

IBLF RUSSIA REPORT

2012



INTERNATIONAL BUSINESS LEADERS FORUM (IBLF)

The International Business Leaders Forum (IBLF) is an independent non-profit organisation¹ uniting business, government and society to promote the principles and practices of responsible business.

Founded in 1990, IBLF functions with the support of more than 85 companies from Europe, America, Asia, and the Middle East. The IBLF is headquartered in London, its regional offices are located in Moscow, Mumbai, and Beijing.

The International Business Leaders Forum branch in Russia² works on programmes designed to create civilized conditions for business conduct and sustainable social development in the country. The IBLF's activities in Russia are aimed at improving standards of business and fighting corruption, supporting young entrepreneurs and development of small business, increasing the population's financial literacy, and developing a culture of corporate volunteering.

In 2012 the International Business Leaders Forum branch in Russia was actively working on two programmes: *Youth Business Russia*, and *Improving Business Standards*. The IBLF Russia also participated in major international events such as the Meeting of the UN Global Compact Working Group Against Corruption, from the UN's Global Compact network, the Global Social Business Summit, 35th meeting of the APEC Working Group for Small and Medium Enterprises United Nations Conference on Sustainable Development Rio+20, FB20 Task Force on Improving Transparency and Anti-Corruption as part of the first meeting of the B20. The reports that IBLF Russia presented on the development of youth entrepreneurship and business' achievements in corporate social responsibility and fighting corruption in Russia drew genuine interest from international participants and helped to develop a positive reputation for Russian business.



Jonathan Muir (TNK-BP), Andrei Sharonov (Moscow Government) and Andrei Bougrov (Interros) at a meeting of IBLF's International Advisory Council

¹ The International Business Leaders Forum (IBLF) is registered in England as a limited liability company with no share capital, registration number 2552695, and as a charity, No. 1024119.

² The IBLF branch in Russia is on the register of affiliates and representative offices of international organisations and foreign non-profit NGOs, registered by the Federal Registration Service on February 20, 2007, No. 206.

MESSAGE FROM THE MANAGEMENT



Boris Tkachenko, IBLF Russian Head of the Russian branch of the International Business Leaders Forum (IBLF Russia) and Head of the Youth Business Russia programme.

This year was especially busy and intense. So much was accomplished that it is difficult to reflect everything in the report and to believe that all these events happened within just twelve months. But the warm response from participants in the Youth Business Russia programme, and the lively interest in the events under the Improving Business Standards programme, as well as our partners' readiness to support us, and our own feeling of satisfaction — everything confirms that both the volume and quality of our work have been commendable. We want to thank our team: we did it! We also want to thank our partners: without you, this would never have happened! I hope that those who are interested in our work will look through this report and find interesting information about the events of the past year. Our new partners will get a clear picture of the International Business Leaders Forum's goals in working in Russia. In 2013 we will continue to work on our main programmes, developing them in new directions.

OUR PEOPLE



Yelena Trakhtenberg, Operations Manager under the Youth Business Russia programme



Viktor Glushkov, Manager for Developing Business under the Youth Business Russia programme



Yelena Abramova, Marketing Director for IBLF Russia



Yelena Emelianova, Chief Accountant for IBLF Russia



Yelena Yelagina, Communications Manager for IBLF Russia



Natalya Antonenko, Office Manager for IBLF Russia



Nikolay Zyryanov, Editor of IBLF Russia's website Business by the Rules



Polina Kalnitskaya, Corporate Governance and Business Ethics consultant

INTERNATIONAL ADVISORY COUNCIL OF IBLF RUSSIA



Meeting of the International Advisory Council of IBLF-Russia, February 1, 2012.
Back row (standing): Arjan De Jongste, Rodger Munnings, Ronald Pollett, Harro Van Graafeiland, Brook Horowitz (IBLF), Andrei Sharonov, Vladimir Mosni, Andrew Cranston, David Gray
Front row (sitting): Clare Melford (IBLF), Sergei Generalov, Jan Dauman, Boris Tkachenko (IBLF), Jonathan Muir, Andrei Bougrov.

- **Andrei Bougrov**, Managing Director and Member of the Board, Interros Company.
- **Andrew Cranston**, Managing Partner, KPMG in Russia and the CIS.
- **Jan Dauman**, IBLF Trustee, Chairman of IBLF Russia International Advisory Council.
- **Sergei Generalov**, President and Founder, Industrial Investors.
- **Harro Van Graafeiland**, General Director, TNT Express Russia.
- **David Gray**, Managing Partner, PwC Russia.
- **Alexander Ivlev**, Managing Partner, Ernst&Young Russia.
- **Arjan De Jongste**, General Director, Philips in Russia, Ukraine, Belarus, and Central Asia.
- **Andrei Khazin**, Professor, Higher School of Economics.
- **Paul Melling**, Partner, Baker & McKenzie.
- **Dietrich Moeller**, President, Siemens Russia and Central Asia.
- **Vladimir Mosni**, General Director, Hilti-Russia.
- **Jonathan Muir**, Chief Financial Officer, TNK-BP.
- **Roger Munnings**, UK Special Trade Envoy to Russia.
- **Ronald Pollett Jr.**, President and Managing Director, GE in Russia and the CIS.
- **Andrei Sharonov**, Deputy Mayor of Moscow.
- **Johan Vanderplaetse**, General Director, CEE and CIS, Emerson.

THE YOUTH BUSINESS RUSSIA PROGRAMME

The *Youth Business Russia* (YBR) programme creates conditions for young entrepreneurs to access financial resources to open their own business. In addition it offers young people consulting and training on various issues of conducting business, and the help of an individual mentor. Mentorship is a unique advantage of the YBR programme.

An important aspect and strength of the YBR programme is the cross-sector partnership between various organisations at the global, federal, and regional levels. More than 15 years ago, IBLF worked together with The Prince's Trust to address the issue of youth employment, and developed an international programme to support youth business, today represented by Youth Business International (YBI).

The *Youth Business Russia* programme was founded by the Russian branch of IBLF, the British NGO OXFAM and Royal Bank of Scotland. YBR is managed by IBLF. The *Youth Business Russia* programme is an accredited member of YBI, which brings together programmes supporting youth entrepreneurship in more than 37 countries.

The YBR programme provides support for youth business in six regions of the Russian Federation. In the Kaluga Region, a pilot region, YBR has been working since 2008 together with Women's Microfinancing Network, and since 2009 with support from SABMiller RUS. In the Voronezh Region YBR launched in 2009 together with the State Foundation for Supporting Small Businesses in the Voronezh Region. The programme is now running in the Region with the support of 18 partner organisations. In the Primorie Territory, YBR launched in the late 2010 with support from FESCO Transportation Group, MORSKOY Bank, and SABMiller RUS. In March 2011 the programme started supporting young entrepreneurs in the Novosibirsk Region with support from the Ministry of Industry, Trade, and Entrepreneurial Development of the Novosibirsk region, CreditSuisse EMEA Foundation, KPMG, and the Novosibirsk Chamber of Commerce and Industry.

In 2012 the *Youth Business Russia* programme developed and achieved impressive results. In March 2012 the programme launched in the Rostov Region with support from the Department of Investment and Entrepreneurship of the Rostov

Region, and the Center-Invest Commercial Bank. In the Rostov Region, the YBR programme works with 19 partners. In May 2012 the programme opened in Moscow with support from the Department of Science, Industrial Policy, and Entrepreneurship of Moscow, and the Russian Microfinancing Centre (RMC).

The achievements of the *Youth Business Russia* programme were acknowledged at the international and federal levels.

On January 23, 2012, the YBR programme won the AGFUND International Prize for Pioneering Human Development Projects. YBR won the highest marks from the jury that included international experts such as Muhammad Yunus, the Nobel Peace Prize winner. On September 27, 2012 the centre for entrepreneurship was awarded the prize "For contributions to the development of the entrepreneurial ecosystem". In the category "Development of Youth Entrepreneurship" the award went to the *Youth Business Russia* programme.

On October 16, 2012 in London, YBR participants from Voronezh won the "Ecological Entrepreneur of the Year" category at the international "Entrepreneur of the Year" competition.

Under the auspices of the *Youth Business Russia* programme there were events where entrepreneurs from various countries and different generations were able to share experiences and their visions for the development of business both in Russia and around the world. In particular, on January 31, 2012 there was a visiting session of the YBR Advisory Council in Voronezh. Members of the trustees attended the meeting of the programme's expert council, and met with the members of the YBR participants' club. The law firm Hogan Lovells, a YBR partner, ran a seminar for young businesspeople and their mentors. On May 23, 2012 there was a teleconference held between YBR in the Voronezh Region and Youth Business Scotland.

The YBR programme prepared and presented in Russia two publications: *An Overview of the Programme of Youth Business Members of the Youth Business International Network in 2012* with an insert of YBR, and *Global Research Programmes to Support Youth Business*, which in 2011 covered 12 programmes in 21 countries, including YBR.

PROGRAMME MANAGEMENT GOVERNANCE



Members of YBR Advisory Council meeting with young entrepreneurs in Voronezh on 31 January 2012

Youth Business Russia Advisory Council

- **Sergei Generalov**, President and Founder of the Industrial Investors group, Chairman of the YBR Advisory Council.
- **Christopher Barter**, Founding Partner, DMC Partners Ltd.
- **Andrew Devenport**, General Director of The Prince's Youth Business International (YBI).
- **Nicholas Danny**, Director, Bank Credit Suisse (Moscow).
- **Brook Horowitz**, Director, Business Standards and Regions, IBLF.
- **Michael Pugh**, Partner, Hogan Lovells, (CIS).
- **Viktor Sedov**, President, Entrepreneurship Centre.

Supervisory Council of the Youth Business Russia programme

- **Natalya Larionova**, Director of the department of development of small and medium business at the Ministry of Economic Development of the Russian Federation.
- **Mikhail Mamuta**, President of the Russian Microfinancing Centre, President of the National Partnership of Participants in the Microfinancing Market (NAUMIR).
- **Alexei Komissarov**, Head of the department of science, industrial policy, and business for the Moscow city Government.

PROGRAMME PARTNERS

International and federal partners



Regional partners



IMPROVING BUSINESS STANDARDS PROGRAMME

The *Improving Business Standards* programme is aimed at creating the climate favourable for investment in Russia's socio-economic development.

Bringing together the strengths of business, the state, the non-profit sector, the academic environment, and society, IBLF Russia is leading work to tackle corruption and implement international business standards in Russia, including standards of corporate management, social responsibility, and business transparency in Russia.

In 2012 under the *Improving Business Standards* programme, a working group was organised made up of industrial companies. Representatives from 17 organisations took part — companies, business associations, and state representatives: Siemens, General Electric, Philips, Emerson, Johnson & Johnson, TNK-BP, ABB Russia, Honeywell, FESCO, KPMG, Baker & McKenzie, Control Risks, IBLF, AmCham, AEB, RSPP, and representatives from the Moscow city Government tender committee.

The group was created to determine the directions and means to improve procedures of state purchasing and implementing joint work designed to increase transparency and improve tender procedures.

The group analysed the federal law "On the federal contract system in the area of purchasing goods, work, and services" and made recommendations on finishing the project to the Russian Ministry of Economic Development and the State Duma, studied the process of holding tenders for state contracts in Moscow, identified weak points that are opportunities for inequitable behaviour by both parties, analysed the experience of participating in the state purchasing process and identified problem points, developed recommendations to improve the state purchasing process, based on studying the group's experience in holding tenders with large corporations, and the mechanisms businesses use to protect against corruption.

In 2012 the IBLF Russia organised or co-organised 23 events. These included forums and round tables for both directors and top managers, and for compliance specialists and legal experts from Russian and international companies, as well as meetings between business leaders and students from MIRBIS, MSU Higher School of Business, and the State University Higher School of the Economy. These events facilitated exchange of experience and knowledge between companies, looked at topical issues of corporate management, business ethics, compliance- and risk-management, and the business community's practices to tackle corruption.

As part of the *Improving Business Standards* programme, they developed a textbook, *Business Ethics*, and sent it to be evaluated by institutions and business schools such as MIRBIS, MSU Higher School of Business, RANE and SS Higher School of Corporate Management, the State University of Management, the Financial University under the President of the RF, and others.

IBLF in Russia prepared and presented two publications — *Improving Business Ethics and Reducing the Risk of Corruption The experience of Russian and multinational companies and Improvement of Public Procurement Procedures. Recommendations from the Industrial Companies Working Group.*

Launched in January 2012, the Business by the Rules website (www.business-standards.ru) has been intensively improved over the course of the past year and became the first Russian-language internet resource presenting news, research, publications, announcements of events for compliance specialists, internal auditors, corporate lawyers, and professionals, aimed at combating unethical practices by employees. In December 2012, IBLF Russia signed a contract with RSPP to be the co-organiser of the B20 Task Force on Improving Transparency and Anti-Corruption.

PROGRAMME MANAGEMENT GOVERNANCE



Roger Munnings (UK Special Trade Envoy to Russia), Arjan de Jongste (Philips), Dietrich Moeller (Siemens).

Business Standards Advisory Council

- **Ian Colebourne**, Partner, KPMG.
- **Harro Van Graafeiland**, General Director, TNT Express Russia.
- **David Gray**, Managing Partner, PwC Russia.
- **Alexander Ivlev**, Managing Partner, Ernst&Young in Russia.
- **Arjan De Jongste**, General Director, Philips in Russia, Ukraine, Belarus, and Central Asia.
- **Eduard Malygin**, Director, Control Risks (Russian and CIS).
- **Paul Melling**, Partner, Baker & McKenzie.
- **Dietrich Moeller**, President, Siemens Russia and Central Asia.
- **Jonathan Muir**, Chief Financial Officer, TNK-BP.
- **Ronald Pollett Jr.**, President and Managing Director, GE in Russia and the CIS.
- **Johan Vanderplaetse**, General Director, CEE & CIS, Emerson.

PROGRAMME PARTNERS



PHILIPS



Control Risks



HILTI SIEMENS



IBLF RUSSIA: PARTICIPATION IN INTERNATIONAL EVENTS

IBLF Russia — co-organiser of the B20 Task Force on Improving Transparency and Anti-Corruption



The IBLF Russia is a co-organiser of the B20 Task Force on Transparency and Anti-Corruption. IBLF Russia was brought in at the beginning and will organise Group meetings. As part of preparations for the Meeting of G20 leaders in June 2013 and the

Summit of B20 leaders in September 2013, the B20 Task Force on Improving Transparency and Anti-Corruption has held two working meetings: on December 12, 2012 it held the first meeting of Russian and international group members, at which they set out the preliminary areas of work. On December 20, 2012 the Russian group members discussed issues of topical importance for Russia in the area of fighting corruption, and identified five questions to be taken up by the group as a whole: improving the transparency of the state purchasing process, developing zero tolerance towards corruption in small and medium business, creating a feedback mechanism from G20 leaders to B20 leaders, holding monitoring of the implementation of earlier recommendations, and fighting common corruption.

Meeting of the UN Global Compact Anti-Corruption Working Group



Jermyn Brooks (Transparency International), Dominique Lamoreux (Thales), Francois Vincke (ICC), Candice Lee Welsch (UNODC), Boris Tkachenko (IBLF Russia) speaking

On December 10–11, 2012, at UN headquarters in New York, there was a meeting of the Working Group Against Corruption under the UN's Global Compact. The head of IBLF Russia and Head of the *Youth Business Russia* programme Boris Tkachenko presented IBLF's experience in Russia on organising collective action between business, society, and the state in the example of the Industrial Companies Working Group, founded on the initiative of IBLF

Russia in response to a request by the Moscow city government. The group's work is aimed at improving the procedures of state purchasing in the city of Moscow.

PRME, UNODC, ICC, Transparency International, and Thales, all presented their initiatives for development of the Tenth Principle of the Global Compact.

64th International AIESEC Congress



On August 17–26, 2012, Moscow hosted the 64th International AIESEC Congress — the largest event aimed at developing and strengthening youth cooperation and the specific role of young people in building a modern society. This was the first time since 1948 that Russia won the right to host this congress.

IBLF Russia was an expert partner of the Global Youth Voice conference. The head of IBLF Russia and Head of the Global Youth Business Russia programme Boris Tkachenko acted as a moderator in the educational portion of the Global Youth Voice conference and presented the experience of the Youth Business Russia programme.

35th meeting of the APEC Working Group for Small and Medium Enterprises



On August 1–2, 2012, St. Petersburg hosted the 35th annual meeting of the APEC Working Group for Small and Medium Enterprises, and on August 2–3, the 19th meeting of APEC ministers on matters of small and medium business.

At the Network of Young Businesspeople session, Boris Tkachenko presented a report entitled

“Attracting young people to business: best international and domestic experience”, presenting the results of research conducted by YBI in 2011 and YBI practices in 37 countries. In his presentation, Boris Tkachenko stressed the importance of non-financial support for young businesspeople.

UN Conference on Sustainable Development Rio+20 *The Future We Want*



On July 12–22, 2012, an IBLF delegation that included the head of IBLF Russia Boris Tkachenko and senior consultant Polina Kalnitskaya, took part in the UN Conference on Sustainable Development Rio+20 *The Future We Want*, as well as in the 3rd Global Forum Principles for Responsible Management Education, PRME, and the Rio+20 Corporate Sustainability Forum.

In the forum section “Sustainability with Integrity: from Organisational Changes to Collective Actions”

Boris Tkachenko presented the report on the experience of collective action in Russia. He also took part in the 10th Meeting of the UN Global Compact Working Group Against Corruption.

Polina Kalnitskaya took part in the UN Global Compact initiative to develop educational materials on anti-corruption for MBA programmes.

KEY PROGRAMME EVENTS YOUTH BUSINESS RUSSIA

The First Russian Forum of Youth Entrepreneurship Leaders Own Business 2.0



On November 22, 2012, Rostov-on-Don hosted the First Russian Forum of Youth Entrepreneurship Leaders. Honoured guests included Andrew Devenport, Head of *Youth Business International*, Yelena Bocherova, Deputy Head of the Federal Agency for Youth Affairs (Rosmolodezh), Erik Hansen, Vice President of Business Centre, Igor Korelsky, Head of the section for international cooperation at the Department for development of

small and medium business and competition at the Russian Ministry of Economic Development, and Boris Tkachenko, Head of IBLF Russia and Head of the *Youth Business Russia* programme.

Forum participants prepared suggestions for synchronising federal and regional programmes to support and develop young entrepreneurship in Russia.

Voronezh young entrepreneurs won one of the categories in Entrepreneur of the Year Award run by YBI



From left to right: Petr Boikov and Igor Zaboev (Karton Chernozemya) receiving the prize

In the Entrepreneur of the Year competition run by YBI, which included representatives from more than 40 countries, the coveted Environmental Entrepreneur of the Year award went to the Voronezh company Karton Chernozemya.

The Environmental Entrepreneur of the Year award was given to Russians Igor Zaboev and Petr Boikov, who manage a successful company that collects, sorts, and recycles polymers, cardboard, and glass.

This business, founded by young businesspeople thanks to their participation in the *Youth Business Russia* programme, a member of YBI, was named the most impressive in the world for 2012 in terms of developing ecologically-friendly recycling.

One of the deciding factors in the entrepreneurs' success was not only the service, aimed at protecting the environment, but the unique nature of this programme — there is nothing else like it in the region.

Youth Business Russia programme opened in Moscow



On May 25 the mayor of Moscow announced the launch of *Youth Business Russia* in Moscow. The programme will be handled by the Department for science, industrial policy, and entrepreneurship of the city of Moscow, the International Business Leaders Forum (IBLF), and the Russian Microfinancing Centre (RMC). The heads of all these organisations spoke at the press conference and signed an agreement on cooperation in the area of support and development for businesses by young people in the city of Moscow. “We must

take a varied approach to supporting businesspeople who are just starting out. Under the Youth Business Russia programme, young people get access to financing, help from individual mentors, and consulting and training on various aspects of running a business,” said the head of the Department of science, industrial policy, and entrepreneurship for the city of Moscow, Alexei Komissarov. “One of the most important aspects of the programme is the mentorship by experienced businesspeople, who offer young people their support and the benefit of their experience in running a business. Before I took on the leadership of this department, I as a businessman participated in the mentorship programme run by the IBLF and the USA–Russia Business Centre, and I know from my own experience how essential this sort of assistance is to new businesspeople.”

“In Moscow, we will use international experience already adapted to Russian realities,” noted the Head of IBLF Russia and Head of the Young Business Russia programme, Boris Tkachenko. “I would like to emphasise that in every region where this programme is active, it is implemented as a cross-sector partnership, and is open to cooperation.”

Youth Business Russia programme opened in Rostov-on-Don



Boris Tkachenko (IBLF Russia), Vasily Vysokov (Center-Invest), Svetlana Abdulazizova (Rostov Region Government)

March, 12, 2012, was the official opening of the Young Business Russia (YBR) programme of support and development of youth entrepreneurship in Rostov-on-Don. The Department of investment and entrepreneurship, the Committee on youth policy for the Rostov Region, Center-Invest Commercial Bank, the Rostov regional agency for support of business, the state employment agency for the Rostov Region, the Guarantee Foundation of the Rostov Region, the Union of Employers of the Rostov Region, Regional Manufacturers of the Rostov Region, OPORA Rostov Region, and the largest higher education institutions in southern Russia all signed the agreement to develop young businesses in the Rostov Region.

“We must take a varied approach to supporting young businesspeople so that they can stand on their own two feet,” said Svetlana Abdulazizova, director of the Department for investment and entrepreneurship of the Rostov Region.

“Mentorship is an important social problem. We have a lot of educated young people, who cannot find a job right now because all existing companies are streamlining their workforce. For young people, the smartest thing to do is to take out a business license together with a diploma,” said chairman of the board of directors at Centre-Invest, economics professor Vasily Vysokov.

YOUTH BUSINESS RUSSIA PROGRAMME OF EVENTS

IBLF Russia — Founder of the category “Best Programme for Youth Involvement in Social and Economic Development” in the Award “Leaders of Corporate Charity” by Donors Forum



Tatiana Obratsova (SUEK), Elena Shmelyova (AFK Sistema), Elena Rollinz (En+ Group), Boris Tkachenko (IBLF Russia)

On November 16, 2012, at the grand awards ceremony for the Leaders of Corporate Charity prize, Head of IBLF Russia, Boris Tkachenko awarded the prizes to the winners and runners-up in the category “Best Programme for Youth Involvement in Social and Economic Development”.

The best programme for attracting young people to socio-economic development was the SUEK teams. The runners-up were the programmes *Lift of the Future* (AFK Sistema) and the environmental action group “*Together with the Baikal*” (En+ Group).

YBR programme won award in the “Youth Entrepreneurship Development” category in Russia



Boris Tkachenko (IBLF Russia) receives the prize

On September 27, 2012, the Entrepreneur Center awarded prizes “For Contribution to Entrepreneurial Ecosystem Development”.

In the category “Youth Entrepreneurship Development”, the award went to the IBLF programme *Young Business Russia*.

The awards ceremony preceded the annual conference at which representatives of companies who focus attention on developing business relationships in Russia had a chance to discuss the conditions for creating ecosystems for business.

Teleconference Youth Business Russia — Scotland



On May 23, 2012, Voronezh hosted a regular meeting of participants in the *Youth Business Russia* programme in the Voronezh Region. The young businesspeople, their mentors, and members of the expert council and heads of the programme spent two hours discussing issues in a teleconference with participants in a programme of support for young entrepreneurs in Scotland.

Both sides were interested in how businesses are being opened by young people, what problems entrepreneurs face in the different countries, and who is available to help them.

The teleconference also presented opportunities for potential future business contacts between Russian and Scottish businesspeople. Entrepreneurs from the two countries with similar businesses — for example, in the field of clothing design, or beekeeping — discussed the potential for future cooperation.

Youth Business Russia programme events in 2012

Date	Event	Place
January 20	First seminars on mentorship under the YBR programme in Novosibirsk Region	Novosibirsk
January 23	Decision made to award the prize in the international AGFUND to YBR	Manilla (Phillipines)
January 31	Meeting of the Advisory Council of YBR	Voronezh
February 24	Examining the results of the pilot mentorship programme	Moscow
March 12	Launch of the YBR programme in the Rostov Region	Rostov-on-Don
March 29	Presentation of the results from YBR's first year in Novosibirsk Region	Novosibirsk
May 23	Teleconference between the YBR Programme in the Voronezh Region and the <i>Youth Business Scotland</i> programme	Voronezh
May 25	Launch of YBR programme in Moscow	Moscow
June 5	First meeting of the expert council for the YBR programme in the Rostov Region	Rostov-on-Don
July 2	Decision made to award Karton Chernozemya (a YBR member) the international prize from YBI	London
July 6	First seminar for YBR programme participants in Moscow	Moscow
August 1–3	Presentation of the YBR programme at the 35th meeting of the APEC Working Group for Small and Medium Enterprises	St. Petersburg
August 17–19	YBR acted as a moderator for two sessions at the 64th International AIESEC Congress	Moscow
September 13–14	YBR acted as a co-organiser of the Day of the Young Businessperson at the XIIth international business forum on the Don	Rostov-on-Don
September 17	Meeting between the chairman of the YBR Advisory Council and the governor of the Voronezh Region	Voronezh
September 27	YBR won in the "Youth Entrepreneurship Development" category of the "For Contribution to Entrepreneurial Ecosystem Development" award	Moscow
October 16	YBR programme participants Karton Chernozemya awarded the prize for Environmental Entrepreneur of the Year in the final of the Entrepreneur of the Year award by YBI	London
September 15–19	YBR delegation visits the offices of YBI and Youth Business Scotland	London, Glasgow
October 23	YBR makes a presentation and acts as a moderator at a session of the Second Russian Forum of Social Business	Moscow
November 7–9	YBR participants take part in the Global Social Business Summit	Vienna
November 10	YBR runs the session entitled Youth Entrepreneurship in the World at the AIESEC conference YouLead	St. Petersburg
November 13	Presentation of the experience of the YBR programme at the XIth National Conference on Microfinancing	Kazan
November 15	Open meeting of the club of YBR members in the Voronezh Region	Voronezh
November 15	Conference on Youth Business in the Primorie Territory organised with participation from the YBR programme	Nakhodka
November 16	YBR acts as partner in the category "Best Programme for Youth Involvement in Social and Economic Development in the Leaders of Corporate Charity prize	Moscow
November 22	The First Russian Forum of Youth Entrepreneurship Leaders <i>Own Business 2.0</i>	Rostov-on-Don

KEY PROGRAMME EVENTS

IMPROVING BUSINESS STANDARDS

The Impact on Companies' Operations of Russia's Accession to the WTO



Lord Mandelson (ex-EU Trade Commissioner)

On October 26, 2012, the International Business Leaders Forum with support from the British Embassy in Moscow organised a round table entitled *The Impact on Companies' Operations of Russia's Accession to the WTO*.

The event was hosted by Tim Barrow, British Ambassador in Moscow, at his residence. One of the key speakers at the meeting was Lord Mandelson, ex-EU Trade Commissioner who participated in the process of negotiations on Russia joining the WTO.

Ratification of Russia's ascension to the WTO was received somewhat ambiguously by the business community. Russia has made a breakthrough in integrating with the global economy. But domestic law enforcement and business practices do not yet conform to international standards. What sort of risks and what sort of opportunities will businesses face upon Russia's ascension to the WTO, and how will these events affect company development strategies? The participants of the meeting discussed these and other issues.

Course in Business Ethics delivered to Business schools at the meeting Establishment of Business Standards in Russia: the Role of Business Schools



Mary Gentile (Babson College)

On September 25, 2012, at the meeting *Establishment of Business Standards in Russia: the Role of Business Schools*, the authors of the course Business Ethics — consultant on corporate governance and business ethics Polina Kalnitskaya, and senior researcher at Babson College (Wellesley, US), Founder and Director of the *Giving Voice to Values* programme Mary Gentile, and invited professor from the MSU Higher School of

Business Gerald Rohan lead a presentation of the course for representatives of leading Moscow higher education institutions and business schools. At the end of the presentation, the course was delivered to the State University of Management, the MSU Higher School of Business, the Higher School of Corporate Management under the President of the RF, and the MIRBIS Institute.

4th Executive Forum “What Keeps You up at Night? Strategy and risk Management on Russian Boards”



Alexander Landia (SUEK)

On April 24, 2012, IBLF, the Association of Independent Directors, and the PwC held the Executive Forum «What Keeps you up at Night? Strategy and risk Management on Russian Boards», at the residence of the British Ambassador. More than 90 members of boards of directors of Russian and international companies took part in the event. Corporate scandals, instability of financial risks, and attempts by the state to tighten control complicate the development of corporate strategies and risk management. More active participation by the board of trustees in developing strategy and managing risks helps to avoid difficulties, because independent directors have a great deal of experience in developing market conditions. In addition, they are less focused on operational issues and short-term financial results than company managers. This allows the independent directors to objectively and thoroughly assess strategies and risks.

Fraud Forum “Analysing Integrity of Partners”



On January 31, 2012, the IBLF and PwC held a meeting for participants in the Fraud Forum and professionals in the sphere of compliance, *Analysing Integrity of Partners*. The event welcomed more than 100 representatives from Russian and international companies, including Alfa Bank, Gazprombank, MTS, Sovkomflot, TMK, Bristol Meyers Squibb, and Emerson.

In the first part of the meeting, Mark Anderson (PwC) shared his experience of analysing the integrity of business partners in developing markets. The practical application of analysing the activities of business partners and evaluating their integrity in Russia was described by Anton Maslakov (MAN Truck and Bus RUS).

In the second session, IBLF Russia presented a new publication *Improving Business Ethics and Reducing Risk of Corruption. Experience of Russian and Multinational Companies*, and the website www.business-standards.ru developed as part of the Siemens Integrity Initiative. Olga Ostrovskaya (Siemens Russia and CIS) spoke about the experience of implementing a compliance culture at Siemens. Paul Kitson talked about building a culture of corporate values at TNK-BP.

Ivan Chernyakhovsky presented the process for reviewing complaints at Sakhalin Energy Investment.

EVENTS IN THE IMPROVING BUSINESS STANDARDS PROGRAMME

Giving Voice to Values. A meeting of compliance practitioners with Mary Gentile



On September 25, 2012, IBLF, Transparency International, and the Center for Business Ethics and Corporate Governance organised a meeting of compliance practitioners with Mary C. Gentile, PhD, senior research scholar at Babson College, USA, and author of *Giving Voice to Values*.

Compliance managers listened intently to the lecture on *Giving Voice to Values*.

Then there was a two-hour period for participants to discuss actual problems. Mary Gentile demonstrated how the *Giving Voice to Values* method works by working through a number of cases from participants' experiences.

When Confidence Is Lost ... Labor Relations in Case an Employee Caught in Willful Damage to the Employer



Evgeny Reizman (Baker & McKenzie)

On June 7, 2012 IBLF with support from international law firm Baker & McKenzie held a seminar *When Confidence Is Lost ... Labor Relations in Case an Employee Caught in Willful Damage to the Employer*.

The event was led by famous Russian lawyer, practising in the field of employment law and advisor to Baker & McKenzie Yevgeny Reizman, with reports from corporate lawyers for leading companies who have encountered the problem of legal response to harm done to the company by an employee.

Compliance Control in Accordance with UK Bribery Act



On March 1, 2012, at KPMG offices there was a practical session entitled, Compliance Control in Accordance with UK Bribery Act. Olga Ostrovskaya (Siemens) and Vera Cherepanova (Hilti) presented their companies' compliance practices.

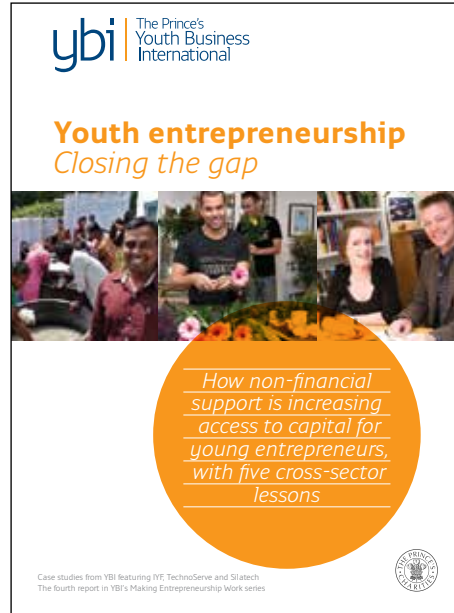
Improving Business Standards programme events in 2012

Date	Event	Place
January 31	Fraud Forum "Analysing Integrity of Partners"	Moscow
March 1	Practicum <i>Compliance Control in Accordance with UK Bribery Act</i>	Moscow
March 2	Meeting of the Industrial Companies Working Group. Determining a plan of action	Moscow
April 9	Top Management Role in Prevention of Corruption Fraud Risk	Moscow
April 23	Meeting of the Industrial Companies Working Group. Discussing preliminary results	Moscow
April 24	4th Executive Forum "What Keeps You up at Night? Strategy and Risk Management on Russian Boards"	Moscow
May 30	Meeting of the Industrial Companies Working Group. Presentation and discussion of the first stage	Moscow
June 1	Session "Changing Expectations for Corporate Conduct as part of the III rd International Conference <i>Global Capital Markets and Corporate Governance</i> . IBLF — session moderator	Moscow.
June 7	Round table <i>When Confidence Is Lost ... Labor Relations in Case an Employee Caught in Willful Damage to the Employer</i>	Moscow
July 12–22	UN Conference on Sustainable Development Rio+20 The Future We Want. Boris Tkachenko, Head of IBLF Russia, presented a talk called " <i>The experience of collective action in Russia</i> " as part of the corporate forum on sustainable development RIO+20	Rio-de-Janeiro
July 12–22	The 3 rd Global forum Principles of Responsible Management Education. The discussion included IBLF Russia Consultant Polina Kalnitskaya.	Rio-de-Janeiro
September 25	Round table "Establishment of Business Standards in Russia: the Role of Business Schools"	Moscow
September 25	Meeting of compliance practitioners with Mary Gentile, PhD, Babson College, USA and author of <i>Giving Voice to Values</i>	Moscow
September 28	Meeting between students from MSU Higher School of Business and Mary Gentile, PhD, Babson College, USA and author of <i>Giving Voice to Values</i>	Moscow
September 28	Meeting between students from MBA MIRBIS and Mary Gentile, PhD, Babson College, USA and author of <i>Giving Voice to Values</i>	Moscow
October 12	Meeting of the Industrial Companies Working Group. Agreeing a plan for 2013	Moscow
October 26	Round table " <i>The Impact on Companies' Operations of Russia's Accession to the WTO</i> "	Moscow
October 31	All-Russian conference <i>The Federal contract system — the basis for developing a competitive Russia</i> . Boris Tkachenko, Head of IBLF Russia, made a report on <i>Cross-sector partnership and collective action — an approach to increasing efficiency in state purchasing in the city of Moscow</i>	Ufa
December 6	The 2 nd International Forum " <i>Socially-Responsible Business — the Basis for Sustainable Economic Development</i> ". Borish Tkachenko, Head of IBLF Russia, presented a report on the results of the meeting of the Corporate Forum on Sustainable Development Rio+20	Moscow
December 10–11	Meeting of the Working Group Against Corruption under the UN Global Compact. Boris Tkachenko, Head of IBLF Russia, presented the results of the ICWG	New York
December 12	First meeting of the B20 Task Force on Improving Transparency and Anti-Corruption as part of the first meeting of the B20	Moscow
December 13	Round table " <i>How should Corporate Fraud be Opposed: a System of Incentive Measures within a Company</i> "	Moscow
December 20	Working meeting of the Russian participants of the B20 Task Force on Improving on Transparency and Anti-Corruption	Moscow

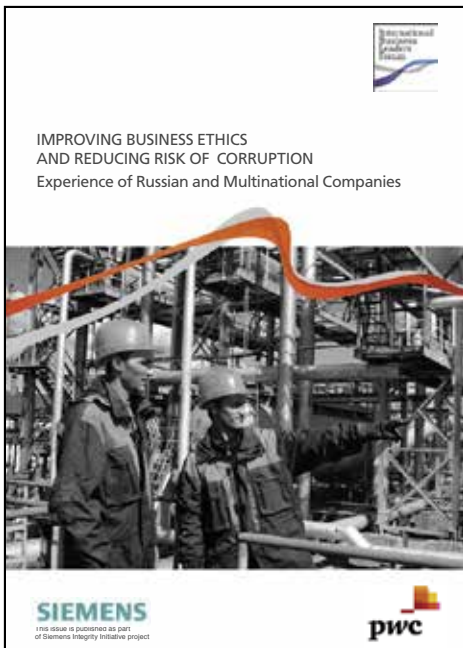
PUBLICATIONS



The publication “An Overview of the programme of youth business members of the Youth Business International network in 2012” includes brief information on programmes similar to YBR and functioning in almost 40 countries.



The publication “Global Research on Programmes to Support Youth Entrepreneurship in 2011” reflects the results of a poll of participants in the YBI network on their knowledge of non-financial means of support for young businesspeople.



The publication “Improving Business Ethics and Reducing Risk of Corruption. Experience of Russian and Multinational Companies” includes descriptions of corporate practices taken in international and Russian companies to fight corruption.



The publication “Improvement of Public Procurement Procedures. Recommendations and materials prepared by the Industrial Companies Working Group” contains the results of joint work by 17 organisations.

COURSE MATERIALS ON BUSINESS ETHICS FOR BUSINESS SCHOOLS



In 2012 IBLF Russia with support from the British Embassy in Russia and the Siemens Integrity Initiative implemented a unique project, developed and delivered to a number of higher educational institutions course materials on Business Ethics. The course was created by a collective of authors: Polina Kalnitskaya, Consultant on Corporate Governance and Business Ethics, Mary Gentile, Senior Researcher at Babson College (US) and Founder and Director of the *Giving Voice to Values* programme, and Gerald Rohan, Invited Professor of MSU Higher School of Business

The course materials for the schools and business schools on Business Ethics are unique because they contain not only the theory of business ethics. The book also includes a significant number of practical tasks, case studies, and problems for students to solve both in and out of the classroom. In addition, the book includes as one of its sections the foreign

course *Giving Voice to Values*, developed by Professor Mary Gentile (Babson College), which comes highly rated by foreign instructors at business schools. In their opinion, the course is a turning point in the matter of teaching ethics. The final two sections of the material include case studies illustrating the practical application of ethical principles in business at large international and Russian companies. As a whole, the book aims to transform our vision of ethics as a category of abstract philosophy and make it a significant value for a new generation of specialists and businessmen which should be taken into business practice in Russian companies.

The course was delivered to the State University of Management, MSU Higher School of Business, the Higher School of Corporate Management under the Russian President, the MIRBIS Institute, the Financial University under the Russian Government, and the Rostov State Economics University.

PARTICIPATION IN TELEVISION PROGRAMMES



December 24, 2012. The programme *Innovation. A development formula, Expert-TV.*

Boris Tkachenko, Head of IBLF Russia and Head of the Youth Business Russia programme took part in a discussion *Formula for small and medium business.*



December 06, 2012. The programme *Vse svoi, Educational*

Boris Tkachenko, Head of IBLF Russia and Head of the Youth Business Russia programme took part in a discussion *The first million from start-up.*



December 04, 2012. Reporting *Vesti Don*

Reporting from the Russian Forum of Youth Business Leaders *Own Business 2.0*, Rostov-on-Don.

SELECTED PUBLICATIONS IN THE PRESS

December 18, 2012. Building BRICS to Fight Corruption. The Moscow Times. Andrei Bougrov, Interros Company, and Brook Horowitz, IBLF.

November 28, 2012. There is a Cohort of Entrepreneurs Who Think They are Owed. Forbes.ru, Moscow. Alexey Komissarov, Head of the Department of science, industrial policy, and entrepreneurship for the city, on the launch of the YBR programme in Moscow.

November 22, 2012. The Russian Forum of Youth Business Leaders Own Business 2.0 has begun in Rostov. Deloru.ru, Rostov-on-Don. Mention of the first Russian Forum of Youth Business Leaders Own Business 2.0, taking place in Rostov-on-Don.

November 19, 2012 SUEK wins the competition Leaders in Corporate Charity 2012. Advis.ru. News about IBLF Russia awarded the prizes in the

category Best Programme for Youth Involvement in Social and Economic Development.

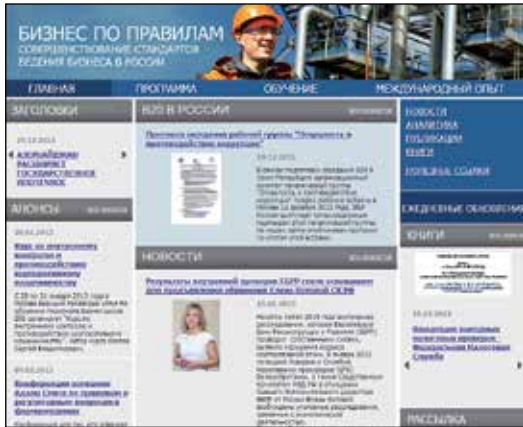
November 08, 2012 Karton Chernozemya — the first in the world! Trud Chernozemya. Article about Russian entrepreneurs in Voronezh, members of the YBR programme, winning one of the categories of the international award Entrepreneur of the Year by YBI.

January 30, 2012 CENTER-INVEST Commercial Bank joins the programme to develop youth business in Southern Russia. RIA Novosti Yug (ug.ria.ru), Rostov-on-Don. Mention of the launch of the YBR programme in Rostov-on-Don.

January 25, 2012 Young Entrepreneurs Matched with Mentors. NIA Novosibirsk (54rus.org). Mention of seminars for mentors being held in Novosibirsk as part of the YBR programme.

INTERNET

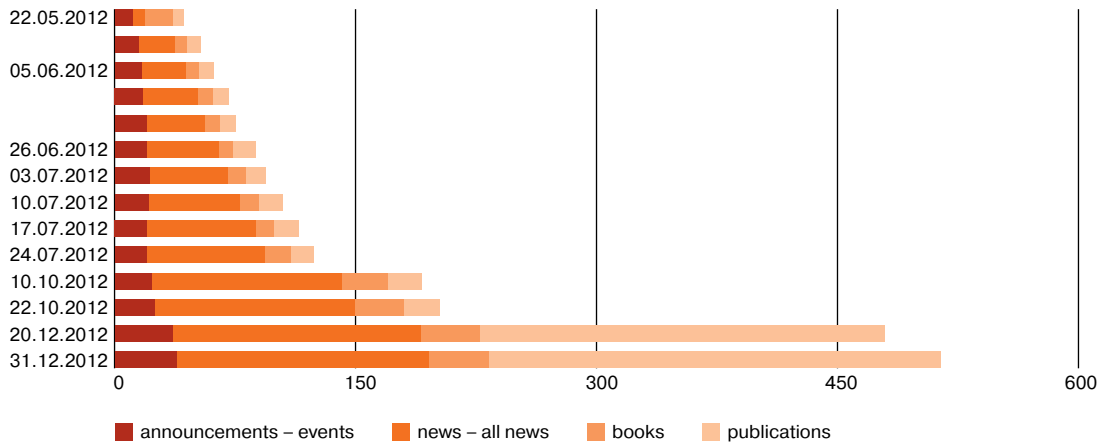
Website Business by the Rules



The website brings together foreign and domestic business practices in the fight against corruption and corporate fraud, news on Russian and international law, case studies of the application of sanctions against those who violate anti-corruption legislation around the world, analysis, articles and books on business ethics and compliance practice, and announcements of major events on the topics of anti-corruption and business standards.

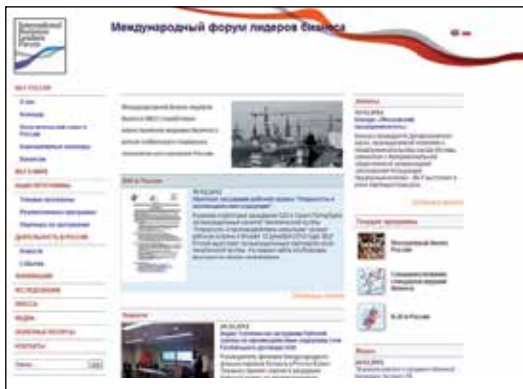
The Business by the Rules pages on Facebook and Twitter are open to discuss topical issues on professional subjects for users of the website.

Contents of business-standards.ru, May 22 – December 31, 2012



Number of upload pages

Website with information and announcements from IBLF Russia



In 2012 the www.iblf.ru site was update regularly. Two editions of the IBLF Russia newsletter were issued and distributed to more than 3,000 subscribers from Russian and multinational companies, government authorities, and the non-profit sector.

CONTACTS

IBLF London HQ

60 Gray's Inn Road
London WC1X 8AQ
United Kingdom
T: +44 (0)20 7467 3600
Jan Dauman, Trustee,
Chairman of IBLF Russia
Advisory Council
jan.dauman@cet.co.uk
Brook Horowitz, Director, Business
Standards and Regions,
Brook.Horowitz@iblf.org
Email: info@iblf.org
www.iblf.org

IBLF India

103 Bobby Building, 1st floor
L J Road
Mahim
Mumbai 400016
India
T: +91 9811044801
Jay.Vikram-Bakshi@iblf.org
www.iblf.org/in

IBLF China

Rm B107, Renmin
University of China
59Zhongguancun Ave,
Beijing 100 872
China
T: +86 10 6251 1561
Jun.Cao@iblf.org
www.cblf.org.cn

Boris Tkachenko, Head of the Russian Branch of the International Business Leaders Forum (IBLF Russia), *Youth Business Russia* Programme Manager

Boris.Tkachenko@iblf.ru

Elena Abramova, Marketing Director for IBLF Russia, and Head of the *Improving Business Standards* programme

Helen.Abramova@iblf.ru

Elena Trakhtenberg, Operations Manager for the *Youth Business Russia* programme

Lena.Trakhtenberg@iblf.ru

Viktor Glushkov, Manager for the Business Development of the *Youth Business Russia* programme

Victor.Glushkov@iblf.ru

Elena Emelianova, Chief Accountant of IBLF Russia

Elena.Emelianova@iblf.ru

Nikolay Zyryanov, Editor of IBLF Russia's *Business by the Rules* website

Nikolay.Zyryanov@iblf.ru

Natalia Antonenko, IBLF Russia Office Manager

Natalia.Antonenko@iblf.ru

Irina Gorelova, Coordinator of the *Youth Business Russia* programme in the Voronezh Region

Irina.Gorelova@iblf.ru

Svetlana Bazhenova, Coordinator of the *Youth Business Russia* programme in the Primorie Territory

Svetlana.Bazhenova@iblf.ru

Elena Pilipenko, Coordinator of the *Youth Business Russia* programme in the Novosibirsk Region

pel6@mail.ru

Mikhail Koltunov, Coordinator of the *Youth Business Russia* programme in the Rostov Region

mik@svoedelomedia.ru

Pavel Podlipsky, Coordinator of the *Youth Business Russia* programme in Moscow

PPodlipskiy@gmail.com

Lyudmila Romanova, Coordinator of the *Youth Business Russia* programme in the Kaluga Region

romanova_lv@bk.ru

IBLF Russia Office

23, 1st Tverskaya-Yamskaya ul, building 1,
Moscow, 125047
+7 (499) 929 79 55
further.info@iblf.ru

www.iblf.ru
www.business-standards.ru
<http://www.facebook.com/IBLFRussia>
<http://www.facebook.com/YouthBusinessRussia>
<http://www.facebook.com/IntegrityRussia>
<http://www.twitter.com/IntegrityRussia>