
The Sustainable Development Vector Index (I_v) is calculated as the aggregate measure of the direction of change in the companies' performance in the area of sustainable development/CSR divided by the number of companies in the sample. It is based on the ratio between the positive and the negative "signals" that indicate the direction of the change as suggested by the array of reporting data over a period of 3 years.

$$I_v = \frac{Q}{MN}$$

where Q is the sum of signal values, M is the number of signals, N is the number of companies in the sample.

¹ The year 2016 saw the implementation of a pilot project to model stock indices of sustainable development through analysis of public reports in the Russian corporate sector carried out for the purpose of compiling the Responsibility and Transparency and the Sustainable Development Vector indices. The effort to model the stock indices was performed by the Department of Index Management at PAO Moskovskaya Birzha (the Moscow Exchange) with analytical support from the RSPP's Department for corporate responsibility, sustainable development and social entrepreneurship.

The Rating Scale



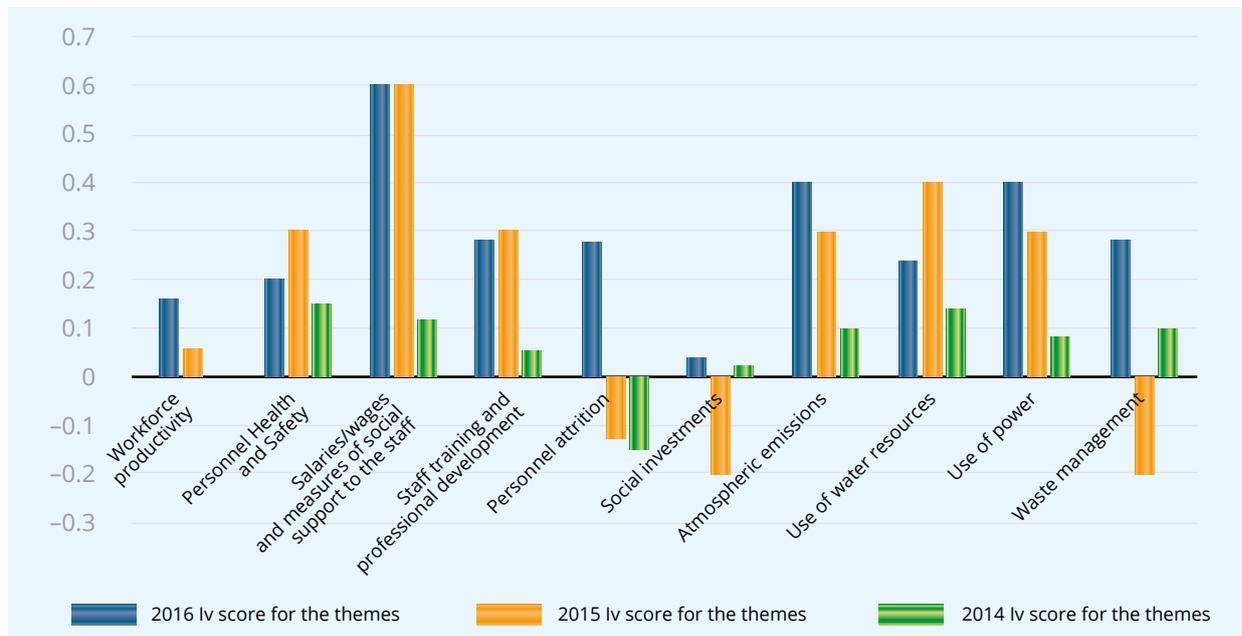
No change is marked by a 0 (zero). In cases where available data and the context information do not allow to make a definitive determination of the direction of change, the result is also marked with a 0. Lack of any information on a particular indicator is recorded as a negative signal².

The analysis makes use of the data from publicly available corporate reports of the companies that have shown the best results during the first phase of the project, i.e. at the time when the Responsibility and Transparency index was being compiled. It is these companies that provide most of the Reporting level information, i.e. the quantitative data allowing to make an overall assessment of companies' performance in the CSR and sustainable development area against 10 basic indicators reflecting the companies' economic, social and environmental impact on the society:

- Workforce productivity
- Personnel Health and Safety
- Salaries/wages and measures of social support to the staff
- Staff training and professional development
- Personnel attrition
- Community investments
- Atmospheric emissions
- Use of water resources
- Use of power
- Waste management

² In some cases determining the direction of the change presented a challenge. For example, if the "social investments/charity spending" indicator is on the rise, is this always a positive thing? In cases like this one we would refer to the texts seeking evidence of the true positivity of the change. For example, we would consider the following kinds of spending effectiveness assessment data as an argument in favor of the positive assessment of a trend in the area of social investments: presence of a system for managing such social investments, transparency of criteria used for selecting projects to be funded and of approaches to evaluating the results of such projects, replicability of effective solutions, engagement of partners representing both the business community as well as governmental institutions and public organizations. In the case of environmental data, it was important to see both gross values and specific values. Often, a negative value or absence of a value would prevent one from making a justifiable judgement regarding the direction of the trend. Where a trend's outline was fuzzy a score of 0 (zero) was applied.

Graph 9. "Signal" distribution across key indicators, 2014–2016



The set of indicators used for developing the *Sustainable Development Vector* index was tried and tested in the course of compiling the first and the second issues of the index and was a subject of a discussion by experts whilst developing the new draft of the Basic Company Performance Indicators, an effort spearheaded by RSP's Council for Non-Financial Reporting. The 2016 *Sustainable Development Vector* index reflects the change in these indicators over a period of 3 years (2013–2015), based on the corporate reports published in 2016.

The way the "signals" are spread across the main indicators underpinning the 2016 Sustainable Development Vector index has shown either stability or positive change in the results almost across all positions¹.

Special mention should be made of the fact that the value of the indicator titled Salaries/wages and measures of social support to the personnel remains high. The caveat here would be that despite the fact that most large companies have reported an increase in the average size of pay to the staff and/or general staff-related expenses, one might reasonably assume that, given the present economic situation, the real living standards of the personnel may not always be on the rise. However, even having made this disclaimer, the positive change here is quite evident. Let us also note an increase in the number of positive signals with respect to the *Community Investments* indicator. While disclosure of the volume of funding for projects aimed at providing social support to communities and charitable projects has not yet become common practice, the companies that do disclose this information increasingly try to comple-

ment this information with data on the effectiveness of such investments and work hard to further develop accounting and reporting tools used for this purpose. There has been a noticeable positive change in the case of all environmental indicators used in this index. That said, it is worth noting that the value of the Personnel Health and Safety indicator has dropped somewhat compared to the previous issue although the indicator's 3-year trend remains positive. The value of this indicator in the latest issue was impacted by the fact that some of the companies had gotten vaguer in providing information on this subject by refraining from inclusion of quantitative parameters in their reports. And, according to the methodology behind the index, this is treated as a negative signal.

The notion of a vector assumes a certain direction of movement, a clarity of purpose. In order to achieve an even greater degree of clarity with respect to how the situation is likely to unfold, the *Sustainable Development Vector* index (a retrospective index reflecting companies' performance in the CSR area) has been, augmented by the forward-looking index of focus titled the *Prospects* showing the company's commitment to achieve a defined set of targets in this area. The *Prospects* index has a supportive role relative to the *Sustainable Development Vector* index and adds yet another metric which allows to make assumptions regarding the stability of the results demonstrated by the companies so far. The presence of concrete measurable targets that translate declarations of commitment to the principle of social responsibility into practical solutions and actions may serve as the integral indicator of management quality in this area.

In turn, this disclosure of information attests to the companies' readiness to have an open dialogue

¹ This diagram does not include the 2014 Workforce Productivity indicator values, because the first issue of the Sustainable Development Vector index did not take those into account.

with the stakeholders on the subject of corporate social strategy. In both cases, one could, with a reasonable degree of certainty, make an assumption about the stability of the positive trend, or, in those cases where, as of the moment, the recorded trend may have been negative, make an assumption that the direction of the trend may potentially be reversed in future.



What goals do companies pursue in the area of corporate social responsibility? How prepared are they to publicly disclose specific target values

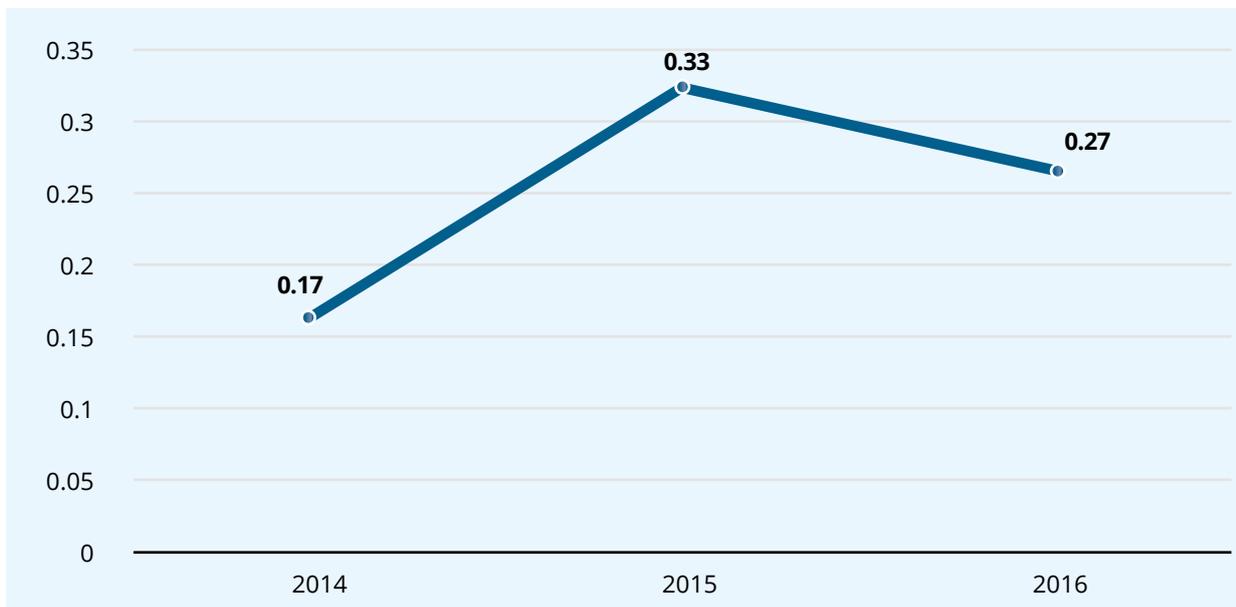
the trend towards an improvement of this index which started to transpire last year, is still quite thready and fluid. It is possible that the degree of the companies' willingness to disclose specific target values is affected by the lack of market certainty.

How the Prospects index was compiled

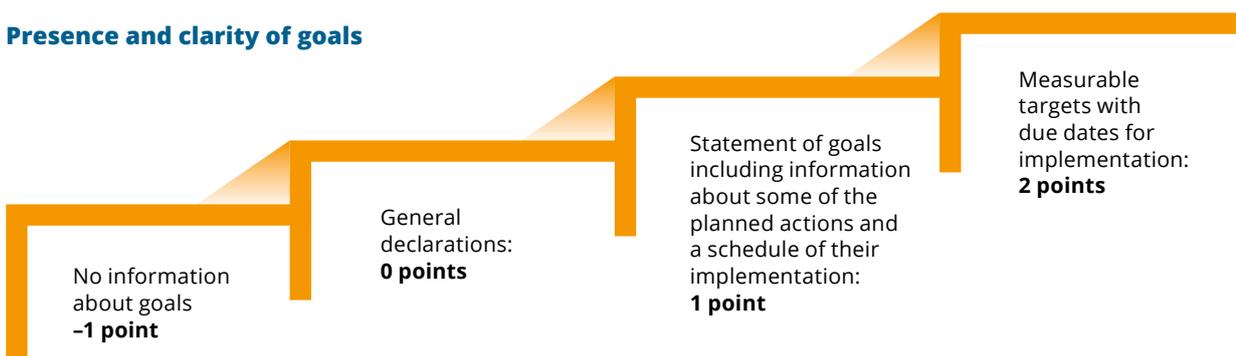
For the purpose of compiling the *Prospects* index, a review is performed of company statements regarding their near-term, medium-term and longterm objectives with respect to key aspects of CSR. In addition, the presence and clarity of the stated goals are assessed. To compile this index, the data is taken from publicly available corporate reports of the same sample of companies as in the case of the *Sustainable Development Vector* index.

It should be noted that public disclosure of specific target indicators in the area of sustainable development/CSR remains a hard-to-implement task for the vast majority of companies including even those who are in the leadership group of the *Responsibility and Transparency* index. However, the way the values of the *Prospects* index have been changing over the 3-year period is indicative of the fact that the situation is gradually changing. Yet,

Graph 10. The Prospects Index, 2014–2016



Presence and clarity of goals



The Prospects index (I_p) was calculated as the ratio between the actual sum of points scored across the entire sample and the maximum possible number of points:

$$I_p = \frac{Qp}{MpN}$$

where Qp is the measured sum of points scored across the entire sample, N is the number of companies in the sample, Mp is the maximum possible number of points for a single area.

LEADERSHIP COORDINATES

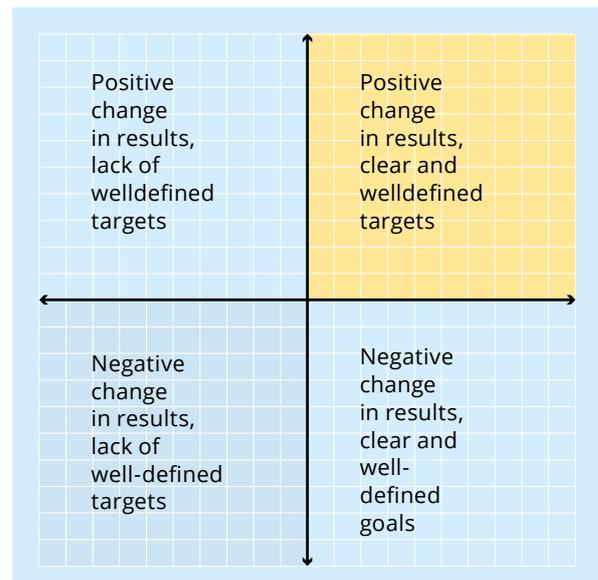
By superimposing the two indices – the Sustainable Development Vector and the Prospects ones – it is possible to chart “leadership coordinates” and single out a group of companies that have achieved both the improvement in performance and the clarity of vision. To an extent, this approach to determining leading performers in sustainable development and corporate responsibility allows to avoid the oversimplification that would otherwise be inevitable with “linear” rankings. That said, it should be noted that even this approach is not without its limitations. For example, in future one could consider using yet another metric that would make it possible to give credit to those companies that are showing the most pronounced progress. Inter RAO, Metalloinvest, RZD, and Severstal have been able to keep their positions in the group of leaders, while Nizhnekamskneftkhim, OMK, Rostelecom, and SUEK have greatly improved their standings. In 2016, the leadership group was joined by Rosneft, Rosatom, Sakhalin Energy, PhosAgro. This time around, financial sector companies were not included in the sample for the *Responsibility and Transparency* index and failed to make it into the group.

The 2016 group of leaders (listed alphabetically)

Gasprom, Eurochem, Inter RAO, Lukoil, Metalloinvest, MMK, Nizhnekamskneftkhim, NLMK, Nornickel, OMK, RZD, Rosatom, Rosneft, Rostelecom, Rushydro, Sakhalin Energy, Siberian Coal Energy Company (SUEK), AFK Sistema, Severstal, Tatneft, Uralkali, PhosAgro.

It is worth noting that in RSPP's 2016 edition of the Indices the composition of the group of leaders of the *Sustainable Development Vector* index is almost identical to the make-up of the group of leaders of the *Responsibility and Transparency* Index. This is yet another proof

Graph 11. Leadership Coordinates

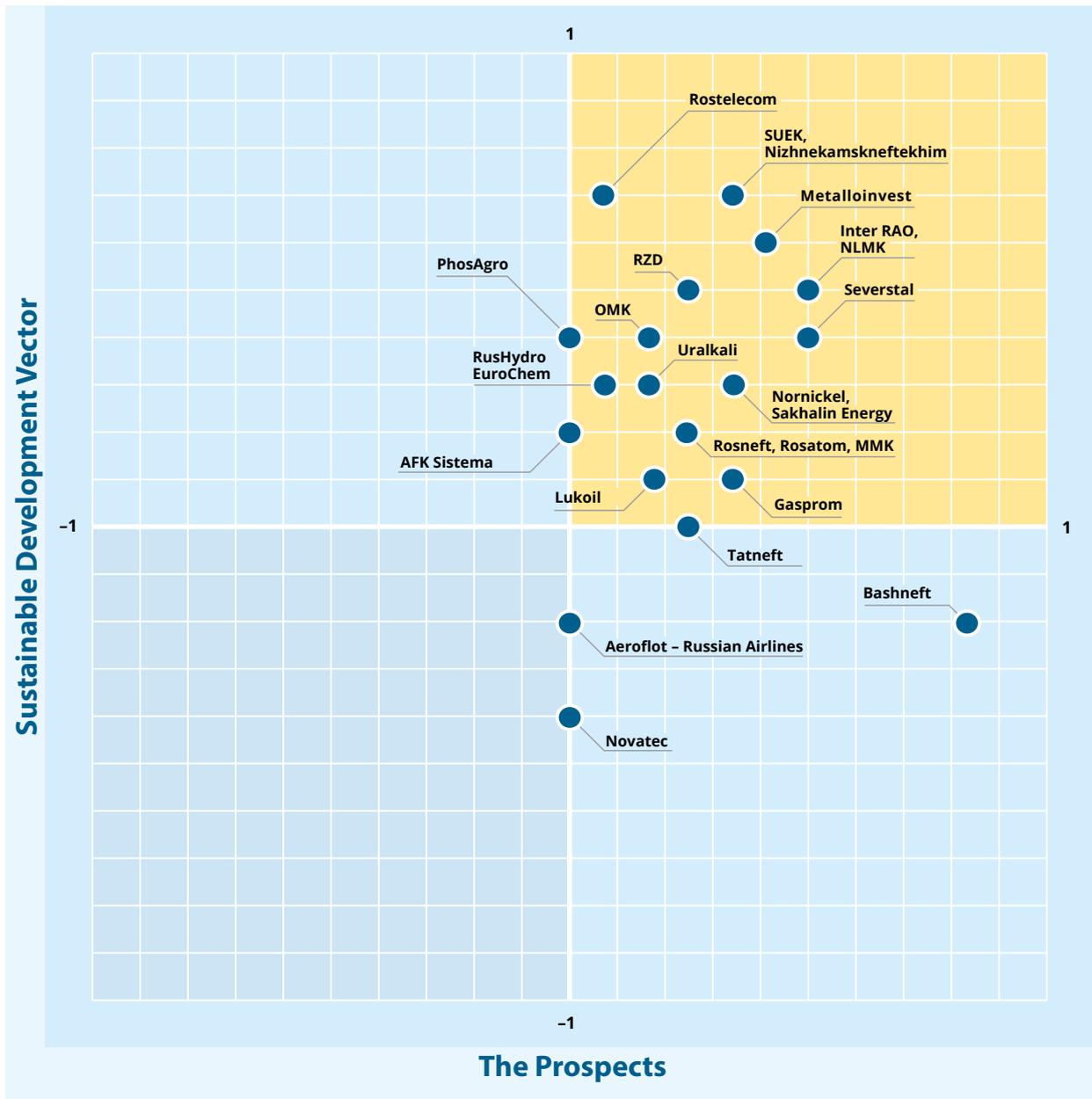


that there exists a link between the companies' social and environmental effectiveness and the degree of maturity of their accounting and reporting systems in the area of sustainable development and CSR, and, equally, their willingness to engage in a public discourse regarding the goals and outcomes in this area.

Results of the analysis conducted in the process of compiling RSPP's indices for sustainable development, corporate responsibility and reporting have been discussed by the business community and by the community of experts at a number of various fora, just to name a few:

- the annual Social Conference held within the framework of the Russian Business Week, in 2015 and 2016, and other conferences held at partner forums in 2014–2016;

Graph 12. 2016 Leadership Coordinates



- meetings of the RSPP Committee for corporate social responsibility and demographic policy (May 2015, May 2016, December 2016);
- international conferences and round tables, such as the international scientific conference Governance and Corporate Responsibility in Russia, Dusseldorf, Heinrich Heine University, November 21, 2014; The OECD-Russia Corporate Governance Roundtable;
- publications in the media and in the 2012–2014 issues of *Responsible business practices in the mirror of reporting*, *RSPP's Analytical review of corporate non-financial reports*.



APPENDIX

INDICATORS SURVEYED TO BUILD RESPONSIBILITY & TRANSPARENCY INDEX

Economic aspects

- Personnel productivity rate (volume of production per employee)
- Capital investment
- Taxes and other payments to government
- Quality management systems
- Customer satisfaction; customer loyalty
- Proportion of high added value products
- Proportion of high environmental quality products

Social aspects: personnel

- Number of employees per level/age/gender group
- Injury rate (LTIFR)
- Work-related fatalities
- Safety expenditures
- Occupational disease rate
- Personnel expenditures (employee pay and benefits provided to full-time employees)
- Medium wages
- Top-management remuneration and benefits
- Type and scope of corporate social assistance programs addressed to employees
- Employee turnover rate
- Average hours of training per year per employee
- Number of employees trained
- Total / Average expenses on training per employee
- Percentage of total employees covered by collective bargaining agreements

Environmental aspects

- Significant air emissions total volume per categorie
- Significant air emissions per production unit
- Direct & Indirect GHG emissions total
- Direct & indirect GHG emissions per unit of production volume
- Direct & indirect energy consumption
- Energy consumption per unit of production volume
- Reduction of energy consumption
- Water withdrawal
- Water used per unit of production
- Water discharge total
- Water discharge per unit of production
- Total weight of hazardous waste
- Hazardous waste by unit produced
- Environmental expenses

Social aspects: communities

- Community investments, infrastructure investments and services supported
- Charity programs expenses
- Type and scope of corporate programs addressed to communities, programs' impact assessments

Governance & engagement

- Composition of the highest governance body
- The highest governance body's responsibilities for economic, environmental, and social topics
- Sustainability and CSR -related issues on highest governance body's agenda
- Bribery/Anti-Corruption Code; Communication and training about anti-corruption policies and procedures; Operations assessed for risks related to corruption; Confirmed incidents of corruption and actions taken
- Ethics Code
- Corporate sustainability- and CSR-related policies
- Sustainability- and CSR-related Indicators into the set of strategic KPIs
- Organizational structures of sustainability and CSR management
- Responsibility in the supply chain/ Supplier Social and Environmental Assessment
- Risk management system, non-financial risk management
- Stakeholder engagement, programs and formats, multi-stakeholder programs