

DataArt Group Sustainability Report — 2020



DataArt

Statement of President of DataArt (GRI 102-14)

DataArt has always been a socially responsible company. We support our active colleagues, help those in need, match the money crowdsourced for a good cause dollar for dollar, train thousands of students way beyond our business needs. We have been supporting environmental and social initiatives throughout the years.

We have adopted a systematic approach that will allow DataArt to tell things that feel natural to support from those that do not and to focus our efforts on the former. Therefore, we have adopted this Sustainability Manifesto and our corporate Social and Environmental Policy to provide a basis for our vision, to root it in our shared values and set the directions we want to foster in the future. By adopting this vision, we are aiming to contribute to the United Nations Sustainable Development Goals (SDGs).

The year 2020 has been turbulent for businesses all over the world. We are proud that, regardless of the challenges brought by the pandemic, we have managed to save all the workplaces, fulfill all our commitments and live up to the standards of business ethics. We have also contributed to the education and empowerment of the communities where we operate, as well as to the wellbeing of all our stakeholders. Although we switched to the full WFH mode in Q1 2020, we reevaluated our CO2 footprint in all locations where we operate and started working on the Green Office initiative.

By contributing to the SDGs in the next five years, we believe that we can substantially improve the standards of gender equality, decent work and economic growth, good health and wellbeing, quality education, sustainable cities and communities, climate action, responsible production and consumption in our industry across all the locations where we operate.

We believe that our commitment to a more sustainable business will help us to do the right thing across our business and to focus on areas where we can make a difference. Sustainable development at DataArt will create a long-term value for us and all our stakeholders, communities and societies where we operate, and the planet at large.

Eugene Goland
President and CEO of DataArt



Main Events

- Adoption of DataArt Sustainability Manifesto and Social and Environmental Policy
- Disclosure of Scope 1, 2, 3 Greenhouse Gas Emissions in Carbon Disclosure Project (CDP)
- Launch of Green Office Project aimed at reducing GHG emissions and water consumption, along with waste management development.

Who We Are (GRI 102-2, 102-5)

DataArt is a global software engineering firm that takes a uniquely human approach to solving problems. With over 20 years of experience, teams of highly-trained engineers around the world, deep industry sector knowledge, and ongoing technology research, we help clients create custom software that improves their operations and opens new markets. Powered by our People First principle, we work with clients at any scale and on any platform, and adapt alongside them as they evolve.

We integrate our engineering excellence with deeply human values that drive our business and our approach to relationships: curiosity, empathy, trust, honesty, and intuition. These qualities help us deliver high-value, high-quality solutions that our clients depend on, and life-time partnerships they believe in.

The DataArt Mission is to help its clients achieve the following business outcomes:

- Build new software products and services
- Re-architect and enhance enterprise systems, software products, and solutions
- Introduce new ways of working at a process and tool levels
- Provide expert inputs and resources on a just-in-time basis
- Help to control the cost and effort of managing existing IT systems.

DataArt has earned the trust of some of the world's leading brands and most discerning clients, including Nasdaq, Travelport, Ocado Technology, Centrica/Hive, Paddy Power Betfair, IWG, Univision, Meetup and Apple Leisure Group among others. DataArt brings together expertise of over 4000 professionals in 20 locations in the US, Europe, and Latin America.

DataArt is a global software engineering firm that takes a uniquely human approach to solving problems.

>4000 professionals

22 offices in the US, Europe and Latin America

31 % women

11 countries

>23 years in operation

<10 % attrition rate

Activities, Brands, Products, and Services ^(GRI 102-2)

Our services span the entire range of designing, implementing, testing, integrating, deploying and supporting custom systems. Clients rely on our R&D Centers for the latest advancements in Cloud, Data and Analytics, Blockchain, RPA, and IoT among other technologies. Our work is further enhanced by deep industry sector knowledge, allowing us to deliver solutions faster and focus on what really matters for each client.

IT & ENGINEERING	PRODUCT DESIGN & DIGITAL TRANSFORMATION	ADVANCED TECHNOLOGIES
Agile Software Development →	Solution Design Services →	AI and ML →
Platform Partnerships →	Technology Enabling New Business Models →	Cloud →
Managed Support →	Legacy Modernization →	Blockchain →
Security →	Educational Technology →	Data, BI and Analytics →
Quality and Performance Engineering →	Mobile-First Systems →	DevOps Services →
Development Squads →	UX & UI Design and Consulting Services →	IoT →

Industry Expertise

Finance

Finance practice works across all segments of financial services industry and capital markets, serving banks, exchanges, hedge funds, market data providers, rating agencies, market utilities, insurance companies, fintech firms, and inter-dealer brokers.

We work with the front office through the middle office to the back office and do everything from digitizing existing offerings and building portals to developing order management systems, re-engineering entire legacy architectures, and launching new fintech companies.

Travel, Transportation & Hospitality

Travel, Transportation, & Hospitality practice helps clients navigate the complicated, domain-specific systems and inner workings in the travel industry. We are certified Sabre, Amadeus, and Travelport developers, capable to integrate, upgrade or redefine the use of their products or services within the client's digital travel ecosystem.

We are active and engaged members of GBTA, HFTP and OpenTravel, and we can evaluate and create solutions that follow these industry-specific standards. We help companies analyze business operation flows as well as design, develop, and certify their own apps.

Media & Entertainment

Media & Entertainment practice team develops sophisticated approaches to help clients tackle challenges presented to the media and entertainment industry in the 21st century. We combine our technology and industry expertise to design, build, and deliver modern solutions for digital media, music, sports, video, and publishing organizations.

By offering a full range of services, from consulting and system modernization to new product development and support, DataArt experts deliver business and software solutions that help our clients succeed in the highly competitive media landscape.

Healthcare & Life Sciences

Healthcare & Life Sciences practice designs, develops, and supports innovative solutions for health systems, CROs, research centers, technology vendors, and pharmaceutical and bio companies.

The team possess an extensive body of knowledge in Healthcare and Life Sciences industries that we have accumulated over the years of extensive experience within the US, UK, and European markets. We concentrate on the latest advancements in the technology space: AI, ML, VR, IoT, among others, and how these advancements can be applied within the industry.

Retail & Distribution

Retail & Distribution practice team has extensive expertise in designing and building software solutions for supply chain management, logistics, warehousing, eCommerce, and digital transformation. We help our clients keep up with disruptive technologies that alter the retail landscape, including AR&VR, robotics, smart shelves, 3D in-store navigation, Digital Twins.

We treat in-depth domain knowledge as one of the essential factors for the success of our projects. It allows us to meet rising customer expectations and introduce new engagement models by building AI/ML-powered forecasting and recommendation systems and business process automation.

Digital Transformation

DataArt also has multifarious expertise in other business domains, including but not limited to Telecom, Real Estate, Construction Management, Agriculture, iGaming. In all these industries, rapidly changing business landscape and customer engagement models force companies to continuously introduce innovations and deep digital transformation. To help clients cope with these challenges, DataArt provides consultancy and solution design for digital transformation/innovation program development and implementation.

As a trusted technology partner, DataArt applies its vast industry knowledge and domain expertise to build landmark applications for leading companies in the finance, healthcare & life sciences, travel & hospitality, media & entertainment, retail & distribution, and other industries.

We work with smart global companies that recognize the need for a partner who can offer the best approach and build custom solutions that generate high returns with little risk. We help organizations that demand quality, proven domain expertise and integrity from the vendors they work with.

We work with complex businesses that are looking to bring new and re-engineered products to market faster. No matter what their tech-related needs are, our clients can always count on DataArt for quality, fast time to market, and cutting edge domain expertise.

DataArt is a privately owned group of companies (GRI 102-5). There were no significant changes to the organization and its supply chain in the reporting period. (GRI 102-10)

Geography (Map of Activities, GRI 102-3, 102-4, 102-5)



Location of Headquarters (GRI 102-3)

USA, NY

Markets Served (GRI 102-6)

USA, EU, UK, Russia

Supply Chain (GRI 102-9)

DataArt has a Vendor Management Policy and a process to implement it. DataArt produces intellectual property and does not have any physical production facilities or vendors that supply components or raw materials for the production.

The categories of vendors utilized by DataArt are:

- Internet service providers
- Hardware equipment suppliers. The equipment supplied to DataArt is compliant with industry energy saving standards
- Software vendors
- SaaS vendors
- Office rental, office supply and other office services. DataArt offices follow “buy locally” principle where it is suitable
- Insurance companies (including medical insurance for our staff)
- Consultants.

Vendor Management Policy — latest version #1.2 of 04/03/2020 — approved by COO.

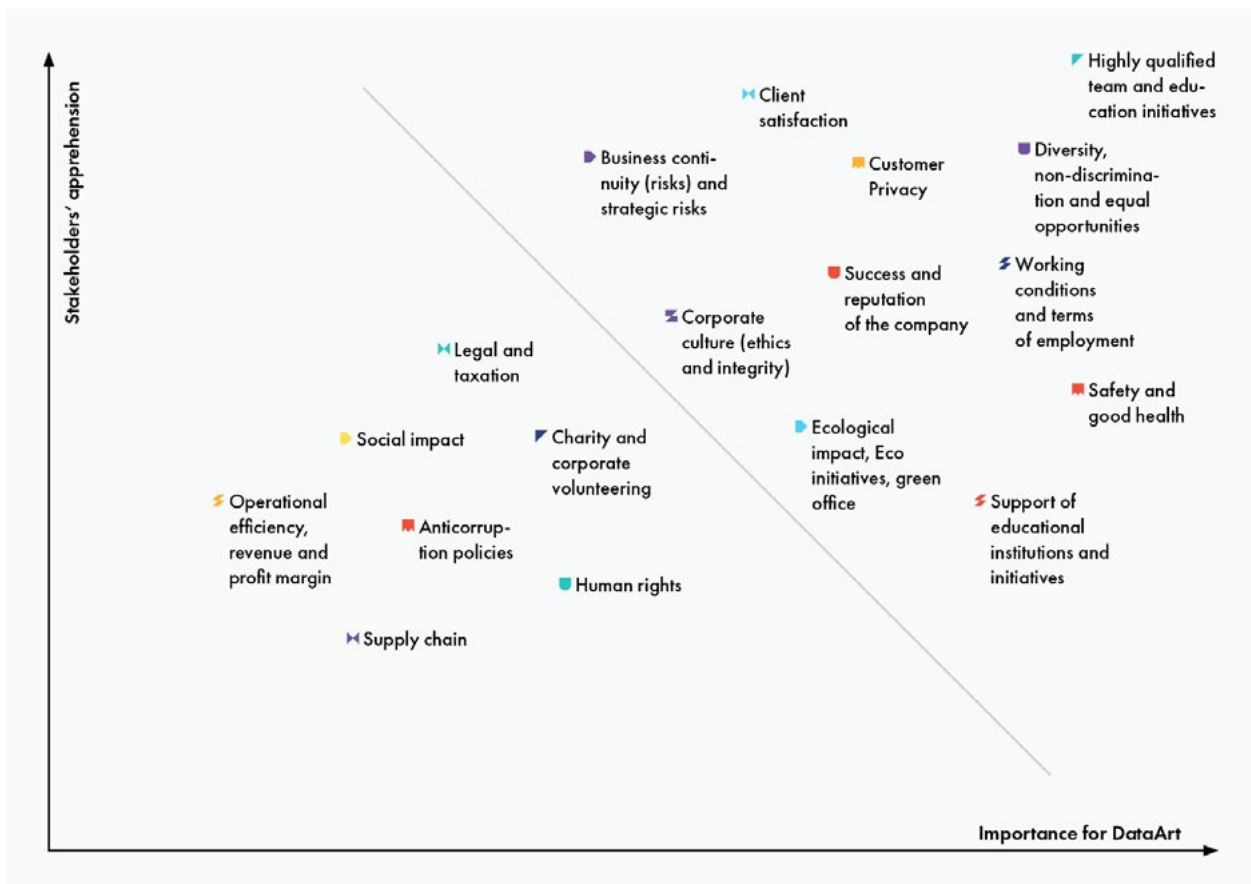
How We Define What Is Important (GRI 102-46, 102-47, 103-1)

Choosing material topics helps us to report on the sustainability issues that matter most to our business and our stakeholders. Material topics impact our business significantly in terms of growth, cost or risk. They are also important to our stakeholders, including our team, clients, partners, investors, stakeholders, and the community (potential job applicants, media and general public, universities and other educational institutions, local IT communities, NGOs, governments), vendors and suppliers. They expect us to act on these issues.

DataArt applies four Reporting Principles for defining Sustainability report content: Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness. We use our materiality assessment to identify priority sustainability issues across our areas of operations.

The material topics we have chosen for this report are based on the following process:

- Quantitative research among DataArt team (~4000 people)
- In-depth interviews with the representatives of the external communities (universities and other educational institutions, local IT communities, NGOs, governments)
- Multiple in-depth discussions with our clients, partners, investors and stakeholders
- Contract obligations and surveys from clients.



We also carefully track the development of global trends in HR and employer branding to ensure the relevance of our practices.

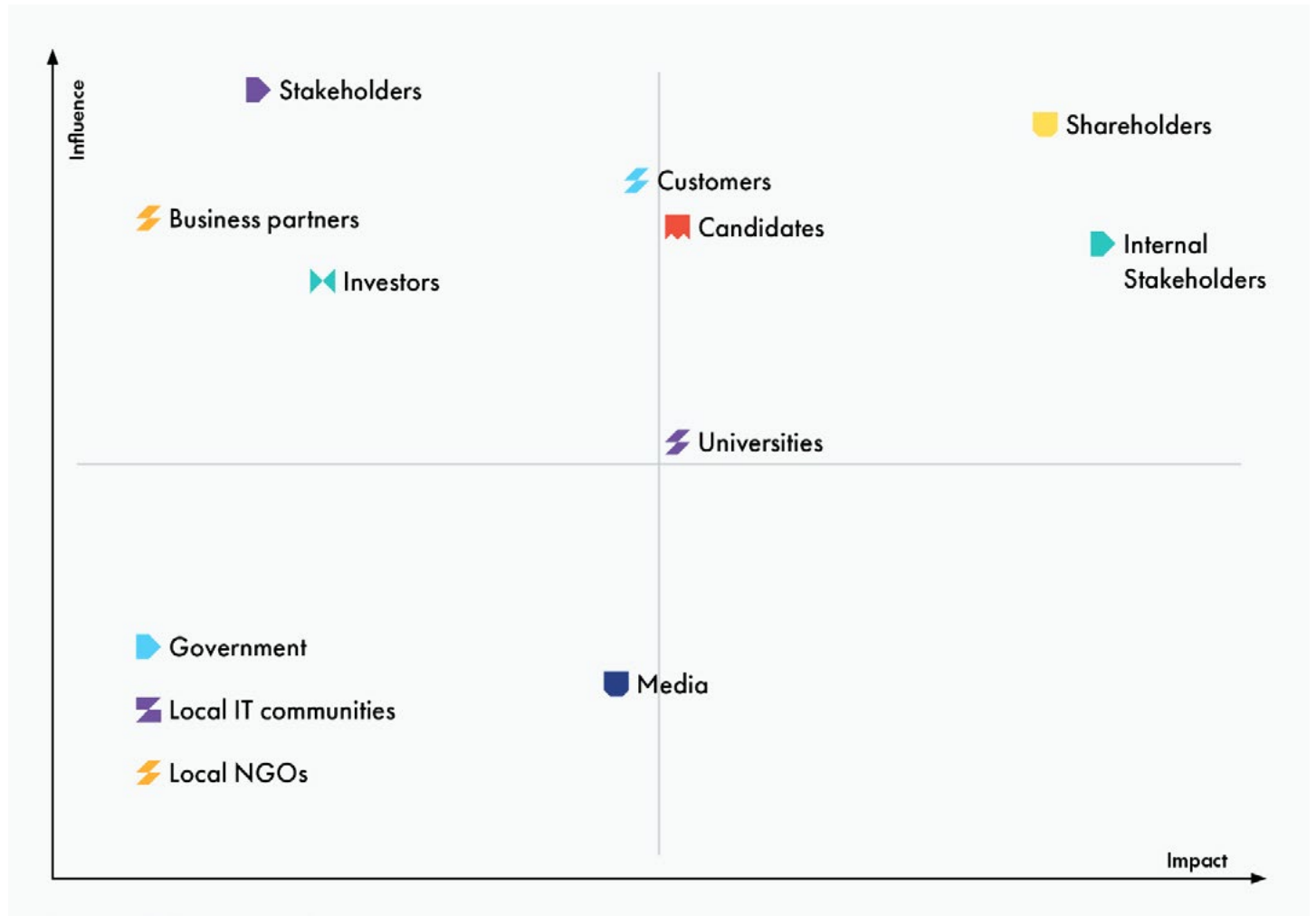
We will continue updating our assessment each year to make sure it reflects changes in our business activities and the external environment.

The draft materiality matrix was reviewed and refined through a series of interviews with a cross-section of internal stakeholders. The matrix was presented to senior management for validation and approval.

Ranked by importance	Material topics (most important for stakeholders)	GRI	Boundaries of impact
1	Highly qualified team and education initiatives	404	Internal
2	Diversity, non-discrimination and equal opportunities	102-8, 405, 103, 401-3, 102-41	Internal
3	Working conditions and terms of employment	401, 402, 404	Internal
4	Customer privacy	418	Internal and external
5	Safety and good health	403	Internal
6	Success and reputation of the company (Employer branding, Support of local NGOs and IT communities)		External
7	Ecological impact, Eco initiatives, green office (water, CO2), eco weeks, climate change	103, 102-11, 302, 303, 305	External
8	Business continuity (risks) and strategic risks		Internal
9	Support of educational institutions and initiatives	413	External
10	Corporate culture (ethics and integrity) – code of conduct, welcome book	102-16, 102-17	Internal
Ranked by importance	Material topics (most important for stakeholders)	GRI	Boundaries of impact
11	Charity and corporate volunteering		External
12	Legal and taxation	207	External
13	Social impact		External
14	Anticorruption policies	102-25, 205, 206	Internal
15	Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) – HR	408, 409, 410, 411, 412, 414	External
16	Supply chain (contracts, vendors)	102-9, 102-10	External
17	Operational efficiency, Revenue and profit margin	201	Internal

We Engage with Our Stakeholders (GRI 102-40, 102-42, 102-43, 102-44)

During the preparation of this Sustainability Report for 2020, a ranking map of DataArt stakeholders was compiled for the first time. The ranking map of stakeholders took into account the economic, social, and environmental impact of DataArt activities on various categories of stakeholders as well as the reverse influence of stakeholders on the Company's activities.



DataArt actively interacts with all abovementioned stakeholders. The following forms of communication are used: conference calls and meetings, seminars and thematic conferences, official correspondence, telephone conversations, joint actions as well as surveys and perception research.

Stakeholder	Key topics and concerns	Approach to stakeholder engagement
Internal Stakeholders (DataArt people)	<ul style="list-style-type: none"> • Highly qualified team (we select highly professional people, our staff can learn from a peer-to-peer model) • Comfortable office • Market compensation • Variety of projects (our colleagues can choose a project that is in line with their interests and professional development plan) • Bench (paid time in idle when the staff member is not working for a commercial project, usually perceived as job security) • Success and reputation of the company • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Safe and nurturing psychological environment • Eco initiatives, green office • Corporate volunteering • Corporate culture • Flexible hours, work from home • Social impact 	Surveys, dedicated online meetings, corporate tools such as e-mail, messengers, Gazeta, etc. and social networks
Partners	<ul style="list-style-type: none"> • Supply chain • Revenue and profit margin • Client satisfaction • Success and reputation of the company • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Anticorruption policies • Operational efficiency • Security and compliance • Diversity, non-discrimination and equal opportunities (we hire primarily in Eastern Europe, we do not really have racial diversity) • Legal and taxation • Social impact • Governmental policies • Business continuity 	
Customers	<ul style="list-style-type: none"> • Quality of services • Client satisfaction • Success and reputation of the company • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Anticorruption policies • Security and compliance 	Dedicated online meetings, e-mails, DA sites, social networks
Vendors / Suppliers	<ul style="list-style-type: none"> • Supply chain • Success and reputation of the company • Anticorruption policies • Security and compliance 	Dedicated online meetings, e-mails, DataArt sites, social networks
Governments	<ul style="list-style-type: none"> • Working conditions and terms of employment • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Anticorruption policies • Legal and taxation 	DataArt sites, social networks

Investors	<ul style="list-style-type: none"> • Ecological impact • Climate change • Supply chain • Revenue and profit margin • Success and reputation of the company • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Eco initiatives, green office • Anticorruption policies • Operational efficiency • Security and compliance • Diversity, non-discrimination and equal opportunities (we hire primarily in Eastern Europe, we do not really have racial diversity) • Social impact • Governmental policies • Business continuity 	E-mails, reports
Universities	<ul style="list-style-type: none"> • Success and reputation of the company • Support of local NGOs and IT communities • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) 	Dedicated programs, events, materials on events, sites, social networks
Local NGOs (IT clusters, associations etc.)	<ul style="list-style-type: none"> • Success and reputation of the company • Support of local NGOs and IT communities • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Eco initiatives, green office • Corporate volunteering • Social impact 	Email, attending local meetings
Local IT Communities	<ul style="list-style-type: none"> • Success and reputation of the company • Support of local NGOs and IT communities • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) 	DataArt sites, social networks
Job Applicants	<ul style="list-style-type: none"> • Working conditions and terms of employment • Comfortable office • Market compensation • Bench (paid time in idle when the staff member is not working for a commercial project, usually perceived as job security) • Success and reputation of the company • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Corporate culture • Flexible hours, work from home • Social impact 	Events, materials on events, sites, social networks
Media and general public	<ul style="list-style-type: none"> • Ecological impact • Climate change • Success and reputation of the company • Charity • Human rights (we do not discriminate, zero tolerance to harassment and bullying, antislavery, no zero hours contracts) • Eco initiatives, green office • Corporate volunteering • Social impact 	Press conferences and press events

Key Performance Indicators (GRI 102-7)

Annual attrition, %	<15%	<10%
Personnel satisfaction survey	90% of respondents are ready to recommend us as a good employer to their friends. 90% of respondents are ready to spend 2+ more years of their career with us. 85% of respondents are satisfied with their total reward with DataArt.	95% of respondents are ready to recommend us as a good employer to their friends. 92% of respondents are ready to spend 2+ more years of their career with us. 75% of respondents are satisfied with their total reward with DataArt.
Average time spent on training per staff member	80	85
Number of partnerships with universities	8	9
Number of DA offices covered by the Green Office initiatives	5	4

Awards and Achievements in 2020

Global Award

- DataArt was named the Most Innovative Global Software Engineering Company of 2020 by Corporate Vision Magazine

Award in Europe

- «Highly commended» nomination in brand innovation at European Brand Management Awards 2020

Award in the United States

- According to Glassdoor 99% of our employees would recommend working at DataArt to a friend and 100% approve of CEO

Awards in Ukraine

- Winner of the HR Brand Award 2020 in «Wellbeing project of the year» category and «Nominees choice» category
- 7th place in Forbes Ukraine rating of all employers in Ukraine

- Top 5 IT employers in Ukraine as rated by DOU.ua
- Top 5 «Credibility of IT companies» ranking / Pointer Agency
- 9th place in «TOP 50 IT companies» ranking 2020 by Developers.Org.Ua

Awards in Bulgaria

- «TOP Software Companies» in Bulgaria award (2020)
- Silver prize in the «Technologies in HR» category at the Career Show Awards 2020

Award in Poland

- 3rd place in Best IT Employer ranking 2019/2020 by ComputerWorld, Poland

Award in Russia

- 5th place in the «Top 20 IT Employer Brands in Russia» 2020 ranking by Habr.com

Award in Argentina

- «Best Employers 2020» shortlist / Apertura magazine

Sustainability Manifesto and Social and Environmental Policy

In July 2020, DataArt adopted the Sustainability Manifesto and Social and Environmental policy. We believe that our commitment to a more sustainable business will help us to do the right thing across our business and to focus on areas where we can make a difference. Sustainable development at DataArt after the launch of the Environmental and Social Performance Program will create a long-term value for us and all our stakeholders, communities and societies where we operate, and the planet at large.

Sustainability Compliance International Standards (GRI 102-12)

In accordance with DataArt Compliance Policy, DataArt is committed to compliance with legislation in all locations where we operate. We also accept the following groups of standards as a guidance for sustainability management at DataArt:

- IFC Performance Standards on Environmental and Social Sustainability
- The Sustainable Development Goals (SDGs) of the 2030 Agenda
- UN Conventions on environment and labor
- International Labor Organization (ILO) documents.

Commitment to the United Nations Sustainable Development Goals (SDGs)

The Environmental and Social Performance Program underlines DataArt's commitment to the United Nations Sustainable Development Goals (SDGs) and indicates the following SDGs which correspond the most to DataArt core values:

1. DataArt people:

SDG 5: Gender equality;

SDG 8: Decent work and economic growth.

DataArt evolves with its people as a living organism, and its evolution is based on the same laws. The sustainable development and wellbeing of DataArt are supported by strong partnership principles in how we work and how we make decisions on all levels. All our colleagues have equal opportunities to learn, gain experience, and grow. We strive to be an employer and partner of choice.

DataArt uses a systemic approach to how the work, human resource management, and staff wellbeing are organized in the company. The approach covers the following areas:

Value-based communications and management: DataArt maintains high standards for ethics, personal and professional behavior that are based on company's values and ensures comfortable and productive work relationship between DataArt staff.

Equal Opportunities: DataArt is committed to promoting equal opportunities in employment. Any job applicants will receive equal treatment regardless of age, disability, gender re-assignment, marital or civil partnership status, pregnancy or maternity, race, color, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

No discrimination, harassment or bullying: The Company is committed to creating a workplace that is free of harassment and discrimination, where co-workers, job applicants and other stakeholders are respected, and which provides an appropriate environment to encourage good performance and conduct in all locations where we operate, at all times.

No Child or Forced Labor: DataArt is committed to compliance with local and international anti-slavery, human trafficking and child labor laws, following all international guidelines and national labor legislative requirements.

Comfortable and Safe Working Place: DataArt has established and maintains high standards for office environment in terms of comfort and safety. Corporate Business Continuity and Disaster Recovery program has staff wellbeing and safety as its key components. We provide extensive medical insurance and have mental help programs.

Professional Development / Talent Management: DataArt consistently invests in professional development of personnel and has a state-of-art education approach coordinated by a cross-function group at corporate level. It includes, but is not limited to, an internal EDU platform, language courses, professional development programs and certifications.

2. Society and communities:

SDG 3: Good health and wellbeing;

SDG 4: Quality education;

SDG 11: Sustainable cities and communities.

IT is an amazing industry. We love it and thrive in it. Industry professionals can experiment and get new experience and knowledge while being ready for change. We would like more people to enjoy the benefits the industry brings to enrich their lives. Therefore, we consistently contribute to the education and empowerment of the communities where we operate and care about the wellbeing of all our stakeholders.

DataArt actively manages relationships with both internal and external communities, extending capacities and creating new opportunities. The company develops and implements educational initiatives and measures for improvement in health and wellbeing of communities and society.

Knowledge Transfer: DataArt is a community of highly educated specialists in science, technology, engineering and math⁶ which is uniquely positioned to share their knowledge and experience with other people around the world as well as promote free mechanisms for self-education.

Public Health and Wellbeing: DataArt recognizes the importance of Public Health and Wellbeing and provides inputs through health and safety initiatives, anti-epidemic measures, conducting respective public awareness seminars, and support of local sport events.

Empower People: Over 20+ years on the market, DataArt has always aimed to empower people who work or want to work in IT industry with long-term and short-term programs and events. We help these groups gain a better knowledge of the industry and its history and an understanding of how it helps communities and people around the world, and what people can do to move the industry forward to the bright future.

Transparency: DataArt has a wide range of processes and tools to collect, analyze and take actions based on the feedback of DataArt staff members and external stakeholders. The processes include grievance mechanism, internal communication with company management, surveys, forums, and whistleblowing mechanism.

3. Environment:

SDG 12: Responsible consumption and production;
SDG 13: Climate action.

As free and responsible individuals, we see that human activity is changing the world. Technologies are changing the world for the better, but, at the same time, this change takes its toll on the environment. DataArt knows that man-made climate change is real and that it poses a great threat to the planet and its inhabitants. DataArt takes responsibility for climate, waste, energy, water and other natural resources. We implement technically and financially feasible and cost-effective measures to improve the efficiency in our consumption of energy, water, as well as other natural resources.

Carbon Footprint: DataArt cares about carbon footprints we leave, and we take improvement actions ensuring sustainable office operations.

Recycling: DataArt is committed to adopt waste separation practices, increasing share of equipment that can be recycled and remain compliant with requirements on recycling wastes, such as batteries, electrical and electronic equipment.

Green Energy: DataArt is committed to extend facilities for green city personal transport as well enforce local travel policy (trains over planes). DataArt is also committed to calculate and improve the impact of all business trips on climate change.

Buy Local: DataArt is committed to adopt “buy local” principle for certain goods and materials to reduce climate impact that DataArt’s supply chain produces by goods and materials transportation.

Membership in Associations (GRI 102-13)

DataArt has been a member of local industry peer-to-peer organizations (IT clusters and associations in Lviv, Odessa, Kharkiv and Dnipro) for many years, contributing to developing local labor markets, improving the employment standards, actively sharing our best practices and joining forces with competitors and partners in educational and environmental initiatives. We are actively seeking partnerships with local NGOs focusing on sustainability and promoting the issues of sustainability as a part of permanent agenda with local clusters.

Key Impacts and Risks (GRI 102-15)

DataArt assesses and manages environmental and social risks and impacts following the IFC Performance Standards and industrial best practices. This dynamic and continuous process is supported by corporate **S&E risks and impacts matrix**, which is updated and revised annually.

Key risks and impacts are combined into:

— Environmental risks and impacts

IT industry potentially uses large amounts of energy (equipment, air conditioning) related to greenhouse gas emissions: ICT equipment accounts near 1,5 % of the world's carbon emissions.

— Climate-related risks

DataArt has adopted Business Continuity Policy and Business Continuity Plans, and both documents identify such climate-related risks as flooding, nature fires, hurricanes and extreme wind. The probability of these climate-related natural disasters is medium to high. However, they can cause serious damage, leading to disruption of operations.

In case of such climate-related events, the disaster recovery strategies adopted would include:

- reconfiguration of systems using HW, remain intact for connectivity recovering for critical BP
- hot reserve availability and configuration from backups to recover core infrastructure applications
- mirroring and cold reserve of affected location and data recovery.

— Occupational health and safety risks

IT companies often use open space infrastructure, where working communication in the office can cause noise that interferes with the business process and creates stressful situations; the IT business process involves constant use of a computer, i.e. repetitive motions and static posture throughout the working day. This factor leads to risks of staff fatigue, stressful situations and the development of occupational diseases.

— Community health, safety and security risks and impacts

IT solutions development causes community job loss. IT personnel has higher wages than the average on the market, which might strengthen social inequality, leading to social unrest and conflicts.

S&E risks and impacts matrix

The Company consistently reviews all business processes in detail and identifies an exhaustive list of environmental and social risks and impacts arising from the company's activities. DataArt uses **the mitigation hierarchy approach** by:

- implementing S&E requirements in respective processes and procedures to avoid or minimize (if complete avoidance is not possible) potential negative impact;
- developing particular S&E initiatives to offset the residual negative impacts of positive impacts on the environment and society by applying “no net loss” principle to the compensation process.

Social and environmental risks and impacts management allows DataArt to quickly respond to emerging changes in the environment and society, raising the sustainability of the Company.

New S&E initiatives are piloted within the Company on regional or functional levels, and, if successful, are scaled up on the corporate level as a best practice, contributing to the global SDGs.

We Care for Our Customer Privacy (GRI 418, 418-1)

Customers of DataArt deal with personal data of their staff and clients. These databases are of different size and sensitivity: some may contain names of few natural persons, some — financial details of hundreds and thousands of users.

As a software service provider, DataArt may get access to customers' databases within the course of service provision. We treat data privacy as one of the core tasks, so our customers can rely on us.

DataArt has established a Personal Data Protection Policy — latest version of 12/03/2020 — which is approved by DataArt CCO. The Policy encloses the main principles of personal data management, such as lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy, storage limitation, accountability, integrity and confidentiality. DataArt ensures compliance with both local and international laws and regulations. The Policy is supported by a mandatory-for-every-staff member annual awareness training.

DataArt ensures that all relationships that involve the processing of personal data are subject to a documented contract that includes the specific information and terms required by the applicable regulations. At DataArt, the responsibilities for appropriate personal data processing are distributed between respective groups (such as Delivery Teams, Compliance Department, Information Security Department, etc.).

Grievance mechanisms for reporting and managing privacy incidents are an integral part of the contracts and internal procedures. For the covered period, there were no personal data breaches reported.

We Attract Highly Professional People

Management approach to HR (GRI 103-1, 102-8)

DataArt treats people as the most valuable asset that plays the key role in the company's success. That is why an access to human resources and hiring processes are critical and carefully planned. As of 12/31/2020, there were 3,697 DataArt professionals as working in 20 DataArt locations in 10 countries. Among all the staff, only 2% worked on temporary basis in Ukraine and Russia. DataArt has a relatively young staff, with 66.9% of personnel aged under 35. Keeping such young staff motivated and educated in such a competitive industry as IT is a great challenge for DataArt HR.

We have been improving and advancing our HR and staffing system for 23 years. Over 100 HR experts, 300 tech experts and Resource Managers in 20+ locations manage all aspects of staff assessment, selection, motivation, promotion and retention. Most of the tools we use are home-grown and custom-tailored to our unique processes. DataArt's approach to staffing can be described by 3 main principles: taking a global approach, expertise validation, and real time tracking of results. This is possible thanks to our proprietary staffing platform, developed and supported in-house. This unique system combines recruitment and resource arrangement expertise and proven selection and retention processes as described in this document.





DataArt's resource management process is centered around optimization and efficient use of available specialists. The Resource Management team is accountable for allocating internal talent needed to deliver the project success. To staff a coordinated project team, the Resource Management team considers each member's hard and soft skills, the level of English proficiency, as well as prior experience in similar projects. Thus, having a globally synchronized process, the resource management service closes more than 2,500 staffing requests on time, annually, with a 98% closing rate.

Therefore, DataArt resource management makes it possible to close all staffing request using primarily internal talent. In general, we staff project teams for 75%+ with existing resources, which differentiates DataArt from its competitors. Therefore, DataArt clients can rely on both fast staffing and professional teams. DataArt sets a closed career development cycle within the company, and the Resource Management team helps staff switch projects within the same company, not companies, which is proven by annual attrition results: less than 9.5% attrition among production personnel in 2019.

Recruitment (GRI 401-1)

DataArt's Resource Management teams successfully processes and closes 2,500 staffing requests on time, annually, with a 98% closing rate. We also collaborate with professional hiring consultancy and specialised internet resources when hiring new personnel.

In 2020, there were 709 new hires, with 27% of vacancies filled by women. 57% of personnel were hired in Ukraine.

DataArt referral program is one of the main sources when talking about hiring, with more than 35% of new hires annually.

Due to an effective staffing model, about 75% of all staffing requests are closed internally, from our bench (personnel reserve). Positions on bench are fully paid, our job applicants get an offer from DataArt, not project-based employment. Even during the difficult Covid-19 pandemic lockdowns, when many businesses had to cut costs dramatically and even reduce the staff, we managed to save all the workplaces (0 people were fired), kept full compensations and preserved the full package of benefits.

Our approach to HR has been recognized by top local awards, industry NGOs and media. [DataArt's rating on Glassdoor.com:](#)

Rating — 4.9

99% — recommend to a friend

100% — approve of CEO

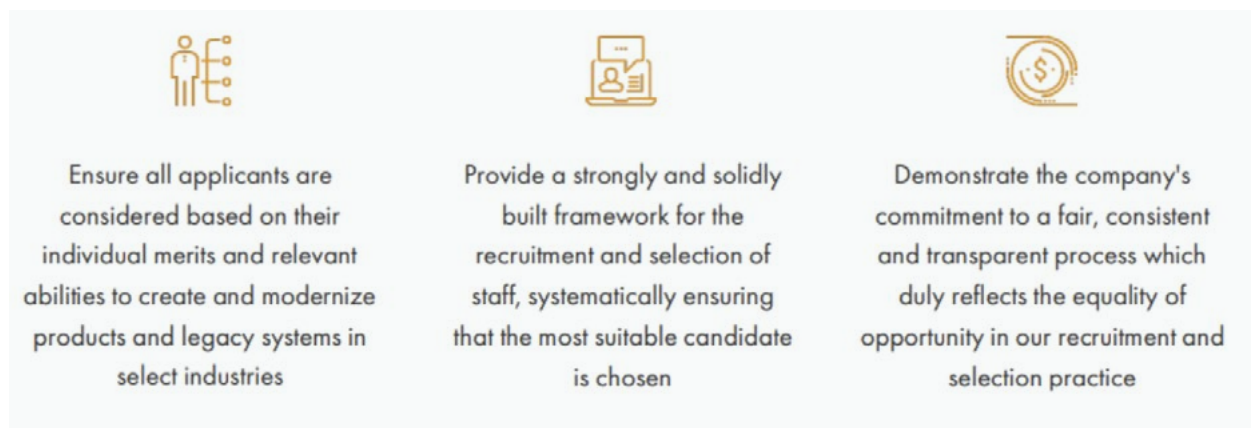
We have experts in all technologies and fields of research. Our teams include winners of international programming contests and hackathons and numerous PhDs. All DataArt's delivery offices are established in the cities with an advanced educational infrastructure and rich pools of highly educated specialists.

DataArt has been actively collaborating with key tech universities in all its engineering locations for many years. DataArt brand awareness is very high among students in key engineering locations; we are an employer of choice for many students and seniors.

DataArt has a lot to offer to young professionals and undergraduates: flexible working hours, effective in-house educational system (English, tech courses, leadership and soft skills development), internal competence centres and open tech communities at DataArt. These initiatives provide the nurturing environment for learning industry and domain news, acquiring additional tech skills and advancing existing knowledge in various fields: from blockchain to public speaking.

We also have biannual DataArt IT Schools (.Net, Java, JS, Android and iOS development, Ruby, quality assurance) that are free to attend for those who qualify during a selection process. Our schools are very popular due to the solid knowledgebase they provide. Our experts in various technologies share their knowledge with students and provide real examples and cases. Best student are invited to participate in our trainee programs that put the young professionals in the real-life projects and provide them with practical experience. Trainees receive market-level salaries and are mentored by senior colleagues.

DataArt's Delivery Management team use a distinct approach in recruitment, which is based on the selection process to find the best fit for the requested purposes. We use our wide network to ensure that only trusted references become the first option to choose. We give high priority to professionals with soft skills and culture fit based on technical suitability and clients' needs to match expectations for each party. Thus, the recruitment process at DataArt is designed as an external source of talent acquisition. It is meant to:



The recruiting process at DataArt consists of screening, interviewing and testing stages. Over 300 technical experts, along with 70+ recruitment experts manage all aspects of staff assessment, selection, motivation, promotion and retention. Therefore, DataArt's Resource Management team can process over 1,000 job applicants at a time to find the most suitable match. A lot of the tools we use in the recruitment process are home-grown and custom-tailored to our unique processes. DataArt invests a lot to ensure that we hire only the most qualified specialists on the market.

The recruitment process begins when DataArt's Delivery Management team identifies the client's needs and ends with iteration staffing of the development team. The typical steps of the recruitment process may vary depending on the role and the client's needs. They may include the following iterations:

- **Planning stages:** DataArt's Delivery Management team compiles requirements for the client's business needs, which are used by hiring managers to prepare the job descriptions and assemble a hiring team to attract suitable specialists within the estimated period.
- **Attracting stages:** DataArt's Resource Management team review and attract all available specialists to fill the hiring pipeline with qualified job applicants for further selection; all staff members who participate in the hiring process undergo prior training in recruitment and selection in order to exclude any unreliable applicants.
- **Selecting stages:** DataArt's Resource Management team carry out the entire interview process, like screening calls, conducting job application reviews, communication and technical interviews, soft skills interviews and background checks; the interview process may include any elective stages, which helps clients ensure that the applicants are the

best fit for their business needs. These applicants are talents who are easy to communicate and work with.

- Hiring stages: DataArt's Delivery Management team closely reviews all interview feedback for further hiring new development team members and onboarding them within the account to make sure that estimated terms and deliverables are met.



Onboarding

Onboarding and induction processes help new hires to understand DataArt's culture, quickly and smoothly adjust to the social and performance aspects of their new roles. DataArt's onboarding process, controlled via an HR tool, is focused on 4 levels: connection, culture, clarification and compliance. It is guided by mentors from HR, Project and Location governance.

The newcomers complete all essential trainings based on DataArt Security Guide: confidentiality, health and safety, acceptable use. All of them receive DataArt Welcome Book, where our corporate culture, shared values and processes are described.

During the pandemics, all onboarding processes were adjusted for in online environments. We have also launched an onboarding procedure for fully remote positions.

Retention and people management

Our turnover rate has always been under 10% annually throughout 20+ years in business. This is one of the lowest rates within the industry. In 2020, DataArt saw dismissal of 334 staff members, which equals to 9.8% of annual attrition, the lowest rate in the last three years. The level of dismissed women corresponds to DataArt gender structure and equals 23.7%.

Retention is based on these simple but fundamental principles:

- interesting work, which motivates most qualified IT people
- opportunities for various professional development paths
- flexible working and comfortable environment
- respectful, open and supportive corporate culture
- massive internal investment in learning and knowledge sharing materials, tools, events and user groups: opportunities to learn and try new things are always available
- flat organisational structure.

Minimum Notice Periods Regarding Operational Changes ^(GRI 402-1)

DataArt is committed to providing reasonable notice of significant operational changes to staff in order to maintain staff satisfaction and motivation. DataArt also complies with the labor legislation of all countries of presence regarding the minimum notice period about operational changes, making three months an average period of notice before any significant operational change take place.

Professional Development and Career Planning ^(GRI 404-1, 404-2)

Besides complete and thorough assessment for all job applicants, DataArt pays a lot of attention to in-house staff education. In 2020, DataArt organized 245 training events, 3697 of DataArt staff spent 315 669 hours on education on average, or 85+ hours per staff member.

DataArt has a wide range of corporate educational programs, which are both technology- and business-oriented. We have an EDU portal, developed on Open EdX platform, with around 250 courses and 500+ webinars. In 2020, DataArt organized 245 courses with 16 018 total enrollments, meaning that each DataArt staff member enrolled in at least 4 training courses a year.

During the pandemic, the number of users accessing EDU portal from mobile devices increased. Therefore, we have improved the system's adaptive design, introduced automated personalised recommendations for courses, added feedback fields, and implemented a new analytics tool. 100% work from home mode brought new challenges, therefore we have introduced improved courses on compliance and security, updated onboarding courses, added gamification mechanics to mandatory courses (tests and quizzes). As videoconferencing is the new normal now, we have also updated our project management courses and an in-depth course for public speakers who speak at public events on behalf of DataArt.

We have also significantly increased investments in staff certification by DataArt's core partners in cloud technologies: Google, Amazon, and Microsoft. Our team has obtained 150+ certificates in the following associated and professional exams: cloud engineers, developers and architects, security engineers, data engineers, data scientist, Azure architects, ML, Big Data and Data & Analytics specialties. We are also actively investing in certification by other technology partners, such as Salesforce, Snowflake, Cassandra and Tableau.

We have a detailed profile for each staff member, which includes all information about skills, qualifications and grades. DataArt Grades System is based on 360-degree feedback about a staff member performance, which is collected at least annually.

We have talent management function within HR department in charge of regular reviews, career planning and talk-ins with staff regarding further professional development.

Compensation increase is also based on this feedback. We have introduced a live visualization tool of professional development paths that is linked to live statistics of demand, headcount and our educational system.

DataArt has a system of teaching English. 30+ fulltime English teachers teach in groups, help the HR department to assess job applicants and reassess colleagues, drive special courses like Bootcamp, Pronunciation, English for Account Managers, etc.

We set an expectation for our potential personnel that it is essential to demonstrate good communication skills in English and be aware of business etiquette rules to successfully deliver engineering solutions. During interviews, our English teachers assess 5 core communication aspects:

- Clarity — precision in expression of one's thoughts
- Quality — having a varied vocabulary that is accurately packed in proper grammatical structures
- Fluency — smoothness of speech (not to be confused with the pace of word utterance)
- Pronunciation — accurate articulation of sounds, proper and natural intonation
- Manner — the extent of the applicant's involvement in the conversation, use of words and structures demonstrating his/her attentiveness.

The final grade encompasses these five key points, which are vital in the process of communication. DataArt concentrates the job applicant's attention on the fact that the key to success in communicating lies in the combination of all five aspects, each being of equal importance. All interviews are held by our teachers, who have at least a Masters degree in Linguistics and who have been certified by DataArt to perform such reviews.

Mental health and stress at work (GRI 403-7)

We are committed to identifying, tackling and preventing the causes of work-related stress. We provide appropriate support on a confidential basis to those staff members who are suffering from stress, when and in the manner that is appropriate. The pandemic, global lockdowns, social turmoil, instability and family pressure have affected the overall mental health picture of our team and increased the level of stress.

DataArt has shifted to the 100% work from home mode in early March 2020 globally and introduced a 100% WFH policy. In order to reduce the level of stress related to this change, we compiled useful tips and tricks as well as recommendations how to set up a home office in a secure and solid manner. We shared our best practices for managing distributed teams and increasing their productivity with both our team and the clients. We have also shared these best practices with the general public via digital media.

DataArt has also ensured that all team members have necessary hardware and equipment to work from home: computers, monitors, office chairs and devices needed for work and pet projects.

Stress has become one of the most impactful consequences of the prolonged WFH period. Therefore, we have updated our policies for team members suffering from stress. Functional, project and HR managers helped the team with promoting a culture of open communication and encouragement, effort planning and providing feedback about their performance. We have also given our staff an option to take a sick period due to stress, a mental health day.

The pandemic has also accelerated an active shift to digital communications both internally and externally: with our clients and stakeholders. We have improved the corporate video conferencing services to minimize the loss of 1-on-1 interaction, business trips and flights. We have also introduced more digital tools for collecting the feedback online: surveys, anonymous feedback forms, etc.

We have launched biweekly “Tell us how you feel” surveys as a means to find out the staff needs, opinions and feedback. This anonymous digital tool helped us to build weekly agendas for internal communications and promote our Helpline.

DataArt have also established an email and conversations flow regarding mental health with our leadership. Active engagement of our leadership team and their fast reactions to day-to-day concerns and question from the team, openness to 1-on-1 meetings with everyone have helped us to keep the level of stress on a moderate level.

We have also introduced cross-office webinars on wellbeing, mindfulness, and stress management, released online videos and trainings, organized an online childcare service for our team (we call it the online “DataArt kids department.”

We constantly monitor the needs of our team and potential job applicants to keep our value proposition attractive. Given the long-term perspective of the pandemic, we have conducted a series of researches on the preferences of our team regarding the WFH/office-based everyday work.

More than 70% of our team members prefer a hybrid model: WFH for the most part of the week and the possibility to use the office spaces for ideation, team collaboration, education, teambuilding and specific tasks like speaking at online events, use of fully soundproof spaces, etc. We will continue the project of reimagining our office spaces in 2021 and update the design guidelines.

Diversity and equal opportunity (GRI 405-1, 401-3)

As a multinational company, DataArt promotes equality, diversity, and inclusion. We strongly believe that it helps us to better serve a diverse range of customers; retain personnel and keep them motivated and happy; prevent legal issues, such as bullying, harassment and discrimination.

We encourage equality, diversity, and inclusion on all levels.

Equality: We ensure that all recruiters and interviewers follow our non-discrimination and equal opportunity policies, which apply to newcomers and existing colleagues taking on new roles at DataArt. Our grades system, with a specified skill set and salary level for each grade, helps us to assess all colleagues equally and avoid pay gaps.

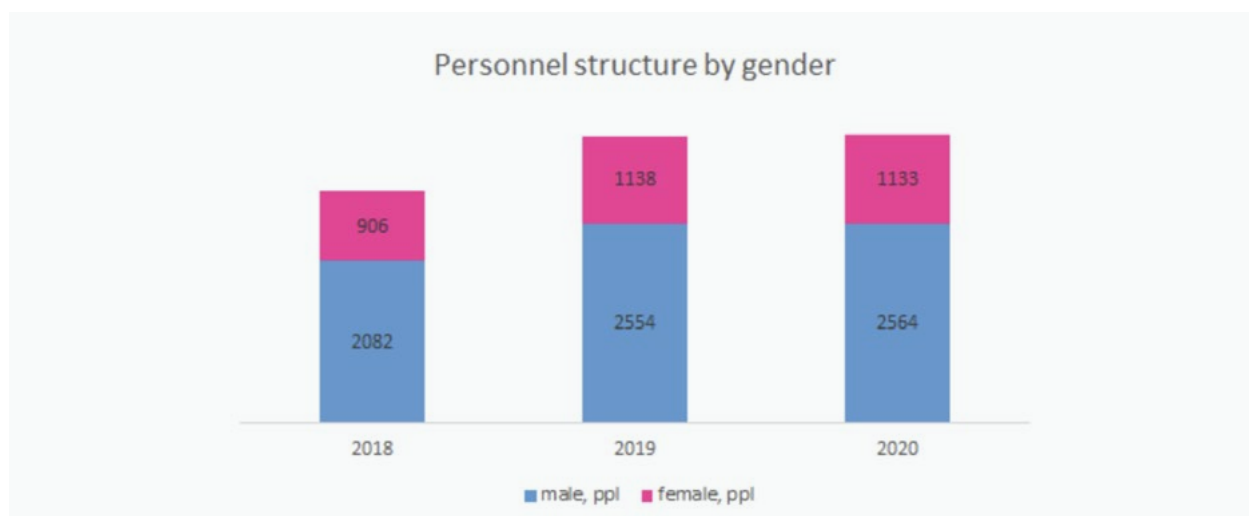
Inclusion: Our corporate culture is all about people and inclusion, where everyone feels valued and is encouraged to share ideas and suggestions with top management. We support our colleagues, regardless of their background or circumstances, to thrive at work.

Diversity: DataArt promotes gender diversity, closely collaborating with various "Women in IT" initiatives and sponsoring events to attract female IT specialists. Our partners include "Women TechMakers," "Python Community for Women," "Toastmasters International," and "Geek Girls Carrots."

In December 2020, DataArt was mentioned in Strong Leaders Creator in IT report, in the "Diversity and Inclusion" area, with comments from our leaders included. The full report is available here (in Polish).

Recent statistics show that only around 20% of tech jobs worldwide are occupied by women. At DataArt, women occupy 35.2% of project management roles and represent 31% of the total employee count, with this ratio increasing by 0.5% annually. Since 2019 it grew by almost 4%.

DataArt has a lower attrition rate for women than the industry average (8.0% as opposed to 10.6% for men).



Parental Leave Policy

DataArt encourages staff to have children by giving them parental leaves. In 2020, 80 staff members (100% women) took a parental leave, and 32 people (100% women) returned from parental leave.

2020 Key Education and Training Events

Skillotron

skillotron.com



Skillotron

Powered by DataArt

- 100K+ unique users in 2020
- TA: 25-34 y.o. (65% men, 35% women)
- 4500+ questions
- Hot topics: .Net, JavaScript, Java, QA and English in IT
- 200+ students passed their exams via Skillotron
- 10+ awards

Skillotron helps IT specialists to master and self-assess new skills by creating and solving quizzes, answering questions and writing source code. All the questions created by the users are reviewed by DataArt experts.

Skillotron is used as a student knowledge testing tool by several universities and tech schools. It has plenty of questions that cover most Information Technology areas, including mathematical algorithms and programming languages. The unique feature of Skillotron that allows external teachers to create new questions is highly appreciated by the professors. It is possible to create a quiz for a study group and have all results on hand right after, with all information including timing and number of correctly answered questions.

Proggy Buggy

olymp.dataart.com / proggy-buggy.com



DataArt
Proggy-Buggy

Proggy-Buggy an international programming competition that has been held annually since 2013. We invite developers, testers, non-tech professionals and students, and passionate people with a knowledge of programming, console-based applications, and standard I/O streams to take part in it.

Participation is free after registration. Users can register as a team (up to three people) or participate as an individual. The competition has 2 levels of difficulty: Amateurs and Professionals.

Due to pandemics, we held the competition online in 2020. Despite the change, the results were quite impressive:

- Participants: 1034: 629 Individuals, 163 teams (up to 3 people)
- Levels of difficulty: 95 professionals (with previous experience participating in ACM ICPC or IOI contests, or any other programming competitions), 637 amateurs (without previous experience)
- Geography: 16 countries, 88 cities
Ukraine, Russia, Argentina, Poland, Bulgaria, Armenia, Belarus, the UK, the USA, Canada, Israel, France, Switzerland, Greece, Kazakhstan, the Netherlands.

IT Non-Stop

it-nonstop.net



IT NonStop is an international three-day online conference dedicated to the latest achievements in Artificial Intelligence (AI), Machine Learning (ML), Cloud Technology (Cloud). The three-day practical conference offers the participants to connect, network and learn from colleagues and industry leaders.

A total of 1100+ participants visited the talks and workshops presented by over 20 experts from Amazon, Facebook, Google, DataArt, AltexSoft, Viseo among others, virtual round tables and workshops on data visualization and setting up the AWS Cloud Development Kit.

This year, we have transferred all the money we collected via tickets sales to our charity partner: Polytechnic Museum of the National Technical University of Ukraine "Sikorsky Kyiv Polytechnic Institute."

We have also set a free-to-attend Junior Track for students, so that they could learn more about IT and development opportunities in the industry. Recruiters taught junior specialists how to write their first CV.

CV Duck

cvduck.pro



CV Duck is a free online resume improvement service by DataArt. It is designed for people with tech skills. Our HR experts and editors help applicants polish CVs to accurately describe their professional experience and skills. We have verified 3300+ CVs and achieved a 99% positive review by our users. We do not pass the information received to third parties, we do not bother the applicants with calls or emails, and we process all data in accordance with local laws.

Most of the users are Junior and Middle level specialists, but about 10% of CVs were sent by Seniors and Experts (mostly QA, JS, Java specialists).

In 2020, CV Duck held a webinar "How to Find Your First Job in IT" for the community of people with disabilities in St. Petersburg. Our specialists talked about the specifics of IT and professions in demand, training opportunities and opportunities at DataArt.

Summer Internship Program Online

In 2020, due to the pandemic a lot of students had a problem finding internship programs: the universities that usually handle this matter did not have the capacity, many employers refused to open internships. At DataArt, we have decided to keep the program up and expand it substantially. We switched our traditional summer internship program to online mode.

- 2300+ registrations from different cities of Russia, Ukraine, Poland, Belarus, Armenia and other countries
- 1700+ members on Telegram channel
- 30 DataArt experts from Russia, Ukraine, the USA, the UK, Armenia, Poland and Argentina
- 32 hours of webinars
- Overall feedback score — 8.6 out of 10.

In the next stage of interaction with the audience, we received 400+ registrations on mentoring program Tech Leaders (almost 4 times more than usual).

Kiddo

kiddo.academy



Kiddo.Academy is a free to use open source project for children to can learn Python by solving problems composed by their parents. Kiddo.Academy is a child of self-isolation. Working from home with bored kids all over the plae is a challenge, therefore parents working at DataArt volunteered to help parents all around the globe.

Kiddo has an easy entry level of use. The tasks are written in JavaScript, and their complexity depends only on how imaginative and vigorous the author is. Now it has 3 modules (more than 60 tasks) in 4 languages: Armenian, English, Russian and Ukrainian.

- 2100+ unique visitors
- 41K vipage visits
- 101K games played
- 20K games ended in a correctly working code
- Average game is >7min
- Countries: Russia, Ukraine, Poland, the USA, Germany.

IT Museum

museum.dataart.com



The IT-museum started 10 years ago in St. Petersburg with a collection of retro hardware. Its idea belongs to one of the eldest DataArt staff members, Gleb Nitsman. Other locations too set off their gathering activities, and now many of them have their own collections.

We feel nostalgic about the old machines, system solutions, original ideas in coding and, of course, education in IT. That is why, we attempt to tell the story of IT in different Eastern European countries and showcase how similar and diverse it is at a time.

By creating IT Museum, we want to respect global museum trends. We decided not just to collect items and their specifications but go further and tell the human story of IT. To achieve this goal, we are doing permanent research about computer-science history in published memoirs, articles and other sources.

On the official website of IT Museum, we are going to tell the story of the academical and military use of digital computers in Eastern Europe, cloning of American computers, personalization and popularization of informatics and computing.

During the pandemic, we created online exhibitions in the Museum: Yerevan Math Machines, The Armenian Cybernetics and Radio-86RK, Soviet DIY Computers.

Online Technical Events

In 2020, we organized more than 80 educational tech events online in Bulgarian, English, Polish, Russian and Ukrainian. Apart from 6K+ participants at live events, we have reached 200K+ audience with our high-quality content on DevOps, Project Management, .Net, Node.js, ML, Java and other tech related topics via our YouTube channel.

Online Recruitment School

When the pandemic started in March, many people have lost their jobs, especially women in the non-tech industries. We have organized re-training initiative for women in Ukraine — online IT recruitment school. 20 women got an opportunity to change their career path and join the IT industry.

This online school lasted for 6 weeks in April-May 2020, 2-hour classes were conducted twice a week and consisted of online lectures, videos and materials for self-study with practical tasks.

DataArt Cares for Environment (GRI 103-1, 102-11)

At DataArt, we consider ourselves a part of the society that accepts a wider responsibility towards each other, the communities in which we operate, and the planet we all live on.

As free and responsible individuals, we see that our activity is changing the world. All these principles are set in DataArt Social and Environmental Policy. Despite low environmental impact of DataArt activities, its management shows commitment to the precautionary principle approved at the 1992 United Nations Conference on Environment and Development, which states that threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

Our Commitment to Fight Climate Change

In 2020, the Board of Partners of DataArt, after thorough consultations with its stakeholders, adopted the Sustainability Manifesto and the Social and Environmental Policy, officially recognizing that man-made climate change is real and that it poses a great threat to the planet and its inhabitants.

In its Social and Environmental Policy, DataArt declares its support for the UN Sustainability Goal 12: Responsible consumption and production and Goal 13: Climate Action.

In its Social and Environmental Policy, DataArt declares its concern about carbon footprints left by the company operations and its partners down the supply chain. DataArt has taken commitment to ensure sustainable office operations through the Green Office initiative. For this purpose, DataArt is committed to extend facilities for green city personal transport (bicycles and EV transportation) as well enforce local travel policy (trains over planes). DataArt is also committed to calculate and improve the impact of all business trips on climate change.

Scope 1, 2 & 3 GHG emissions (GRI 305-1, 305-2, 305-3, 305-4)

In 2020, DataArt for the first time calculated its Scope 1, 2 and 3 greenhouse gas emissions for 2019 in accordance with GHG Protocol. This report also contains preliminary calculations of the 2020 GHG emissions with the 2019 carbon factors.

Scope 1. In 2020, only Kyiv office had a reserve generator. However, it was never used.

Scope 2. Most of the energy used by DataArt is purchased electricity and heat from the grid or office heating boilers. In 2019, DataArt offices purchased 3 998 380 kWh of electricity, and 3 626 778 kWh of heat. In 2020, DataArt purchased 2 265 044 kWh of electricity and 3 089 272 kWh of heat, which is accordingly by 43% and 15% less than in 2019. The amount of CO₂ emissions in 2020 declined by 39%, from 2 655 067 kg of CO₂ emissions in 2019 to 1 609 013 kg of CO₂ in 2020, in accordance with the market-based method of calculation.¹

In accordance with the location-based method of calculation,² DataArt greenhouse gas emissions in 2020 decreased by 33% in 2 391 862 kg, compared to 3 586 452 kg of CO₂ emissions in 2019. The difference between location-based and market-based Scope 2 emissions is mostly determined by the difference in the location-based and market-based factors of Russia due to substantial differences in emissions between regional energy systems of Russia.

Scope 3 or other indirect emissions mostly derive from business travelling. In 2020, DataArt business air travel led to 193 666 kg of CO₂ emissions, which is 79% less than air travel emissions in 2019, amounting to 941,323 kg of CO₂ emissions.³

The overall DataArt Scope 1&2 CO₂ intensity calculated from the 2019 revenue is 0,017 kg of CO₂ per every US dollar of revenue.

The key reason for such a drastic CO₂ emission decline in DataArt operations lies in Covid-19 quarantine measures taken by both the company management and state authorities to avoid the spread of Covid-19 virus. Most of DataArt staff were asked to work from home, thus drastically reducing the electricity consumption in all locations where we operate by 43%. In 2020, DataArt staff made only 400 business flights, compared to 2033 business flights a year earlier.

DataArt had not developed its emissions target in the reporting year but has announced its commitment to calculate its Scope 1, 2, 3 GHG emissions to develop reduction targets in future.

¹The market-based figures are either based of residual fuel mix factors in accordance with Association of Issuing Bodies (AIB) reports for EU countries or similar calculation for other nations. The Russian offices market-based figures are based on the regional energy systems production mixes

²DataArt identifies location-based emissions for every office based on reported and calculated GHG emissions factors provided by multinational and national bodies such as UNFCCC, (US EPA) eGrid database, UK Govt — Defra/BEIS

³The calculation methodology for air business travel is based in ICAO CO₂ emissions calculator.

Green Office Initiative

As a large employer with dedicated office spaces, we are focused on avoiding waste generation. Where waste generation cannot be avoided, we will try to reduce it, as well as actively help recycle and recover waste in a safe manner.

We implement technically and financially feasible and cost-effective measures as well as focus on efficient governance for improving efficiency in our consumption of energy, water, waste reduction and management, paper and office supplies use, procurement and renovations, food and beverages consumption at work, our approaches to organizing a greener office life and various events.

We support the implementation of this initiative by enabling local Green Office teams, boosting awareness among personnel, educating and motivating our team to adopt an eco-friendlier behavior.

We are using three core metrics in tracking progress of this initiative at DataArt:

1. Number of locations with the Green Office practices
2. Total number of points for the implementations of the Green Office practices (tracked via annual audits conducted by the Compliance team)
3. Team Satisfaction survey score demonstrating staff awareness and engagement.

Green Office initiative 2020 results

The initiative was launched in Q3 2020. 4 locations out of 21 have joined the pilot wave: Yerevan, Sofia, Wroclaw, St. Petersburg.

Total points: 48/90

Team Satisfaction Survey results in 2020:

- 65% of DataArt team are aware of the Environmental and Social Performance Program (ESPP) at DataArt (answers 4-7 on a scale from 1-7, including N/A answers)
- 92% of DataArt team believe that the ESPP program is beneficial to communities and the world (answers 4-7 on a scale from 1-7, including N/A answers)
- 78% of DataArt team would like to be engaged more in the ESPP implementation (answers 4-7 on a scale from 1-7, including N/A answers)

Eco Weeks

We have organized an eco-awareness campaign in April-June 2020, both internally and in social media, as a pre-launch to our social and environmental platform release.

The core objectives of the campaign were to increase awareness of our team and stakeholders about climate change and recycling principles, promote zero waste lifestyle to help people introduce sustainable habits, inspire them to make responsible decisions in shopping and consumption.

We have organized 4 webinars dedicated to the following topics:

- Modern Global Anthropogenic Changes in Climate and Environment, with a renown anthropologist and climate change expert
- Zero Waste Concept: Reduce. Reuse. Recycle. (3Rs) + microgreen growing workshop
- How to Start Recycling at Home?
- Recycle Your PC: Make Use of the Oldie Laptop You Have

We have engaged four National Antarctic research institutes to study the influence of the global climate change process on the most remote continent. We have interviewed Ukrainian, Polish, Russian and Argentinian scientists from the research bases in the Antarctic and promoted their Instagram accounts to show people the real climatic changes going on at the moment.

Our awareness boosting program reached 150K people.

In order to engage people and draw their attention to the issue, we have created various educational and entertaining content

- Climate in the 21st Century: Changes and Challenges We Will All Have to Face
- The Ecology of a Galaxy Far, Far Away: 5 Global Problems of the Star Wars Universe
- E-waste: How to Prevent Waste of Money?
- Postcards from the Far South: Instagram Accounts of Antarctic Explorers
- How to Take Care of Your Electronic Devices to Make Them Last Longer
- 10 Ways How to Teach Your Child to Be More Eco-friendly
- Easy Ways to Become More Eco-Friendly
- Antarctic Environment: Three Interviews by DataArt (PL, UA, RU stations)
- How to Start an Eco-Community in Your Office

General information about DataArt Group consumptions in 2020 (GRI 302-1, 303-5)

Electricity	KWH	2 265 044
Heating	KWh	3 089 272
Water for sanitation	m ³	5 500

General information about DataArt Group GHG emissions in 2020

GHG from offices operations	metric tones	1 609 013
GHG from business-travels	metric tones	193 666

Governance, Ethics and Integrity

Values, principles, standards, and norms of behavior (GRI 102-16)

DataArt core values are:

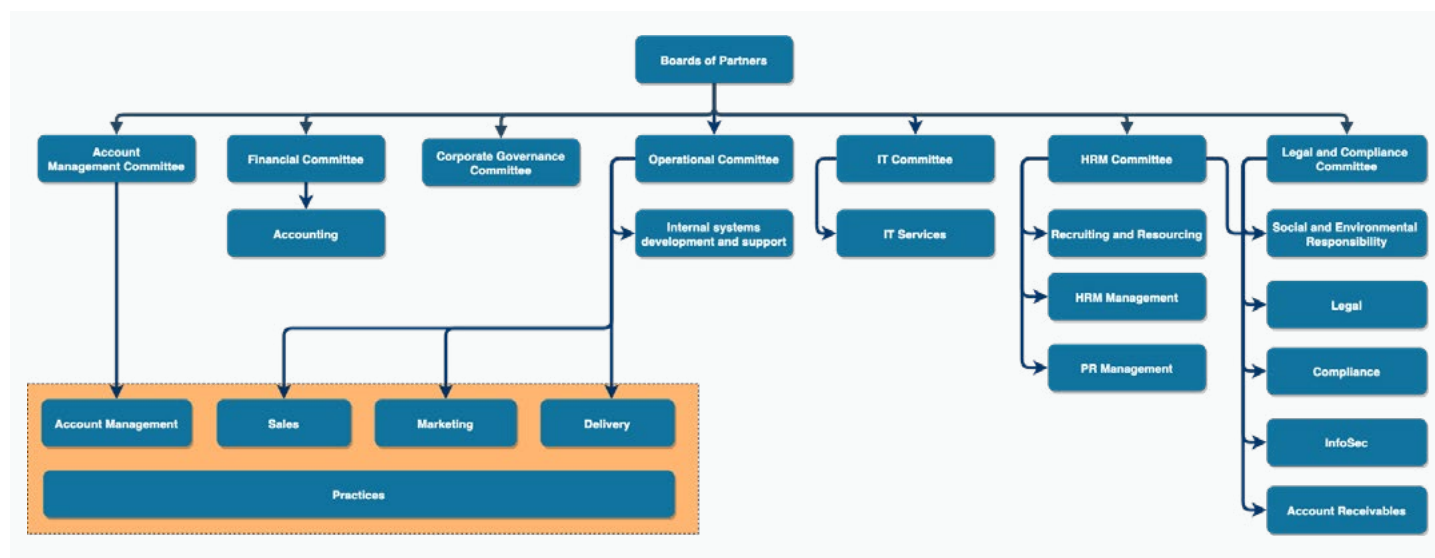
- **People first**
Our colleagues and clients are people above all, rather than abstract counter agents or skill sets.
- **Expertise**
We give all staff members an opportunity to fulfill their full potential in DataArt's ecosystem.
- **Flexibility**
We offer all staff members an opportunity to experiment and get new experience and knowledge, while being ready for change.
- **Trust**
We promote the opportunity to count on one another and the readiness to trust others. The role of leaders at DataArt is to create the context in which people take their own independent decisions.

The values are promoted by DataArt's management and supported by DataArt policies, which in particular cover the following:

- Business conduct
- Anti-bribery and corruption
- Anti-discrimination, harassment and bullying
- Equal opportunities
- Quality
- Personal data protection
- Social and environmental affairs
- Trainings
- Whistleblowing

DataArt Governance Structure ^(GRI 102-18)

DataArt business is driven by the Board of Partners (BoP) and respective committees and officers appointed by the BoP.



The responsibilities for the decision making in economic, social and environmental topics are distributed in the following way (GRI 102-19):

Accounting	Financial Committee
Human Rights issues	HRM Committee
Policies	BoP
Compensation and Career Development	HRM Committee
Diversity and Employment Equity	HRM Committee
Supply Chain Social Responsibility	Legal and Compliance Committee
Social Responsibility	BoP
Environmental Issues	BoP
Sustainable Development	BoP
Risk Management	Operational Committee, Legal and Compliance Committee
Ethics Issues	HRM Committee, Legal and Compliance Committee
Community and Public Relations	Operational Committee
Charitable Giving	Operational Committee
Customer Service and Quality	Account Management Committee, Operational Committee
Audit	Legal and Compliance Committee

Grievance Mechanisms (GRI 102-17)

DataArt has implemented and supports concern and complaints management processes that can be used by individuals, staff, communities and society that are being negatively affected by DataArt business activities and operations.

There are two categories of grievance mechanisms: internal and external.

Internal:

Whistleblowing is supported in DataArt by Whistleblowing Policy and Anti-Discrimination, Harassment and Bullying Policy and prescribes the main principles of this process. There are several levels where a staff member can raise a complaint: local level — PM of the project, HRM and Head of location; company level — Compliance Committee, Helpline. There is the channel for anonymous complaints — whistle-blowing.dataart.net.

Helpline is an internal service that provides mental health support. Main principles of Helpline are described in DataArt Welbeing. Main channel to turn to Helpline for assistance is dataart.helpline@dataart.com.

External:

"Contact Us" form — All DataArt websites (both corporate and local) have Contact Us forms through which all third-parties can send feedbacks and complaints.

Dedicated mailing groups for such issues as privacy (privacy@dataart.com) and sustainability (sustainability@dataart.com).

Telephone Line — DataArt Support is responsible for 24x7 telephone support of external requests.

Informal information flows are professional and personal networks (personal e-mails, F2F meetings, personal contact, social networks, etc.).

About the Report

Aspect	GRI Standard	DataArt reply
Reporting period	102-50	2020
Date of most recent report	102-51	This is the first Sustainability Report made in accordance with GRI Standards.
Reporting cycle	102-52	Annual
Claims of reporting in accordance with the GRI Standards	102-54	This report has been prepared in accordance with the GRI Standards: Core option.
External assurance	102-56	No
Restatements of information	102-48	N/A
Changes in reporting	102-49	N/A
Executive-level responsibility for economic, environmental, and social topics, Highest governance body's role in sustainability reporting,	102-20, 102-32, 102-53	At DataArt, Environmental and Social Compliance Officer (ESCO) is responsible for sustainability reporting. At this point of time, it is considered to be a part-time job. On June 22nd, 2020 the role was assigned to Andrey Shklyarov, acting Chief Compliance Officer at DataArt. ESCO is a member of the Sustainability Committee that coordinates sustainability activities at DataArt.
Contact point for questions regarding the report	102-53	Sustainability@dataart.com