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Businesses

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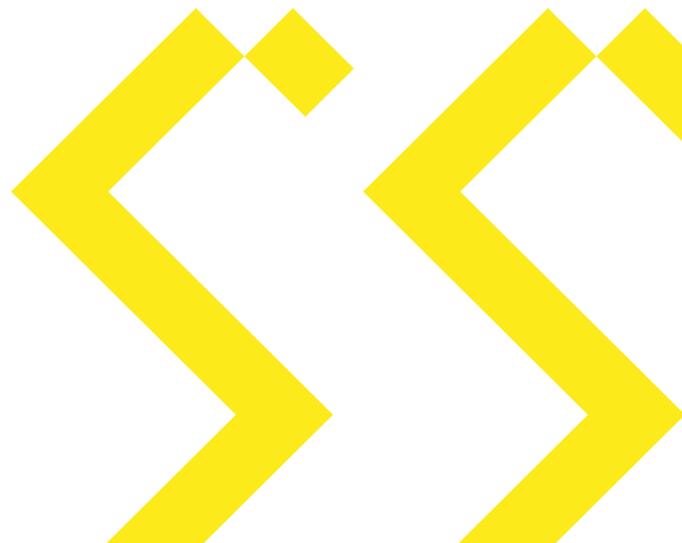
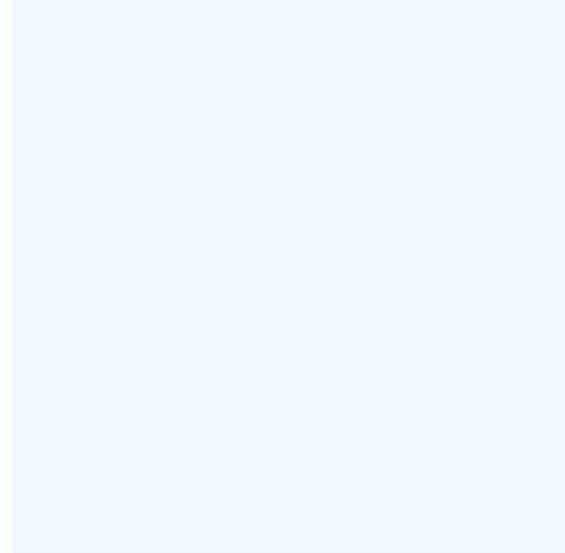
ANNUAL REPORT 2021

GROWING TOGETHER
TO NEW HEIGHTS



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INTRODUCTION



**JOHAN
VANDERPLAETSE**

CHAIRMAN OF THE
BOARD, ASSOCIATION
OF EUROPEAN
BUSINESSES



**TADZIO
SCHILLING**

CHIEF EXECUTIVE
OFFICER, ASSOCIATION
OF EUROPEAN
BUSINESSES

DEAR READERS,

We are currently facing unprecedented challenges. However, AEB retains and continues to carry out its mission to assist member companies in solving problems significant to foreign business. The most important thing for us at this difficult time is not to let our members down, and we will try to do everything in our power to do so.

Let us present to you the AEB Annual Report, which summarizes significant achievements of the Association for 2021.

The most remarkable event last year was the large-scale celebration of the AEB's 25th anniversary. Despite the restrictive measures caused by the spread of COVID-19, we managed to organize special events in Moscow, St. Petersburg, and Krasnodar.

Speaking of GR-activity, the Association agenda included such issues as solving migration problems for highly qualified specialists, digitalization of businesses, taxation, parallel imports and double quality, customs administration, the concept of extended producer responsibility, etc. Using various formats, the Association held several traditional top-level meetings and briefings to discuss with policymakers the most pressing issues for foreign businesses.

AEB representatives attended some major conferences and forums that took place in Russia last year. We managed to build intensive and productive interaction at the regional level.

As a flagship project, AEB launched the Green Initiative aimed at promoting ideas on development of energy of the future, green financing, and carbon management.

In 2021, we continued to provide necessary information services to companies in terms of overcoming consequences of COVID-19 pandemic.

We would like to express our sincere gratitude to the members of the AEB Board, the Council of National Representation, the Auditing Commission and Chairpersons of the Committees, Subcommittees and Working Groups for their hard work and dedication.

We thank all AEB members for their continued activities throughout the past year and for the trust placed in us. We very much appreciate your support.

AEB AT A GLANCE

25+



YEARS OF WORK

USD 300 BN

OF INVESTMENT*

2000 +



COMPLETED INVESTMENT PROJECTS*

3 OFFICES IN RUSSIA

46 EMPLOYEES

518 MEMBERS

36 COUNTRIES

300+ LOBBYING LETTERS

300+ COMMITTEE MEETINGS

83 COMMITTEES, SUBCOMMITTEES AND WORKING GROUPS

100+ REGULAR EVENTS



100 000+ VISITS TO THE AEB WEBSITE

23 000+ MENTIONS IN MEDIA

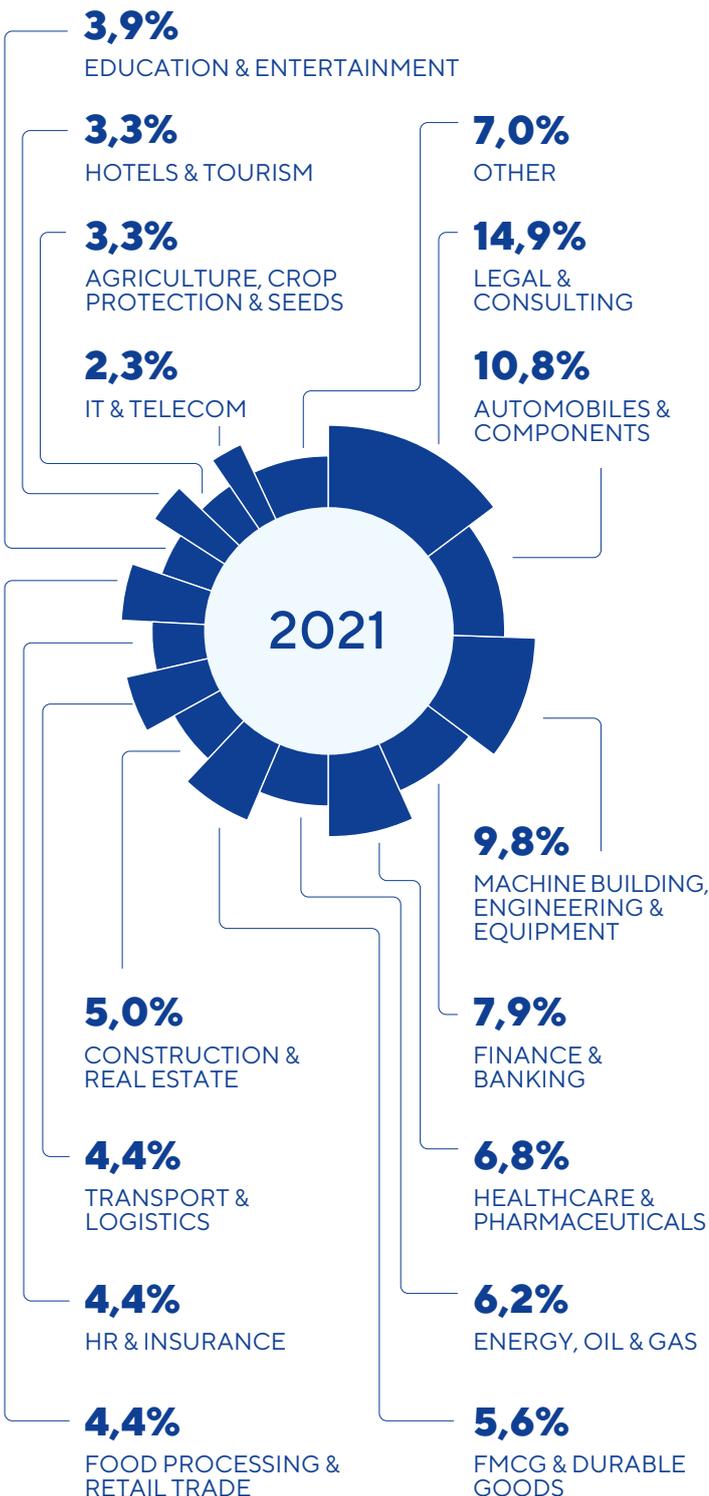
11 PERIODICAL PUBLICATIONS



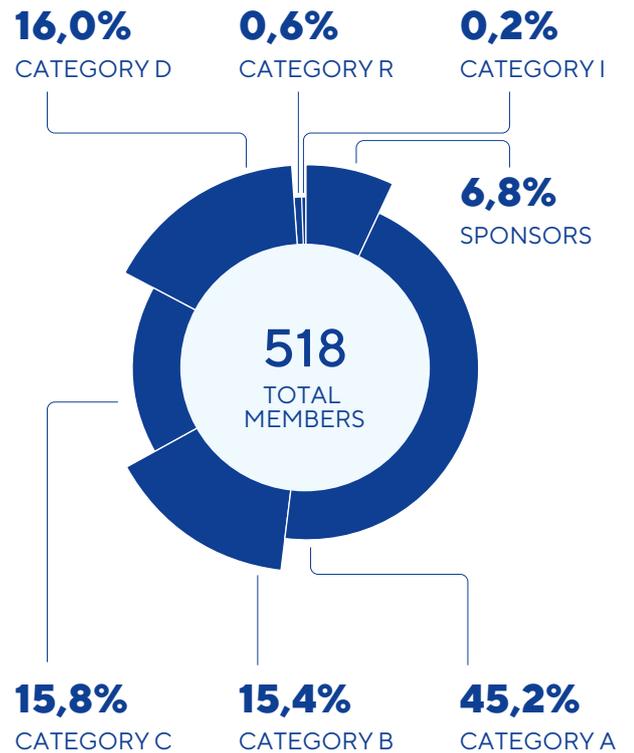
MEMBERSHIP STATISTICS



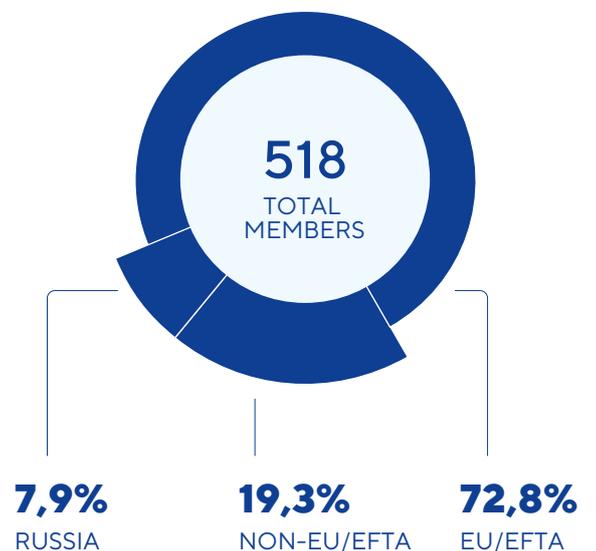
MEMBERS BY INDUSTRY



MEMBERS BY CATEGORY



MEMBERS BY COUNTRY



AEB 2021 MILESTONES



AEB 25+ ANNIVERSARY CONFERENCE "RUSSIA AND EUROPE IN THE WORLD OF TOMORROW. LOOKING BACK TO MOVE AHEAD"

On April 22, 2021 AEB organized its 25+ Anniversary Conference "Russia and Europe in the world of tomorrow. Looking back to move ahead" which took place on the online platform of the Moscow School of Management SKOLKOVO.

The first session moderated by Tazio Schilling, AEB CEO, was devoted to the possibility of the synchronizing economic recovery in Europe. Among the speakers were: Maxim Reshetnikov, Minister of Economic Development of Russia; Esko Aho, Former Prime Minister of Finland, Senior Advisor, East Office of Finnish Industries; Alexander Shokhin, President, RSPP; Natalia Kolerova, President, Novartis Group Russia; Alexander Liberov, President & CEO, Siemens Russia; Stefan Mecha, General Director, Volkswagen Group Rus; and Eirik Waerness, Senior Vice President and Chief Economist, Equinor.



CONFERENCE THEMATIC SESSIONS:

Growing together? Synchronizing economic recovery in Europe

All green? Driving the energy transformation agenda

Can we still avoid a digitally divided world?

Leaders of the future. Who will shape the world of tomorrow?

30
SPEAKERS

1000+
ONLINE PARTICIPANTS



The second session moderated by Ernesto Ferlengi, Chairman of the AEB Energy Committee, covered the energy transformation agenda. The floor was given to: Markus Ederer, Ambassador of the European Union to Russia; Sergey Esyakov, First Deputy Chairman of the State Duma Committee on Energy; Vladimir Ilichev, Deputy Minister of Economic Development of Russia; Johan Vanderplaetse, AEB Board Chairman, Senior Vice President, President Russia and CIS, Schneider Electric; Patrick Anthony, CEO, Ingka Group in Russia; David Campbell, President, BP Russia; Tatiana Mitrova, Academic Advisor, Center for Energy at the Moscow School of Management SKOLKOVO.

Alexander Ivlev, Managing Partner, EY CIS, moderated the session on the possibility of the digitally divided world. Among the participants of the session were: Vladimir Urbansky, Director of Digital Products, Pochta Rossii; Andrey Filatov, Managing Director, SAP CIS; Maxim Kuznetsov, Head of Philips in Central and Eastern Europe, Russia & CIS; Vasily Nomokonov, Member of the Board, Sibur; and Kristina Tikhonova, President, Microsoft Russia.

The final session moderated by Andrei Sharonov, President, Moscow School of Management SKOLKOVO, was about the leaders of the future. Views were shared by: Alexey Komissarov, RANEPa Vice-Dean; Thierry de Montbrial, Executive Chairman of the French Institute of International Relations; Wolfgang Schussel, Former Federal Chancellor of Austria, Independent Member of the Board of Directors of LUKOIL.

Wrapping up the results of the conference, Tadzio Schilling and Andrei Sharonov concluded that despite all the difficulties relations between Russia and the EU still had potential, and business could become a tool for a positive change.

PARTNER



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CONTENTS OF THE MAGAZINE:



“The AEB’s history is full not only of major successes and great achievements but also of overcoming difficult external challenges. Nevertheless, the Association has always tried to ensure a constructive dialogue in the interests of its members in order to restore business confidence and strengthen solid economic ties.”

Johan Vanderplaetse,
AEB Board Chairman

PAST:

Storyline of European business in Russia

Virtual roundtable with AEB Board Chairmen

European investment projects in Russia (2000–2019)

PRESENT:

Legal position of foreign nationals in Russia during the coronavirus pandemic: towards new approaches of the Russian migration policy

HQS in Russia: from concept implementation to the successful return of HQS during COVID-19

Development of self-regulation in the field of advertising in the Russian Federation

SPIC: in or out?

EAEU Customs Code: continuous improvement

Harmonization of technical regulations is the key to successful cooperation and exchange of goods

Setting trends and facing new challenges in intellectual property protection: overview of the AEB Intellectual Property Committee’s work

Interviews with European businessmen and diplomats

FUTURE:

Russia/EU: thinking of a new world together?

Building a connected Eurasian continent: prospects for transport connectivity

Building a connected Eurasian continent: digital connectivity

Building a connected Eurasian continent: will we still face trade barriers in 2050?

Building a connected Eurasian continent: prospects for technical standard unification?

PAUL BRUCK
President of AEB Consult group

Dear Paul, through your bicycle race you have crossed Russia several times by land. What drives you most about the beauty and dimensions of the biggest country of the world?

There is more than the beauty of this country, there is a very emotional background of my career in Russia. I came to Moscow in 1987 as an engineer. My wife Katharina and I were just 27 years old. At that time, we were not allowed to leave Moscow, later we were but only with special permission. When I started to organize this race without experience in sports events, my motivation was to show this amazing country and to show that you can freely travel all the way through the Ural, Siberia and up to the Far East, along Lake Baikal, along the Chinese border and the fantastic Selenga and Amur rivers, and we show all these beautiful cities like Novosibirsk and Khabarovsk. This unique race became our life project. Katharina and I will manage it as long as we can!

This country is so beautiful, so big, so diversified and so unique! And remember where you are surrounded by friendly and supporting people! I am so grateful to all the people supporting us, the doctors, cooks, drivers, bike service, IT support, jury and from ministries and administration. Red Bull Trans-Siberian Extreme is the longest bicycle stage race in the world, 9100 km from Moscow to Vladivostok, 15 stages in 24 days! I especially want to thank the Austrian Embassy, the Ministry of Foreign Affairs of the Russian Federation, and our partners: Red Bull, Volkswagen, Kubota, Opel and Hilti!

FALK TISCHENDORF
Attorney-at-Law, Managing Partner
BETTER BUSINESS RUSIA

Dear Falk, one of your many projects involves swimming across rivers, lakes and seas in Russia. How would you describe this experience for outsiders?

We came up with the "Swimming across Russia" project in 2004 on the shores of the Volga River when I proposed for fun to a friend from Samara swimming across the river. He agreed, and we swam across the Volga together. Since then the "Swimming across Russia" project has clearly become a project of completely different scale. Today it includes marathon routes in different Russian regions. In the past few years I have swum across the Kandalaksha Gulf of the White Sea north of the Arctic Circle, through Lake Baikal, Lake Teletskoye, Lake Ladoga and Lake Onega and also across the Volga, the Lena River and the Ob River north of the Arctic Circle. The swims have often been performed at extremely low temperatures and in harsh weather conditions. You can only take on such challenges if you are supported by a great team that you trust absolutely. We have been together in places that it is hard even to approach on foot. This is an unforgettable experience of interaction between humans and nature which enables you to discover new places and recognize your place on this planet. During our swims we discovered a Russia that we never knew like such before. We would also like to show it to our friends in Europe, because you can never truly know a country from the media or from stories. Everywhere you need first-hand experience of communications with local people and interaction with nature. Our "Swimming across Russia" project also has a social dimension. At each stage we provide together with our partners support to rural schools and children's libraries in the regions where the marathon swims take place. This part of the project was conceived out of a desire to say "thanks you" to the local people in the regions where we made the swims for their warmhearted support.

98 BUSINESS QUARTERLY Spring/Summer 2021 AEBRUS.RU 99



“During its 25 years, AEB has come a long way from a small community of several companies to the largest association in Russia, representing and successfully promoting the interests of foreign, in particular European investors.”

Tadzio Schilling,
AEB CEO

AEB 25+ GALA RECEPTION "SUMMERTIME AND THE LIVIN' IS EASY"

On June 17, 2021 AEB members, distinguished guests and friends gathered together to celebrate the 25th anniversary of the Association of European Businesses.

Everybody could enjoy an unforgettable jazz evening with a breathtaking atmosphere of the neon digital chic and the spirit of the old New Orleans.

Johan Vanderplaetse, AEB Board Chairman, noted that "the role of the AEB as a bridge between Russia and the European Union has never been as great as it is today. The Association, for its part, will do everything to make the next 25 years as productive as possible to strengthen bilateral ties."

As Tadzio Schilling, AEB CEO, said in his welcoming speech, "looking back to the past 25 years, we see that economic ties between the EU and Russia have developed despite all economic crisis and political standoffs. Today our economies and societies are facing great challenges, be it climate change, digitalization or the pandemic. Therefore "Growing together" became our new slogan. And we firmly believe that our Association can only grow together with its members and if the EU and the Russian economies grow together in harmony."

Guests could take part in several thematic performances: Bourbon Street Cabaret, Preservation Hall Jazz Club, Gospel Brunch, and try themselves as actors in a scene of the famous "A streetcar named desire".

At the special photo zone participants could make selfies with images of Hollywood stars Clark Gable and Vivien Leigh using well-known landscapes of "Gone with the wind".

The fascinating celebration finalized with the AEB birthday cake and a traditional lottery.

We are sincerely grateful to the partner, sponsors and official suppliers for making this wonderful event happen!



370+

PARTICIPANTS



“All achievements would not have been possible without the support of our loyal and distinguished member companies. Therefore, it is my privilege to express our deepest gratitude to AEB members for their longstanding support and contribution to the growth of the Association of European Businesses.”

Tadzio Schilling,
AEB CEO

PARTNER

claustrophobia

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SECURITY**

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FERRERO

Pernod Ricard

AEB 25+ ANNIVERSARY CELEBRATIONS IN ST. PETERSBURG

On September 30, 2021 AEB celebrated its 25+ anniversary in St. Petersburg. On this occasion a jubilee conference “From window to bridge. Strengthening cooperation between Russia and the EU in the northwest” was organized.

The conference agenda comprised the following sessions: “Opening the window or where it all started” (moderated by Anton Ras-sadin, AEB North-Western Regional Committee Chairman, Head of GR, BSH Russia); “Russia-EU bridge: leading the 4th Industrial Revolution together” (moderated by Philippe Pegorier, AEB Board Member, Partner, Kesarev); “Future mobility: connecting safer and smarter” (moderated by Tadzio Schilling, AEB CEO); “Investors talk: export-oriented localization” (moderated by Igor Pavlovsky, Chief Editor, Delovoy Peterburg, and Tadzio Schilling, AEB CEO).





Among the speakers were: Janet Hartley, Emeritus Professor, London School of Economics and Political Science; Markku Kangaspuro, Professor, University of Helsinki; Anastasiya Mikhilchenko, Director, Agency for Economic Development of the Leningrad region; Tatu Tuominen, Senior Vice President for Corporate Communications, VR Group; Anatoly Ivanov, Deputy Director, Center for Industrial Development of the Leningrad region, and others.

Philippe Pegorier, AEB Board Member, and Laurent Bardon, Head of Trade and Economic Section, EU Delegation to Russia, delivered welcoming speeches.

The conference wrapped up with closing remarks made by Tazio Schilling, AEB CEO. A gala reception followed.

AEB cordially thanks the sponsors, partners and official suppliers of the event for their valuable support!



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AEB 25+ ANNIVERSARY CELEBRATIONS IN KRASNODAR

On November 18, 2021 AEB organized its 25+ anniversary celebrations in Krasnodar. In addition, 18th anniversary of the AEB Southern Regional Committee was celebrated.

There was a panel discussion devoted to the business education for training specialists. The main attention was paid to the business schools in the universities supported by the companies of the AEB Southern Regional Committee. The business schools project was launched in 2015. It has already been implemented in four universities of Krasnodar and Rostov-on-Don. The target audience comprises undergraduate and graduate students who wish to build careers in international companies. By now over 500 students have graduated from the business schools. Many of them have been working in AEB member companies.

Among the speakers of the panel session were: Lyubov Popova, Deputy Chairperson of the AEB Southern Regional Committee, Chairperson of the Krasnodar Region Public Chamber; Mikhail Astapov, Rector of the Kuban State University; Ralf Bendish, Deputy Chairman of the AEB Southern Regional Committee, General Director, CLAAS; Mikhail Baryshev, Acting Rector of the Kuban State Technological University; Alexander Trubilin, Rector of the Kuban State Agrarian University, and Daria Tkach, Head of the Center of Professional Development at the Kuban State University.

Ralf Bendish, Deputy Chairman of the AEB Southern Regional Committee, General Director, CLAAS, stressed the need to orient the professional education of students to the needs of businesses. Oleg Zharko, Chairman of the AEB Southern Regional Committee, expressed gratitude to Rector of the Kuban State Agrarian University Alexander Trubilin for his support of the business schools.

The second session encompassed congratulatory speeches by regional authorities and business representatives. Among the speakers were: Igor Galas, First Deputy Head of the Administration of the Krasnodar region; Alexander Ruppel, Deputy Head of the Administration of the Krasnodar region; Igor Chagaev, Deputy Head of the Administration of the Krasnodar region, and others.

We would like to express sincere gratitude to partners, sponsors and suppliers of the event!



»» “Without close communication, trust in the spirit of partnership, and the pursuit of common goals, it would be impossible to achieve such success.”

Tadzio Schilling,
AEB CEO

»» “In 2003, the Southern Regional Committee was established in Krasnodar. It was the first step of the AEB to create its arms outside of Moscow. Today, 18 years later, we can say with confidence that this step was fully reasonable and effective. Importantly, the Southern Regional Committee has contributed to the development of the AEB as a whole over the years.”

Oleg Zharko,
Chairman of the AEB Southern Regional Committee

REGIONAL JUBILEE PARTNER AND SPONSORS

PARTNER	GOLD SPONSOR	SILVER SPONSORS		
				

JUBILEE YEAR SPONSORS

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GOLD SPONSORS				
				
				
OFFICIAL CAR SPONSOR	SPONSORS			
				

OFFICIAL SUPPLIERS

GENERAL SUPPLIER	REGIONAL SUPPLIERS		
			

GR HIGHLIGHTS

CURRENT MIGRATION ISSUES, HQS STATUS MAINTAINING

Changing legislation governing the legal status of foreign citizens in the Russian Federation is one of the central issues that AEB deals with. During 2021, the Migration Committee organized a series of meetings and lobbying initiatives at the highest levels of the federal executive branch: with the Government of the Russian Federation, Ministry of Economic Development, Ministry of Internal Affairs, Ministry of Health, Ministry of Labor and Social Protection, and regional executive authorities.

Currently, the Ministry of Economic Development, together with the Ministry of Internal Affairs of Russia and other agencies, is actively working on the development of the so-called Migration Concept. Throughout 2021, the issue of preserving the HQS institution was a matter of debate. The current version of the draft law does not provide for this category of foreigners. However, according to the Ministry of Internal Affairs and the Ministry of Economic Development of the Russian Federation, an article is currently being developed in this draft law, which retains the HQS category with a number of existing preferences.

MEDICAL TESTS, FINGERPRINTING

Entry into force of two Federal Laws (No. 274-FZ dated July 1, 2021 and No. 357-FZ dated July 2, 2021), which significantly change the conditions of labor activities in Russia and establish a new procedure for conducting medical examinations for all categories of foreign employees, introducing redundant medical procedures, has raised many questions from the business community, including the HQS. However, some of the AEB members' concerns have already been alleviated: by the Orders of the Mayor of Moscow and the Governor of Saint Petersburg, the list of clinics has been expanded to include private licensed medical institutions where it is possible to be medically examined. The list of clinics for the Moscow region is also to be extended in a similar manner. At the same time, the Ministry of Health intends to make the following amendments to Order No. 1029n dated November 19, 2021:

- › to exclude COVID-19 from the list of laboratory tests;
- › to determine an age differentiation for laboratory tests for minors;
- › to change the period for passing a medical examination and providing a certificate indicating the medical screening results on an annual basis.

AEB is pleased to note that the proposals of AEB members will also be taken into account in the new legislative initiatives of the Ministry of Economic Development: for example, HQS will be medically examined upon initial entry, i.e. within 30 days after the entry, and subsequently upon extension of validity of the work permit. Among other things, the salary threshold for HQS is increasing: 750 thousand roubles per quarter (or 250 thousand roubles per month), which was expected due to the change in the economic situation and has already been discussed with the representatives of the Ministry of Economic Development in 2020 and 2021.

Over the past few months, AEB has been engaged in a regular dialogue with all parties concerned on the mutual recognition of COVID-19 vaccines: on December 13, 2021 AEB, together with other chambers and associations, signed and further promoted a joint letter on this issue to the European Commission, as well as the national governments of Canada, EU member states,



the Russian Federation, the United Kingdom and the United States, and has repeatedly raised this issue at the level of the federal Ministries and the Government. Subsequently, the Ministry of Health of Russia adopted Order No. 58n dated February 4, 2022, providing for the receipt of a COVID-19 certificate on the basis of a positive antibody test.

The situation is changing rapidly, and in this regard, AEB continues to lobby for the interests of foreign citizens working in Russia and actively interact with the Government of the Russian Federation, the Ministry of Economic Development of Russia, and the Ministry of Internal Affairs of Russia for the prompt solution of practical tasks and development of migration legislation.

DIGITALIZATION OF BUSINESS PROCESSES AND INFORMATION TECHNOLOGY REGULATION

AEB supports the general trends of digitalization and increasing the availability of modern digital services. Traditionally, in this area, AEB maintains a dialogue with the Ministry of Digital Development, Communications and Mass Media of Russia, the Federal Service for Supervision of Communications, Information Technology and Mass Media (Roskomnadzor), the Federal Service for Technical and Export Control, as well as with the Central Bank of the Russian Federation, Information and Communication Technology Import Substitution Competence Center and other business associations. We monitor all initiatives that are directly or indirectly related to the implementation of digital solutions in business processes. Thus, one of the issues in this area was the use of the personal account functionality on the Public Services Portal website by foreign persons, both individuals and legal entities. Unfortunately, AEB member companies often face practical issues in using the service, for example, when:

- › creating accounts for branches and representative offices of foreign legal entities not included in the Unified State Register of Legal Entities (USRLE);
- › registering foreign citizens on the Common Government Services Portal of the Russian Federation, linking the accounts of foreign citizens to those of legal entities managed by them due to the inconsistency of the Manager Data Form of the Federal Tax Service of Russia to that on the Common Government Services Portal;
- › processing by legal entities of fines for violations of the traffic rules.

On the basis of the AEB IT & Telecom Committee, all issues encountered by our member companies are consolidated and sent to the Ministry of Digital Development, Communications and Mass Media for comments and clarifications. According to the regulatory authority, the most pressing issues should be resolved by the end of 2022.

The legislation on security of the critical information infrastructure of the Russian Federation is currently in progress. Despite the obvious importance of governing this issue, the law and the regulations made thereunder contain vague wording. Thus, the parties involved and the law application procedure remain unclear. In particular, according to law, the parties involved include only Russian legal entities that own "objects of critical information infrastructure", i.e. information systems, information and telecommunication networks, and automated control systems operating in the banking sector and other areas of the financial market.



The objects include "information systems, information and telecommunication networks, and automated control systems." These concepts are very broad, and any auxiliary program in conjunction with the computer on which it is installed may be recognized as an object of information infrastructure and, as such, be included in special reports.

The main regulatory authorities in this area are the Ministry of Digital Development, Communications and Mass Media of Russia and the Central Bank of the Russian Federation. In 2021, AEB experts held a number of meetings with the heads of departments of these authorities to clarify practical issues arising in the implementation of the requirements provided for by the current regulations. We expect that in 2022, the current legislation will be significantly improved, subject to the existing business needs.



TAXATION: IMPROVING CONDITIONS FOR FOREIGN INVESTORS

Taxation issues apply to all AEB member companies without exception. In practice, a huge number of cases arise that require an expert opinion and often a dialogue with representatives of the authorities, primarily with the Ministry of Finance and the Federal Tax Service. The AEB Taxation Committee holds meetings and maintains correspondence with government authorities both at the business level and at the highest level, including representatives of the Government, heads of agencies and heads of departments.

TAXATION OF INTRA-GROUP SERVICES

The tax administration practice of recent years was negative for taxpayers and, in essence, entailed the practical impossibility of Russian taxpayers recognizing expenses for the acquisition of services from companies of the group. By issuing Letter No. ShYu-4-13/12599@ dated August 6, 2020, the Federal Tax Service of Russia took the first step toward the elaboration of uniform approaches to tax surveillance over that type of expenses. In furtherance of this letter, the Federal Tax Service of Russia issued Letter No. ShYu-4-13/1749@ dated February 21, 2021, which, however, caused concern of the business community due to the fear of a narrow interpretation by the territorial tax authorities of the examples given in the letter as examples of exclusively joint-stock activities without taking into account the availability of benefits therefrom for the Russian taxpayer. To deal with this issue, AEB experts recommend that the general provisions of the Letter of the Federal Tax Service dated August 6, 2020 prevail with respect to the fact that the availability of benefits for the taxpayer should be the determining criterion for the attribution of any services to expenses. AEB also continues to cooperate with the regulatory authority to develop uniform rules for accounting of the intra-group services purchase expenditure, including in terms of developing reasonable approaches that consider the relevant provisions of the OECD Transfer Pricing Guidelines.

INTERNATIONAL DOUBLE TAXATION TREATIES

Starting in 2020, the double taxation treaties between Russia and the Republic of Cyprus, Malta and the Grand Duchy of Luxembourg have been amended. The adjustments in the agreements consist in increasing the tax rate on income in the form of dividends from 5% to 15%, as well as establishing a rate of 15% in respect of interest paid to foreign companies located in these countries. Also, amendments to the agreement with the Netherlands were prepared but not approved, which resulted in termination of this agreement on January 1, 2022. At the moment, negotiations are underway to revise the agreement with Switzerland. AEB experts are actively working on interaction with the Government and the Ministry of Finance of Russia, indicating the importance of preserving international agreements for business and the investment climate in Russia. It



is important to note that the positions of the European and Russian business community on international agreements are the same, which is confirmed and supported by the coordinated work of the AEB and colleagues from Russian business associations.

PROCEDURE FOR ADMINISTERING VAT ON ELECTRONIC SERVICES

From January 1, 2019, all foreign organizations that provide electronic services to the Russian buyers are required to register with the tax authorities of the Russian Federation and independently file VAT returns and pay VAT to the Russian budget. These requirements do not have any exceptions and apply even to one-time transactions, intra-group transactions and low value transactions. Moreover, according to the official explanations of the Ministry of Finance and the Federal Tax Service of Russia, foreign electronic service providers are obliged to independently report and pay VAT on all transactions subject to the Russian VAT, and not only on electronic services ("other sale"). At the same time, a number of technical issues related to this requirement have not been settled, including the right of the Russian buyers to deduct input VAT on "other sales". One of the possible ways to deal with this situation may be the restriction of the scope of the regime by foreign companies that provide electronic services to the Russian individuals and individual entrepreneurs. As an interim measure, it is necessary to exclude intra-group transactions from the scope of the current rules. The relevant draft law of amendments to the Tax Code of the Russian Federation is being developed by the AEB experts together with the Federal Tax Service of Russia.



PARALLEL IMPORTS AND DUAL QUALITY

For a significant period of time, AEB has consistently defended its position as to the fact that liberalization of parallel imports will have numerous negative consequences for the social and economic development of Russia. Thus, the current Russian legislation governing the exhaustion of the right to a trademark does not require any changes.

AEB is convinced that parallel imports contradict the long-term interests of Russia, affect the investment attractiveness, and do not contribute to the development of Russian industry, import substitution and production localization.

In this regard, we continue to monitor all initiatives in terms of clarifying the limits of the exercise of exclusive rights when importing goods containing the intellectual property and means of identification.

CUSTOMS ADMINISTRATION: DEFENDING BUSINESS INTERESTS

The legal regulation and customs law enforcement issues are one of the key areas of the AEB's focus.

Thus, in 2021, one of the areas of concern faced by AEB member companies was the determination of the customs value, as well as the diverse approaches of the customs authorities to the application of additional charges. The inclusion of dividends in the customs value of imported goods has become especially relevant in the last two years.

AEB has been actively lobbying for the interests of foreign investors on the legality of including dividends, royalties and other intra-group payments in the customs value of imported goods, as well as ensuring uniform application of Chapter 5 of the Customs Code of the Eurasian Economic Union. The official position of the Eurasian Economic Commission, with a proposal to develop a uniform Commission Act on this issue, corresponds to that of businesses and gives hope for the protection of the rights and interests of foreign investors.

At the initiative of the AEB Customs & Transport Committee, the Ministry of Finance of Russia and the Federal Customs Service of Russia, has started to amend Resolution No. 289 of the Board of the Eurasian Economic Commission dated December 10, 2013 in terms of establishing a shorter period, not exceeding three business days, for the customs authorities to make changes (additions) to the information declared in the product declaration after the foreign trade participants submit documents that confirm compliance with the prohibitions and restrictions, in order to accomplish conditional release. The Ministry of Finance of Russia has also supported the initiative of the AEB regarding the development of a regulatory act defining a typical contract to be entered into by and between the authorized customs body and the authorized economic operator.

AEB has initiated negotiations on the platform of the Ministry of Finance of Russia, with the participation of the Federal Customs Service of Russia, with regard to amending Order No. 29n of the Ministry of Finance of the Russian Federation dated February 21, 2020, which regulates the criteria for customs categorization. As a result of the first meeting, it was decided to thoroughly consider the AEB's proposals and to hold additional meetings.

The AEB Customs & Transport Committee has prepared a number of lobbying initiatives in relation to the regulations adopted by the Eurasian Economic Commission:

- › On Resolution 49 "On the Approval of the Rules for Determining the Origin of Goods Imported into the Customs Territory of the Eurasian Economic Union (Non-Preferential Rules for Determining the Origin of Goods)".

- › On Resolution 130 "On the Procedure for Importing Products Subject to Mandatory Conformity Assessment into the Customs Territory of the Eurasian Economic Union" (Importing Spare Parts into the EAEU). The EEC has already published explanations on its website, but the issue of transferring goods imported as spare parts to repair and service companies remains pending, which resulted in another letter prepared by the EEC.
- › On inclusion of the AEB members in the working group for the preparation of the Act determining goods transportation expenditure for the purpose of determining the value of the corresponding additional charges to the Actually Paid Price, as well as the statutory permitted deductions and the Actually Paid Price.

The AEB Customs & Transport Committee has prepared letters to the Ministry of Transport of the Russian Federation and the Government Office of the Russian Federation containing proposals for amending Decree of the Government of the Russian Federation No. 2200 dated December 21, 2020 on the consignment note and deferring the entry into force of the Decree of the Government. As a result of the AEB's lobbying efforts, some changes proposed by the Association were taken into account, and the introduction of the new form of the consignment note was delayed by three months, which gave businesses time to prepare for innovations.

The Chairperson of the Customs & Transport Committee and the Deputy Chairmen took an active part in negotiations with the Ministry of Finance on the draft Order of the Ministry of Finance of Russia on the Procedure for Advising on the Selection of the Cost Basis.

NEW EPR CONCEPT: TRANSITION TO A CIRCULAR ECONOMY

The Government of the Russian Federation has indicated that one of the key areas of the environmental agenda for the near future is the transition to a circular economy. Such a transition involves the restart of the extended producer responsibility (EPR) system, a ban on non-recyclable materials, and stimulation of the use of recyclable materials. The EPR reform is one of the key areas of the AEB's focus.

The Ministry of Natural Resources and Environment has developed amendments to the relevant law "On Production and Consumption Waste", and a number of regulations that significantly affect both the entire waste management system and each manufacturer and importer individually.

In December 2021, it became known that the Government had postponed the EPR until 2023 due to objections from the business community and outstanding issues with the agencies.



AEB has been actively collaborating with the authorities and other associations to ensure a continuous dialogue and consideration of the position of the industry when introducing amendments to the legislation on waste disposal. AEB experts regularly participate in the specialized working group in the field of ecology and environmental management (regulatory guillotine), as well as in the working group for the development of requirements for the use of secondary raw materials under the Ministry of Industry and Trade of Russia.



COVID-19 RELATED INITIATIVES

Throughout 2021, AEB consistently defended the interests of foreign nationals operating in Russia during the pandemic period.

COVID-19 was a great challenge and created new conditions for the whole world, to which we had to adapt quickly.

COVID-19 RELATED GR AGENDA

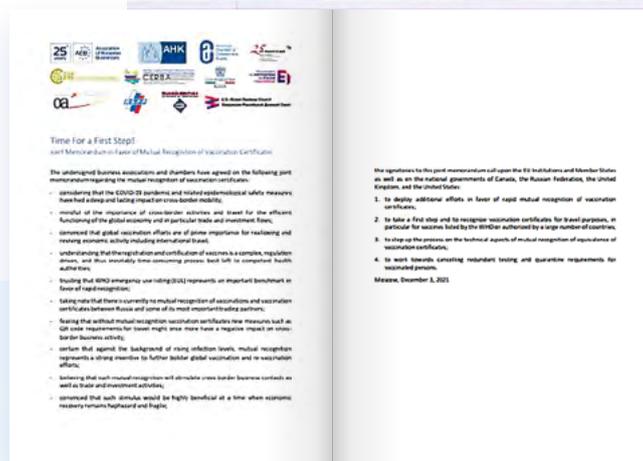
The rules for the movement of citizens both between and within countries were changed. Various epidemiological measures were introduced by authorities, tightened and loosened at different times.

- › For example, quarantine requirements for individuals arriving in Russia also changed during 2021. The quarantine restrictions for visitors particularly affect export-oriented businesses, creating obstacles to the fulfillment of contractual obligations to customers and suppliers, the timely implementation of joint projects and the conclusion of new deals. Business bears the cost of administering the process of obtaining permits for a limited number of labor and business trips provided for certain categories of persons (top managers and technical specialists). AEB has repeatedly drawn the attention of government officials to the need to comply with the 14-day isolation for various categories of foreign nationals, especially HQS. As a result of efforts by the business community, Rospotrebnadzor issued clarifications on October 19, 2021, stating that the 14-day isolation applies only to foreign nationals arriving in Russia for the purpose of work in organized groups in accordance with a special algorithm. Other categories of foreign nationals, including HQS arriving in Russia for labor purposes, do not need to comply with isolation, they only need to submit a negative result of a PCR test for COVID-19.
- › More than 30 amendments were made to the main "anti-COVID-19" Order of the Government of the Russian Federation (March 16, 2020, No. 635-r "On Temporary Restrictions on Entry into the Russian Federation of Foreign Citizens and Stateless Persons and Temporary Suspension of Issuance of Visas and Invitations"). The COVID-19 Operational Staff made decisions on restoration of air communication with different countries and expanded the list of persons with the right to enter the Russian Federation. AEB regularly notified its members of all these changes in mailings, advised companies on individual issues of entry for foreign nationals, and provided practical support.
- › At the level of regional authorities there were requirements for mandatory vaccination of a certain percentage of employees in 2021. AEB constantly provided information support to its member companies, applied to the authorities (mainly in Moscow and the Moscow region) for explanations, organized events where the interested companies found answers to practical questions.
- › AEB constantly monitored the situation with QR codes, introduced by the regions for visiting public places and restrictions on the number of participants in public events. Provision of necessary information allowed our members companies to promptly adapt to the changing circumstances and plan their own events.

JOINT MEMORANDUM IN FAVOR OF MUTUAL RECOGNITION OF VACCINATION CERTIFICATES



In December 2021 at the AEB initiative, for the first time ever, major business associations (AEB, AHK, AmCham, CERBA, CCIIFR, CCIR, CON-FINDUSTRIA RUSSIA, MEDEF International, Ost-Ausschuss der Deutschen Wirtschaft, RBCC, RSPP, USRBC) united to sign the Joint Memorandum in Favor of Mutual Recognition of Vaccination Certificates.



COVID-19 TASK FORCE

In 2020 AEB established the Task Force to address the new epidemiological challenge. The aim of the Task Force was to ensure the smooth operation of companies during those difficult times. It allowed businesses and foreign investors to be more adaptive to the changing environment and flexible to the new challenges. In 2021 the Task Force continued to successfully support the AEB operational activities.





COVID-19 RELATED OPEN EVENTS

Health & safety aspects of remote work

On January 28, 2021 the AEB Safety, Health, Environment & Security Committee organized an open event on health & safety aspects of remote work.

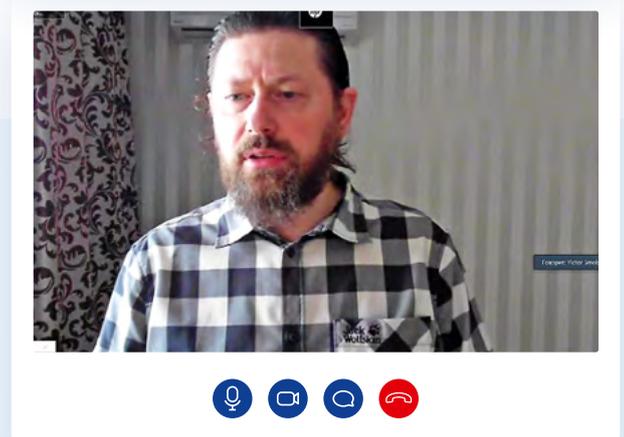
Konstantin von Vietinghoff-Scheel, Chairman of AEB Health & Safety Subcommittee, Corporate Counselling Services, moderated the webinar.

The event started with an exhaustive overview of health & safety implications of the new federal law on remote work provided by Anatoly Solovyev from EY.

Tatiana Borisova, Novartis, shared her practical experience of developing and executing online occupational and fire safety trainings in line with the Russian legislation.

Victor Smolsky, IKEA Russia, provided a pros & cons analysis of remote work from a health & safety perspective as applied in FMCG sector.

The event generated a high interest among AEB members due to its practical focus.



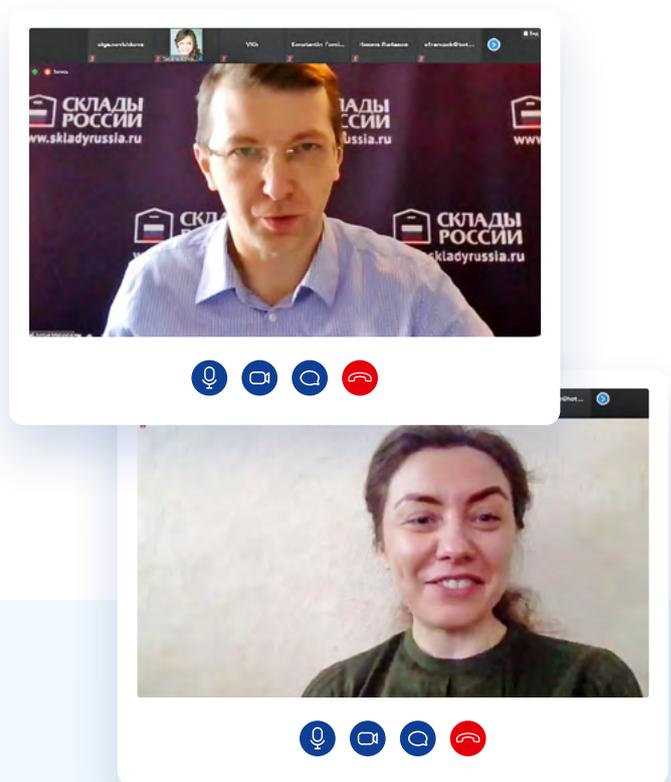
“Pandemic” effect on warehouses

On February 18, 2021 the AEB Real Estate Committee and the Industrial Construction Committee of the Association of Industrial Parks of Russia held a joint online event on the “pandemic” effect on warehouses.

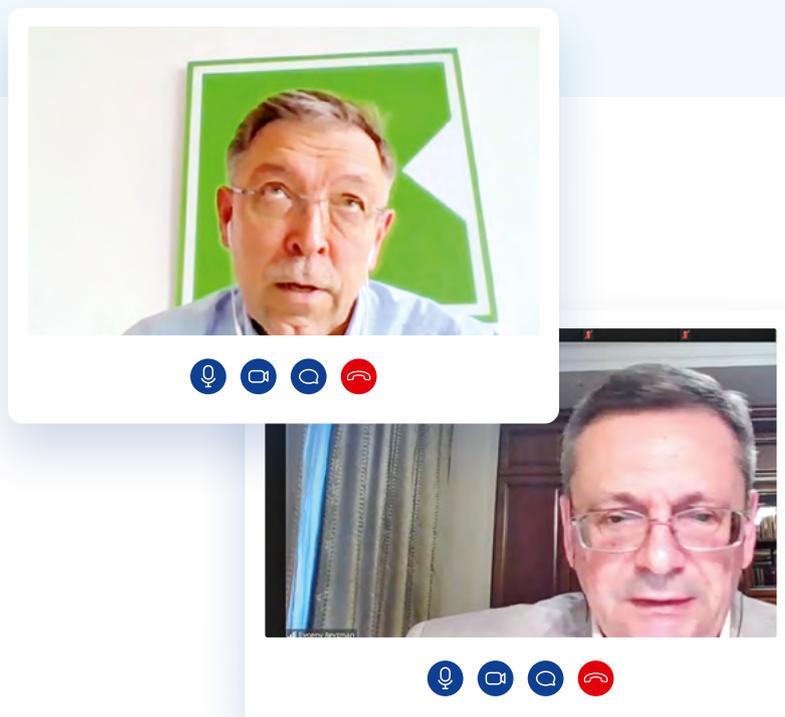
Tatiana Kovalenko, Chairperson of the AEB Real Estate Committee, Deputy General Director of Sandler & Company, moderated the webinar.

The coronavirus crisis affected almost every segment of commercial real estate. During the harsh regime of restrictions, many common consumer and business models changed. One obvious u-turn was the switch of communications to a remote mode. This caused an accelerated growth of online commerce. Online trade and sales of essential goods pulled up the format of warehouses within the city (incity warehouses/urban warehouses).

The online event finalized with practical questions from the participants: on future prospects for warehouses in the existing facilities, specifics of architecture and design, self-storage segment, relevance of warehouse location to railways and so on.



Mandatory vaccination of employees against COVID-19: regulation and practice



On July 15, 2021 the AEB Human Resources and Safety, Health, Environment & Security Committees held a joint open event dedicated to regulation and practice of mandatory vaccination of employees.

The webinar served as a platform for sharing experiences of companies in organizing the vaccination of employees.

The AEB CEO Tadzio Schilling delivered a welcoming speech highlighting the continuous efforts made by AEB to support members in adapting to the restrictive measures and overcoming negative consequences of the pandemic.

Mikhail Samsonov, Medical Director at R-Pharm, made a presentation on dynamics of the pandemic and the available vaccines.

Evgeniy Reyzman, Counselor at Baker McKenzie, provided an exhaustive analysis of legal aspects and made recommendations on procedures to be followed by employees.

The event generated an extremely high interest and gathered more than 230 participants who submitted more than 50 questions which were answered by the speakers.

How to deal with the COVID-19 negative impact on employees' mental health

On November 9, 2021 the AEB Human Resources Committee jointly with the Safety, Health, Environment & Security Committee organized an open online event "COVID-19: impact on mental health and well-being at workplace. Employers' legal aspects and government regulation".

The event was moderated by Irina Aksenova, HR Committee Chairperson, Coleman, and Konstantin von Vietinghoff-Scheel, Health & Safety Subcommittee Chairman, Corporate Counselling Services.

Konstantin von Vietinghoff-Scheel presented the results of AEB survey devoted to the health consequences of the pandemic. According to the survey, 77% of employers admitted the negative impact on employees' mental health. 65% noticed that COVID-19 had affected the general wellbeing of employees. Self-isolation, travel and leisure restrictions, work overload are among the challenges employees had to face during the COVID-19 pandemic.

The event was attended by more than 80 participants.



TOP-LEVEL BRIEFINGS

BRIEFING BY DENIS MANTUROV, MINISTER OF INDUSTRY AND TRADE OF RUSSIA

On April 13, 2021 an online briefing by Denis Manturov, Minister of Industry and Trade of Russia, was organized.

The meeting was moderated by Tadzio Schilling, AEB CEO. He stressed the intensive and fruitful cooperation with the Ministry on a wide range of issues and expressed hope that the next briefing would be held offline.



“We will be deeply focused on solutions for the greening of industrial products, resource and energy efficiency, and maximum decarbonization. We all understand that a green economy is already a reality since the leading countries which make up three-quarters of the world’s GDP have decided to reduce CO2 emissions.”

The Minister stressed that the Russian economy had accumulated enough margin of safety to successfully overcome the most turbulent period of epidemiological restrictions. Among the priority tasks for the Ministry Mr. Manturov emphasized the recovery of employment, economic growth, including through long-term structural changes, as well as the development of advanced technologies. He also spoke about a green development agenda, especially in the automotive industry.

The Minister noted that Russia had reached a solid level of localization in many areas, so the issue of further localization had been brought to the supranational level within the EAEU. In particular, Russia is planning to localize the telecom equipment (5G and 6G technologies), which the country wants to produce jointly with European partners.

Questions raised by AEB member companies also covered issues of parallel imports and product labelling.

MEETING WITH IGOR YURGENS, PRESIDENT OF THE ALL-RUSSIAN UNION OF INSURERS, PSPP VICE PRESIDENT

On July 7, 2021 a meeting with Igor Yurgens, President of the All-Russian Union of Insurers, Vice President of the Russian Union of Industrialists and Entrepreneurs (RSPP), was organized.

The meeting was moderated by Philippe Pegorier, AEB Board Member, Partner, Kesarev Consulting.

Noting the enormous damage that the COVID-19 pandemic caused to the global and Russian economies, Igor Yurgens emphasized, however, that Russia “bounced back” from it quite easily: according to forecasts of the Ministry of Economic Development, the economy will recover by 2-2.5% of GDP this year.



According to Mr. Yurgens, analysts are now concerned about two main things: the unreformable management apparatus with its extremely complex system of internal coordination; the external circuit – it is impossible to live in a vacuum, and sanctions do not allow the Russian economy to fit organically into global value chains, which deals a significant blow to the

investment climate. Russia has enormous opportunities, but the main risk is the loss of time; if we lose it now, it will be impossible to make up for it.

Igor Yurgens also paid attention to insurance and commented on the prospects of the “Green Deal” and the hydrogen economy.

➤ ➤ “Today, ESG for Russian insurers is, if not terra incognita, then, for the most part, only a concept because, if we present ESG as a non-financial report that large companies make, we will see that, in terms of ecology which is the most important component, in my opinion, we simply have no tools to lead to a successful transition yet.”

BRIEFING BY MAXIM ORESHKIN, AIDE TO THE PRESIDENT OF RUSSIA

On September 28, 2021 Presidential Aide Maxim Oreshkin had a meeting with several heads of AEB member companies.

In his speech Mr. Oreshkin focused on the rapid pace of recovery from the crisis and the transition to a post-crisis agenda.

Speaking about the prospects for cooperation to tackle global issues, he mentioned climate issues and asserted that all sides “need to be honest” to ensure global climate security by actually reducing CO2 emissions. He also said that Russia intended to take a lead in this process, including through innovative hydrogen fuel production projects in the Sakhalin region.

Other topics discussed at the meeting were as follows: the need for a 14-day quarantine upon arrival to the country, HQS status, conclusion of SPIC 2.0, labelling issues, parallel imports, the “second is a crowd” rule, etc.

➤ ➤ “In terms of the regular economy, the infrastructure sector has great prospects: investments from the federal budget are growing sharply – a new tool today is publicly funded infrastructure loans.”



MEETING WITH SERGEY LAVROV, MINISTER OF FOREIGN AFFAIRS OF RUSSIA

On October 8, 2021 a traditional meeting between the Russian Minister of Foreign Affairs Sergey Lavrov and AEB member companies was organized.

Johan Vanderplaetse, AEB Board Chairman, expressed gratitude to the Minister for the opportunity to discuss current EU-Russia relations, and outlined key issues of concern for European investors in Russia.

According to the Minister, Russia and EU remained important economic partners. He added that it would be ideal to find a common ground in areas where interests of both sides coincide.

Among other topics discussed at the meeting were climate and energy issues; bilateral recognition of vaccination certificates; visa support for foreign businessmen, including HQs.

The Q&A session was moderated by Tadzio Schilling, AEB CEO.



BRIEFING BY MAXIM SHASKOLSKY, HEAD OF THE FAS RUSSIA

On November 11, 2021 a briefing by Maxim Shaskolsky, Head of the Federal Antimonopoly Service, was organized.

Tadzio Schilling, AEB CEO, welcomed Mr. Shaskolsky and his colleagues and stressed the importance of a sustainable dialogue between foreign businesses and the FAS Russia.

In his speech Mr. Shaskolsky outlined major priorities: attraction of investments, increase in the number of working places and digitalization of the antimonopoly regulation. He also spoke about the development of the "Fifth Antimonopoly Package" and the terms of transmission of information from companies to the FAS.

The Head of the FAS answered numerous questions regarding price regulation in the pharmaceutical industry and commented on the introduction of the "second is a crowd" mechanism.



The Head of the FAS reported that the number of companies that had developed antimonopoly compliance increased by 20% in 2021. This shows not only the FAS's interest in the further development of this institution but also the reciprocal interest of businesses. The introduction of compliance by economic entities increases the level of competition in the country and makes companies more efficient by implementing a risk-oriented approach.

MEETING WITH ARMAN SHAKKALIEV, EEC MINISTER FOR COMPETITION AND ANTITRUST REGULATION

On November 26, 2021 AEB members had a meeting with Arman Shakkaliev, Minister for Competition and Antitrust Regulation of the Eurasian Economic Commission.

The discussion was moderated by Tadzio Schilling, AEB CEO, and Anton Bankovskiy, AEB Intellectual Property Committee Chairperson, CMS Russia.

Tadzio Schilling focused on the importance of the productive dialogue between the European business community and

representatives of the EEC on improvement of the EAEU regulatory framework, in particular, on the antimonopoly regulation.

Arman Shakkaliev noted that interaction with the business environment is one of the strategic directions of the EEC development aimed at creating the most favorable conditions for fair competition on the EAEU markets. The Minister also paid attention to the EEC work on the regulation and digitalization of the public procurement which becomes an important factor for the formation of business investment plans.

» » “It is important for us to ensure the development of competition in cross-border markets and, on the other hand, to protect bona fide players from unfair and anti-competitive behavior.”



MEETING WITH ELVIRA NABIULLINA, GOVERNOR OF THE CENTRAL BANK OF RUSSIA

On November 29, 2021 Elvira Nabiullina, Governor of the Central Bank of Russia, had a meeting with AEB members at the Radisson Collection Hotel Moscow.

In her speech Ms. Nabiullina addressed the following topics: the situation in the economy and inflation; changes in the regulatory system; issues of the energy transition.

According to the Central Bank, the GDP growth rate will be 4-4.5% in 2021, and 2-3% in the next years.

Ms. Nabiullina highlighted recent changes in digitalization of financial processes, including the implementation of the

“digital rouble”, as well as the development of ecosystems which require a special regulation to ensure transparency and safety for depositors.

Finally, the Governor of the Central Bank commented on the role of the ESG transition in the financial sector and risks associated with it.

The briefing concluded with a Q&A session moderated by Tadzio Schilling, AEB CEO, and Mikhail Chaikin, AEB Banking Committee Chairman.

The Central Bank Governor focused on the trends of the Russian financial and banking sector development, including those related to overcoming the global economic crisis caused by the COVID-19 pandemic.



MEETING WITH BORIS TITOV, PRESIDENTIAL COMMISSIONER FOR THE PROTECTION OF ENTREPRENEURS' RIGHTS

On December 8, 2021 a traditional meeting of AEB members with Boris Titov, Presidential Commissioner for the Protection of Entrepreneurs' Rights, was organized.

The meeting was co-moderated by Stuart Lawson, AEB Board Member, Senior Advisor, EY, and Andreas Bitzi, Chairman of the AEB Small & Medium-Sized Enterprises Committee, Deputy Chairman of the AEB North-Western Regional Committee, Managing Director, quality partners. The event was opened by Tazio Schilling, AEB CEO.

Mr. Titov spoke about measures taken by the government to assist businesses in the context of overcoming the COVID-19 effects. He shared his views on the effectiveness of the additional measures taken and described the role of the Ombudsman's agenda related to the protection of entrepreneurs' rights in the current economic environment.



MEETING WITH MAXIM RESHETNIKOV, MINISTER OF ECONOMIC DEVELOPMENT OF RUSSIA

On December 13, 2021 Russian Minister of Economic Development Maxim Reshetnikov had a meeting organized in a hybrid format with AEB representatives at the Marriott Novy Arbat Hotel.

In his speech Mr. Reshetnikov thanked AEB for the long-term cooperation on a wide range of issues including the facilitation of the entry for foreign HQS. In addition, the Minister outlined key areas of Russia's economic recovery after the crisis. According to him, Russia's GDP growth in 2021 may exceed the current official forecast of 4.2%.

As for the future initiatives, the Minister mentioned the work on the Declaration on the interaction between big business and SMEs, the development of management practices in the field of ESG, the development of digital production, etc.

The Q&A session was moderated by Tazio Schilling, AEB CEO.



When commenting on the climate agenda, the Minister noted that this year's law to reduce greenhouse gas emissions marked a turn of the agenda towards climate protection and emphasized the need to develop this direction in the near future, in particular, in favor of reducing the carbon footprint and achieving carbon neutrality.

MEETING WITH ANDREY SLEPNEV, EEC MINISTER FOR TRADE

On December 16, 2021 AEB representatives had a meeting with Andrey Slepnev, Minister for Trade of the Eurasian Economic Commission.

In his opening remarks, Minister stressed the regularity of meetings with AEB, the need for stable, reliable ties that would allow partners to see the future.

The Minister identified the following priorities for further development of cooperation: strengthening the internal stability of economies and the development of cooperation in various fields; global technological transformation, the climate agenda and digitalization.

Tadzio Schilling, AEB CEO, expressed gratitude to the Minister, and identified several priority areas for the Association: development of relations between EAEU and EU; technical regulation of pesticides; labelling; zero import duty for electric vehicles; customs and tax issues; e-commerce.



Climate change is becoming a determining factor in foreign economic collaboration between countries over the long-term. Today, governments and companies are looking for new approaches to solve climate issues, on the one hand, and to preserve their economic competitiveness, on the other hand.

In February 2021, AEB launched its new Green Initiative project aimed at protecting the interests of European businesses, promoting the best international practices and technologies, and developing cooperation with Russian stakeholders and partners in the field of climate policy and energy efficiency.

The AEB Green Initiative focuses on the following goals:

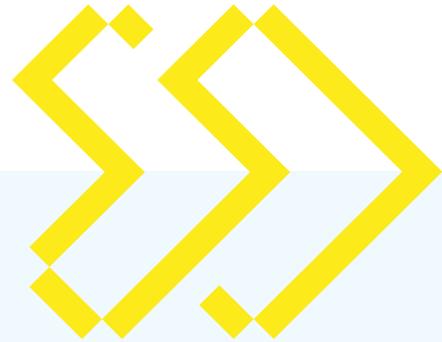
- › To ensure a level playing field and best market entry conditions for green economy solutions made in Europe.
- › To promote green brands and solutions of European origin through targeted events, PR activities, and publications.
- › To produce targeted analytical materials to increase the public awareness on the topic.
- › To facilitate a constructive dialogue between all parties (European and Russian) engaged in the Green Initiative issues.

The work of the Green Initiative is organized within the following Workstreams:

- › **FUTURE OF ENERGY** (hydrogen, renewables, waste treatment, circular economy, etc.)
Chairman: Yuriy Manjilevskiy, Climate Positive Program Manager, Ingka Rus I LLC.;
- › **GREEN FINANCE** (ESG (environmental, social, governance), green bonds, sustainable assets, responsible investment, etc.)
Chairman: Florian Willershausen, Chief Development Officer, Creon Capital S.a.r.l.;
- › **CARBON MANAGEMENT** (EU cross border carbon adjustment mechanism, CCUS (carbon capture utilization and storage), forestry, emission trade system, etc.)
Chairman: Roman Ishmukhametov, Senior associate, Baker McKenzie – CIS, Limited.

The activities of the Green Initiative are managed by the Steering Committee that develops the strategy for promoting the Green Initiative and represents interests of AEB member companies in the dialogue with authorities.

The Steering Committee consists of Tadzio Schilling, AEB CEO, and the Chairmen of the Workstreams. Ernesto Ferlenghi, AEB Board Member and Chairman of the Energy Committee, was elected as Chairman of the Green Initiative Steering Committee.



GREEN INITIATIVE: RELATED ACTIVITIES IN 2021

February 2, 2021

Announcement of the AEB Green Initiative project. It aims to protect interests of European businesses, promote the best European practices and technologies, and develop partnerships with Russian stakeholders and business partners on climate policy and energy efficiency.



February 26, 2021

AEB Annual Strategy Meeting. The event was centered around the results of the year 2020 and AEB goals for 2021. The participants of the meeting supported the AEB Green Initiative project and stressed its high social importance.



May 19, 2021

AEB representatives had a meeting with Vladimir Efimov, Deputy Mayor of Moscow in charge of economic policy, property, and land relations. They discussed green bonds and the development of Moscow green projects.



April 16, 2021

Tadzio Schilling, AEB CEO, participated in the panel discussion “Global energy security: transformation of target setting and industry development” at the Krasnoyarsk Economic Forum 2021. In his speech he stressed that the global sustainability agenda and the climate agenda were inextricably linked. He also spoke about the AEB Green Initiative project.



June 1, 2021

AEB representatives focused on the green policy as an increasingly important factor in the development of business at the event held on the occasion of the St. Petersburg International Economic Forum (SPIEF 2021). According to Ernesto Ferlenghi, Chairman of the AEB Green Initiative Steering Committee, the green agenda was one of the priorities of the European strategy which strongly affected all sectors.



June 3, 2021

At the St. Petersburg International Economic Forum (SPIEF 2021), AEB organized a business dialogue between representatives of government and business on the topic “Russia-EU relations: responding to the challenges of time”. Sustainable development issues became a common ground for cooperation between Russia and the EU.



June 4, 2021

Tadzio Schilling, AEB CEO, had a meeting with Alexei Kulapin, General Director of the Russian Energy Agency (REA), on the sidelines of SPIEF 2021. The purpose of the meeting was to exchange information about AEB and REA activities on decarbonization, climate change, development of green projects, as well as to discuss opportunities for further cooperation.



June 28, 2021

An online press conference “Sustainability course. How is Russian business becoming responsible?” was hosted by the Rossiya Segodnya Press Center. It featured a new sustainability study conducted by Accenture, AEB, the Russian-German Chamber of Commerce, the Russian Union of Industrialists and Entrepreneurs (RSPP), and the Embassy of the Federal Republic of Germany in Russia.



July 5, 2021

AEB hosted a presentation on the results of a study related to responsible supply chains for Russian steel companies. Although the study focuses on metals, its approach as well as overall economic trends and opportunities apply to many sectors apart from the metals industry.



September 2, 2021

At the Eastern Economic Forum (EEF 2021), Tazio Schilling, AEB CEO, moderated a business dialogue on Russia-EU relations. He highlighted integration trends within the Greater Eurasia and the EU, and prospects for the global green agenda. He also emphasized that climate change and the low-carbon agenda of both leading European and Asian countries offered additional opportunities for the Russian Far East and the Arctic.



September 3, 2021

Ernesto Ferlenghi, Chairman of the AEB Green Initiative Steering Committee, spoke online at the EEF 2021 panel session "Climate change: is it still a question of money?". In his speech, he focused on the impact of the current climate change agenda on the development of EU-Russia relations, diversification of energy sources and the prospects for renewable energy projects.



October 5, 2021

Ernesto Ferlenghi, Chairman of the AEB Green Initiative Steering Committee, spoke at the RSPP Climate Forum "Challenges, risks and growth points for Russian business in the context of the global climate agenda". He called for development of cooperation in the field of renewable energy and creation of necessary infrastructure for climate projects.



October 7, 2021

Tazio Schilling, AEB CEO, spoke about EU and Russian business cooperation in the process of energy system transformation at the session "International cooperation towards the carbon neutral energy supply" at the St. Petersburg International Gas Forum 2021. In his speech he emphasized that the existing ecosystem for energy transformation opened up avenues for cooperation between Russia and Europe.



October 13, 2021

At the Russian Energy Week (REW 2021), AEB organized a panel session “The impact of Europe’s green pivot on Russian-European cooperation in energy” moderated by Ernesto Ferlenghi, Chairman of the AEB Green Initiative Steering Committee. He noted that the European Green Deal was not just a new direction for the EU’s climate policy, but also a radical change in its economic course that would have far-reaching consequences for its main trade and economic partners, including Russia.



October 26, 2021

Ernesto Ferlenghi, Chairman of the AEB Green Initiative Steering Committee, and Tadzio Schilling, AEB CEO, had a meeting with Vyacheslav Alenkov, Deputy Prime Minister of the Sakhalin region, to discuss the investment potential of Sakhalin for European companies. AEB member companies were invited for cooperation.



October 27, 2021

Ernesto Ferlenghi, Chairman of the AEB Green Initiative Steering Committee, spoke at the conference “Carbon regulation and emissions fees. From regional systems to unification” which was held at the Chamber of Commerce and Industry. He also commented on the dynamic development of hydrogen technologies in Russia and called to strengthen the environmental business cooperation between Russia and Europe.



October 28, 2021

Tadzio Schilling, AEB CEO, and Philippe Pegorier, AEB Board Member, moderated the session on the green economy and global diplomacy at the XIV Eurasian Economic Forum in Verona. The panel session “Natural gas and the green economy” moderated by Tadzio Schilling covered the issue of natural gas as a crucial part to accompany the energy industry towards its decarbonization by supporting the development of green gas and by digitalizing the infrastructure.



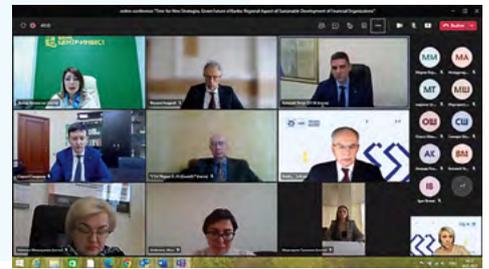
November 26, 2021

Ernesto Ferlenghi, Chairman of the AEB Green Initiative Steering Committee, made a presentation on the global green trends and prospects for a low-carbon future during the session “Industrial safety: new view of the state and business” at the HSE Conference organized within the National Gas Forum.



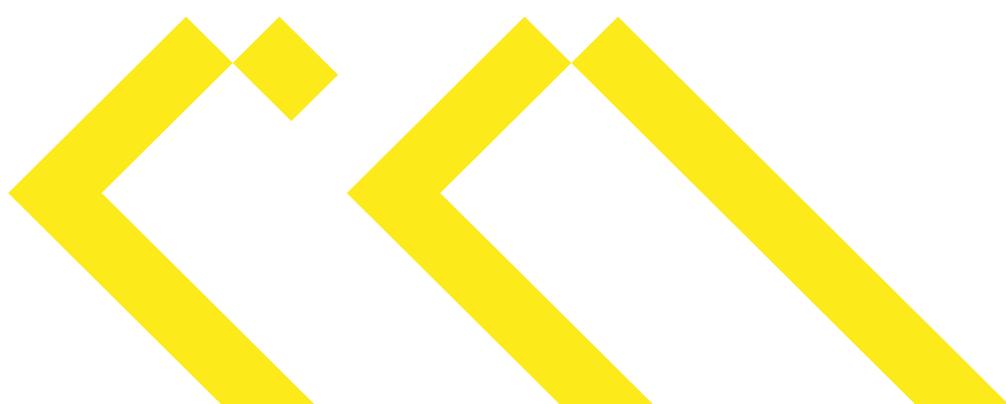
December 14, 2021

An online conference “Green future of banks: regional aspect of sustainable development of financial organizations” was held jointly with the Bank of Russia as part of the long-term program “Time for new strategies”. The program was organized by the Public Chamber of the Krasnodar region, the AEB Southern Regional Committee, the Association “Agency for investment and international cooperation”, the Krasnodar regional branch of RSPP.



December 20, 2021

The AEB Green Finance Workstream organized an open event “Russian green finance taxonomy: how to attract international investors”. Remarkably, the Memorandum of Understanding between the Green Economy and Climate Centre of the VEB Institute and AEB was signed. It states that the Parties intend to promote a favourable environment for green modernization of companies in Russia by means of developing local production facilities, transfer of best environmental technologies and legislative practices into the Russian Federation.





Association
of European
Businesses

**GREEN
INITIATIVE**

How can long-term value creation inspire new opportunities?



**Ernesto
Ferlenghi,**

Chairman of the
AEB Green Initiative
Steering Committee

Our planet is a common home and it is our responsibility to keep it clean, safe and sustainable for us and future generations. We believe in the values that nature represents and in respect diversity. At AEB we are committed to building a new path, which shares experience and vision. We will work together to implement our Green Opportunity Initiatives.



Join the AEB
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KEY CONFERENCES AND FORUMS

VERONA FORUM IN ROSTOV-ON-DON

On March 25, 2021 the first session of the Verona Forum of Banca Intesa was held in Rostov-on-Don. The topic of the session was “Innovative enterprises and technologies of the Rostov region”.

Philippe Pegorier, AEB Board Member, President, Alstom Russia, spoke about innovative activities of AEB member companies, which aim at wider application of green technologies in Russia. He also stressed the activities of the AEB Southern Regional Committee. A half of the Committee’s member companies are operating in the Rostov region.

The session participants discussed new investment projects implemented in the Rostov region in 2020–2021 and opportunities for the development of Russia-Italy relations in the future.



“NORTHERN DIMENSION” INTERNATIONAL BUSINESS FORUM

On April 8, 2021 the 12th “Northern Dimension” International Business Forum entitled “Connectivity now – boosting flows of people, information, energy, goods and services” was organized in an online format at the Moscow School of Management SKOLKOVO.

Among the speakers were: Markus Ederer, EU Ambassador to the Russian Federation; Alexander Grushko, Deputy Foreign Minister of Russia; Johan Vanderplaetse, AEB Board Chairman, Senior Vice President, President for Russia and CIS, Schneider Electric; Sebastian Tolstoy, President, Ericsson Eastern Europe and Central Asia; Sergey Pavlov, First Deputy CEO, OAO RZD (Russian Railways).

The Forum featured the following parallel sessions: creative industries; ecology and circular economy; energy and energy efficiency; health and lifestyle; new forms of mobility and connectivity; transport and logistics.

The online event was attended by over 800 delegates.



ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM SPIEF'21

On June 3, 2021 at the St. Petersburg International Economic Forum AEB organized a business dialogue "Russia-EU relations: responding to the challenges of time" moderated by Johan Vanderplaetse, Chairman of the AEB Board, President, Russia and CIS, Schneider Electric.

The same day the AEB CEO Tadzio Schilling spoke at the panel session "The future of Russia's tax system: stepping up to the challenge" jointly with Daniil Egorov, Head of the Federal Tax Service, Maxim Reshetnikov, Minister of Economic Development of Russia, and Anton Siluanov, Minister of Finance of Russia.



The "Russia-France" session was moderated by Philippe Pegorier, AEB Board Member. He noted that Russian and French business were ready to implement joint projects aimed at improving the quality of life in a sustainable economy. Among the participants of the session was Pierre Levy, Ambassador Extraordinary and Plenipotentiary of France in Russia.

The second day of the AEB presence at SPIEF' 2021 concluded with the panel session "Interaction between government, business and society: what the pandemic has changed" with participation of Tadzio Schilling, AEB CEO, and Philippe Pegorier, AEB Board Member. Tadzio Schilling spoke about the dramatic spread of digital services around the world in response to the lockdown, and commented on the strengthening of horizontal ties in society, both in Russia and Europe. Philippe Pegorier shared the French government's experience of imposing a full lockdown in the country and the public's reaction to the restrictions.



VERONA EURASIAN ECONOMIC FORUM IN YEKATERINBURG

On July 1, 2021 the third session of the Verona Eurasian Economic Forum titled "The new reality of the global economy from the Atlantic to Pacific ocean: the Urals dimension" was organized in Yekaterinburg.

The event was attended by the Governor of the Sverdlovsk region Evgeny Kuyvashev, Ambassador of the Italian Republic in Russia Pasquale Terracciano, Chairman of the Board of Directors of Banca Intesa Antonio Fallico, as well as representatives of government agencies, business organizations and the business community in Russia and Italy.

In his speech at the opening session Tadzio Schilling, AEB CEO, briefly summarized the current state of economic relations between Russia and the EU. He also stressed the importance of

maintaining business and cultural contacts, their intensification despite difficulties and, in the long run, the liberalization of visa issues.

"We expect a significant transformation of the economy in the 'greening' direction. It is noteworthy that even the pandemic failed to affect this process," said the AEB CEO. Tadzio Schilling also mentioned the AEB Green Initiative project and called the interested parties to join its work.



INTERNATIONAL INDUSTRIAL EXHIBITION INNOPROM 2021

On July 5-6, 2021 several AEB representatives participated in a number of topical sessions at the International Industrial Exhibition INNOPROM 2021.

Johann Vanderplaetse, AEB Board Chairman, President, Russia and CIS, Schneider Electric, and Alexander Liberov, AEB Board Member, President of Siemens in Russia, spoke at the session “What business competences are needed in the field of ESG?”.

The session was moderated by Michael Akim, AEB Board Member, Professor, Graduate School of Business, HSE.

The AEB CEO Tadzio Schilling spoke at the panel session devoted to IT and digitalization in business education. The participants of the session jointly analyzed the industry’s need to build digital competencies of executives and discussed the role and place of technology in shaping the value of manufactured goods and services.

Likewise, AEB Board Members participated in the meeting of the Strategic Council for Investments in New Industries chaired by Denis Manturov, Russian Minister of Industry and Trade. During the meeting Johan Vanderplaetse spoke about creating a green economy in Russia and building on cooperation between Russia and the EU to combat climate change.



INTERNATIONAL MOSCOW AUTOMOTIVE FORUM IMAF 2021

On August 24, 2021 the XII International Moscow Automotive Forum IMAF 2021 was organized.

Tadzio Schilling, AEB CEO, moderated the plenary session. He expressed his gratitude to the participants who gathered together to share their views on how the automotive industry was surviving in times of uncertainty especially exacerbated by the COVID-19 pandemic, and what measures were to be taken in order to mitigate the repercussions.

Participants spoke about the difficulties the industry had faced, what steps were considered crucial to “land softly”, how to

identify the post-crisis growth points, and what green initiatives were to be promoted in the realm of the Russian automotive industry.

In conclusion, Tadzio Schilling marked out the following key ideas of the panel: state support measures; an open dialogue between the government and the industry innovations in the Russian automotive industry; public authorities’ support for export oriented automotive businesses to stimulate higher competitiveness of the Russian automotive products on the international market.



EASTERN ECONOMIC FORUM EEF 2021

Within the framework of EEF 2021 which took place on September 2-4, the AEB CEO moderated the Russia-EU Business Dialogue. He focused on integration trends within the Greater Eurasia and the EU, and prospects for the global green agenda.

Mr. Schilling also took part in the panel session “The value and values of the Greater Eurasian Partnership”. As Tazio Schilling said in his speech, European business intended to expand its participation in projects in the Eurasian Economic Union. He

noted that there was a number of infrastructure, economic and business projects in the Greater Eurasian Partnership area, which were implemented with the participation of European businesses. He also added that since the beginning of 2021 there had been an increase in imports from the EAEU to the EU, as well as an increase in exports from the EU to member states of the Eurasian Economic Union.

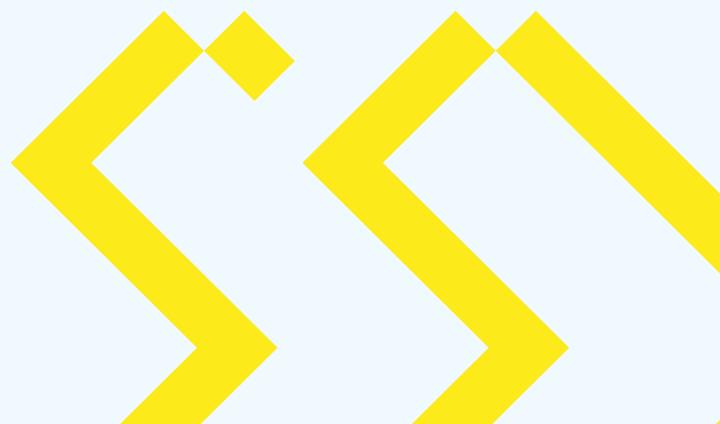


INTERNATIONAL COMMERCIAL VEHICLES EXHIBITION COMTRANS 2021

On September 7, 2021 the annual International Commercial Vehicles Exhibition COMTRANS 2021 was organized at Crocus Expo.

Tazio Schilling, AEB CEO, moderated the Strategic Panel Session “Market of commercial vehicles: impact of the coronavirus pandemic – points of growth”.

The session participants discussed the current situation on the commercial vehicles market, the market development forecasts, the prospects for implementing innovative solutions in Russia, the role of connected transport and innovative transport solutions in the national project to develop the country's infrastructure, as well as support measures for innovative transport.



STOLYPIN FORUM

On September 9-10, 2021 the Moscow State Institute of International Relations (MGIMO) hosted the Fourth Stolypin Forum “Post-COVID syndrome – rethinking the economy”.

Johan Vanderlaetse, AEB Board Chairman, addressed the panel session “Politics vs economics. What is more important in the new reality”. He spoke about successful and negative examples of the influence of politics on global business. In conclusion, Johan Vanderlaetse expressed hope that the pandemic helped to understand that we can deal with global challenges only through a true global collaboration. And AEB welcomes the intention to collaborate on climate change and green technologies.



INTERNATIONAL DATA CONFERENCE “THE ROAD TO BERN”

On September 10, 2021 Tadzio Schilling participated in the International Conference of the 3rd UN World Data Forum “The Road to Bern,” which has been held since 2017. The conference focuses on the usability of statistics by businesses and users.

The AEB CEO spoke at the panel session “Official statistics and private data producers: opportunities for collaboration”. He told about the regular collection of statistics on the sales of cars and construction equipment within the Association. He also stressed the importance of retaining the right for companies to use statistics for their further production development.



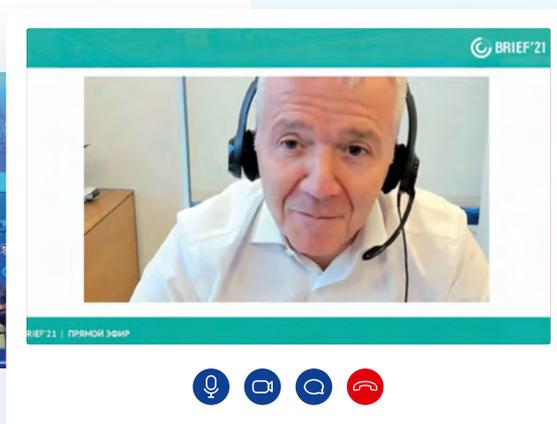
BALTIC REGION INVESTMENT FORUM BRIEF’21

On September 22, 2021 the annual Baltic Region Investment Forum BRIEF’21 organized by the Leningrad region Administration was held at the Hilton ExpoCentre Hotel in St. Petersburg.

Tadzio Schilling, AEB CEO, and Ernesto Ferlenghi, Chairman of the AEB Energy Committee and Chairman of the AEB Green Initiative Steering Committee, took part in the Forum.

At the plenary session “Production of the future. How not to be too late for the day after tomorrow?” Tadzio Schilling, AEB CEO, presented the potential of the development of production technologies in Russia and the experience of European companies – AEB members – in introducing advanced developments in their production facilities localized in Russia, including companies in the automotive industry.

During the panel discussion devoted to the impact of decarbonization on the regional industry, Ernesto Ferlenghi, Chairman of the AEB Energy Committee, Head of the AEB Green Initiative, spoke about the way current climate change agenda would affect cooperation between Russian and European companies.



ECUMENE 2021 INTERNATIONAL SUSTAINABILITY CONGRESS

On September 29, 2021 the AEB CEO Tadzio Schilling spoke at the Ecumene 2021 International Sustainability Congress at the session entitled “Sustainable development and capital flows: combining climate and investment”.

During the discussion the speakers discussed the challenges and opportunities in the context of climate change for the international and Russian economies, as well as the role of financial institutions in financing ESG-transition and the transition to sustainable development.

Mr. Schilling emphasized in his speech that, according to research results, Russian business is already prepared to implement sustainability initiatives: for 64% of top managers the ESG agenda is in the top three directions of development. He also spoke about the most promising green investment projects in Russia, including a project to create a hydrogen cluster in Sakhalin and urged regulators to find approaches to enable businesses to actively invest in the green economy.



ST. PETERSBURG INTERNATIONAL GAS FORUM 2021

On October 7, 2021 the AEB CEO Tadzio Schilling spoke about EU and Russian business cooperation in the process of energy system transformation at the session “International cooperation towards the carbon neutral energy supply” at the St. Petersburg International Gas Forum 2021.

The participants of the session discussed the experience of European countries in transforming the energy system to CO2 neutral energy supply, new transportation routes, green agenda and sustainable development trends.

In his speech Mr. Schilling told the audience that in Europe the green agenda had already been implemented in almost all areas of business activity. He emphasized that the existing ecosystem for energy transformation opened up difficult but interesting avenues for cooperation between Russia and Europe.



RUSSIAN ENERGY WEEK (REW 2021)

On October 14, 2021 Tadzio Schilling, AEB CEO, moderated the panel session “International energy organization dialogue: predicting the development of energy and global markets” at REW 2021.

During the session, experts from key international analytical organizations discussed the future of global energy: what the global energy balance will be like in 2050, when the energy transition will reach all countries in the world, and how to overcome the major challenges on its way.

One of the key speakers of the session was H.E. Mohammad Sanusi Barkindo – Secretary General, Organization of the Petroleum Exporting Countries (OPEC). He said that OPEC predicted that traditional energy sources would continue to be in demand in the medium term, but that renewable energy sources would also develop significantly.



XIV EURASIAN ECONOMIC FORUM IN VERONA

On October 28, 2021 Tadzio Schilling, AEB CEO, and Philippe Pegorier, AEB Board Member, moderated the session on green economy and global diplomacy during the XIV Eurasian Economic Forum in Verona.

Panel Session “Natural Gas and the Green Economy”, which was moderated by Tadzio Schilling, touched the issue of natural gas as a crucial part to accompany the energy industry towards its decarbonization by supporting the development of green gas and by digitalizing infrastructures.

The first day of the Forum ended with the session “Global diplomacy in the modern world” moderated by Philippe Pegorier. The participants noted that the pandemic had brought changes not only to the economic landscape of the modern world, but also strengthened the negative aspects of the geopolitical environment and discussed what needed to be done for effective diplomacy in today’s fractured world.

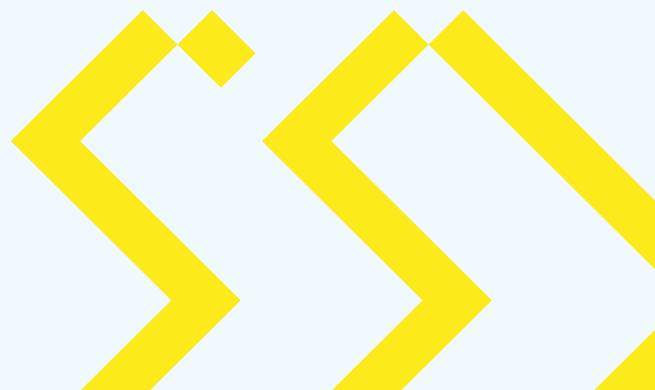


VIII MOSCOW INTERNATIONAL FINANCIAL AND ECONOMIC FORUM

On November 18, 2021 the AEB Deputy CEO and GR Director Dmitry Cheltsov took part in the VIII Moscow International Financial and Economic Forum as a speaker on “Challenges and opportunities for European companies in the context of Eurasian integration”.

The main topics of the Forum were: digitalization of the industry, financial and monetary support of cross-border partnerships and new forms of interaction.

In his speech Dmitry Cheltsov noted that Eurasian integration had become a new reality for European business operating in Russia and in other EAEU member states. Despite political difficulties, trade between the EU and the EAEU remains the most important area of cooperation. He concluded by stressing that AEB consistently advocated the development and expansion of cooperation of regional integrations in the economic sphere, overcoming disagreements, and harmonizing standards and procedures in international trade.



REGIONAL AND EURASIAN ACTIVITIES



In 2021 AEB continued to support its members through the partnership building with Russian regional authorities, governments of the CIS countries and other stakeholders. This included regular meetings with authorities and development corporations, organization of joint events, business missions, visits and lobbying activities at the regional level.

SPIEF'21 OUTCOMES: REGIONAL COOPERATION

On the sidelines of the St. Petersburg International Economic Forum SPIEF'21 which took place on June 2-5, the AEB CEO Tazio Schilling and the "RK-Invest" foundation director Alexander Shatirov signed a Memorandum of Cooperation. It aimed at combining efforts to develop regional activities and improve the investment attractiveness of the Russian regions.



"RK-Invest" foundation acts as a competence center in the field of financial consulting and investment activities. The specialized service of the "RK-Invest" foundation efficiently solves the tasks of investment attraction, support of business projects implementation for partners and clients of "Roscongress" both in Russia and on international markets.

According to the Memorandum, cooperation implies regular information exchange, interaction in search of promising projects, and the promotion of joint investment and business projects.

One more Memorandum of Cooperation was signed between Tadzio Schilling, AEB CEO, and Vladimir Sipyagin, Governor of the Vladimir region.

The key aim of interaction between the parties was to increase the efficiency of trade and economic cooperation in the Vladimir region, create favorable conditions for attracting and protecting investments and implementation of joint investment projects on the territory of the Vladimir region.

Signing of the Memorandum was a logical continuation of the long-term and fruitful collaboration of the Association with the Vladimir region authorities. The main result of it was successful work of many AEB member companies, which had placed their production facilities in this region in such industries as chemical, food processing, retail, production of building materials, etc.

Likewise, the AEB CEO Tadzio Schilling had a meeting with governors of the several Russian regions.



»» “The Vladimir region has created attractive conditions for doing business. Tax benefits provided by the current regional legislation motivate companies to make new investments and allow them to channel additional funds into the development of production activities. Availability of the developed infrastructure, high quality services, and convenient logistics are also of great importance.”

“Ferrero” company representatives

VISIT TO THE SAKHALIN REGION AND PARTICIPATION IN EEF 2021

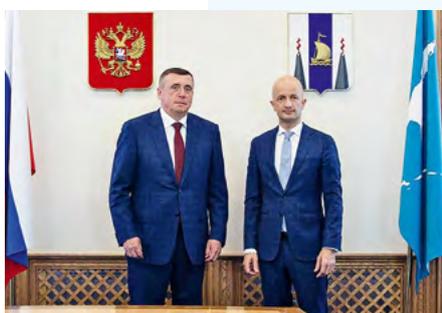
Prior to the Eastern Economic Forum, on August 30 – September 1, the AEB delegation undertook a business trip to the Sakhalin region to discuss European businesses investment opportunities with the regional authorities.

The AEB CEO held a meeting with Valery Limarenko, Governor of the Sakhalin region, and a number of officials from his Cabinet.

Likewise, Tadzio Schilling had a meeting with top managers of the Territory of Advanced Development “Gorny Vozdukh”, the largest winter sports facilities in the Far East.

A visit to the site of a multifunctional transit hub on the basis of the Korsakov Sea port was rendered. Tadzio Schilling and Sergey Burenkov, Deputy Minister of investment policy of the Sakhalin region, discussed prospects for cooperation and further development of the investment projects.

The AEB delegation’s visit continued with a trip to the planning site of the gas liquefaction and export plant. The Sakhalin hydrogen cluster will be built next to it as part of an environmental experiment. The cluster will create a hydrogen production complex, organize a chain of hydrogen supplies to foreign markets and local consumers.





“We are happy to note that we do not start from a zero-level: European investors have already been successfully working in Sakhalin for a long time – Shell, Air Liquide, Kuehne+Nagel – to name but a few, and we will do our best to promote the region’s investment potential to our members.”

Tadzio Schilling, AEB CEO

In the framework of the Eastern Economic Forum EEF 2021, the AEB CEO Tadzio Schilling had a meeting with Alexey Chekunov, Minister for the Development of the Far East and Arctic. The parties discussed the opportunities for the European businesses in the Far East Region. The Minister invited AEB members to come up with the proposals on economic and administrative support of foreign investors’ activities in the Far East. According to the Ministry, a “Special ecological zone” concept aimed at attracting more green projects to the Far East was being implemented.



MEMORANDUM OF COOPERATION BETWEEN AEB AND EUROUZ

On September 6, AEB represented by Johan Vanderplaetse, AEB Board Chairman, and the Europe-Uzbekistan Association for Economic Cooperation (EUROUZ), represented by Oybek Shaykhov, EUROUZ Secretary-General, signed the Memorandum of Cooperation, within the framework of the First Hybrid-Format EU-Uzbekistan Business Round Table at the Embassy of the Republic of Uzbekistan in Belgium.

The event was attended by the Deputy Prime Minister – Minister of Investments and Foreign Trade of the Republic of Uzbekistan Sardor Umurzakov, Deputy Managing Director for Europe and Central Asia at the European External Action Service – EEAS Luc Pierre Devigne, Ambassadors of Uzbekistan in the EU countries and other senior EU and Uzbek officials, as well as over 200 representatives of European businesses actively looking for opportunities or already working in Uzbekistan (most of them participated online).



The parties agreed to establish cooperation and expand interaction to increase the efficiency of trade, economic, scientific, and technical cooperation in the territory of the Republic of Uzbekistan, and to create favorable conditions for attracting and protecting foreign investors and implementing investment projects.

AEB and EUROUZ also agreed that the main areas of cooperation would be the implementation of joint projects, initiatives, and specialized service offerings for foreign investors.



“A number of large European companies, including AEB members, have already brought the latest technologies to the country and even started local production. But still, many potential investors and trade partners are not aware of the business potential of Uzbekistan. That is why AEB signed the Memorandum of Cooperation with EUROUZ. Together we will bring expertise to companies that plan to enter or expand their businesses in Uzbekistan and in the EU and to stimulate trade and foreign direct investments between the regions.”

Johan Vanderplaetse, AEB Board Chairman



“While the number of European companies interested in exploring new business opportunities in Uzbekistan, be it investment, trade or technology transfer, has grown exponentially in recent years, many of them operate through their existing regional offices, often based out of Russia. It is therefore important for us not only to establish a closer practical cooperation with AEB, but also draw on their vast and long-term successful experience as one of the largest European business associations on the Eurasian continent. We expect good results from such collaboration, and it will undoubtedly create new added value for both business communities.”

Oybek Shaykhov, EUROUZ Secretary-General

BUSINESS MISSION TO THE LIPETSK REGION

On September 9, a business mission to the Lipetsk region was organized. The AEB delegation headed by Tazio Schilling, AEB CEO, and representatives of European companies – residents of SEZ “Lipetsk” – had a meeting with Igor Artamonov, Governor of the Lipetsk region, to discuss prospects for cooperation and stages of development of the special economic zone.

After that, the participants of the meeting discussed existing programs and instruments of state support within the framework of the round table.

Tazio Schilling moderated the first session entitled “Key trends in state support to localization of industrial production in Russia”. The participants discussed main directions and measures of state support to the localization of industrial production, key challenges in the context of localization on the basis of cases from the agricultural machine building industry.

The second session moderated by Philippe Pegorier, AEB Board Member, Chairman of the AEB Machine Building & Engineering Committee, covered practical experience of European businesses in localizing production and interacting with regional authorities.

The issues of staff support for localization were discussed during the final session moderated by Irina Aksenova, Chairperson of the AEB Human Resources Committee.

The business mission finalized with a visit to production sites of two AEB members (Bekaert and KWS) localized in the region.



VISIT TO THE VORONEZH REGION

On October 15, the AEB CEO Tadzio Schilling rendered a visit to the Voronezh region to participate in the official ceremony of launching the first stage of the “Kuhn Vostok” agricultural machinery plant. It will produce grain and tilled seeders, equipment for spraying, fertilizing, etc.

The opening ceremony was also attended by representatives of the Voronezh region government as well as Russian and European businesses.

The AEB CEO noted that the launch of the first Kuhn plant in Russia was an important event in the Russian agricultural machinery industry and marked the successful cooperation of foreign investors with the government of the region. He also added that the plant would provide new jobs and wished Kuhn to successfully bring the plant to its full capacity.



COMMITTEES AND WORKING GROUPS REPORTS



INDUSTRIAL COMMITTEES



AGRIBUSINESS COMMITTEE

AIMS

- › To exchange information on agricultural issues.
- › To promote the activities of European agribusiness in Russia.

CHAIRPERSON

Dirk Seelig, General Director, CLAAS Vostok

COMMITTEE MEMBERS

CLAAS, CNH Industrial Russia, John Deere Rus, KUHN VOSTOK

NUMBER OF COMMITTEE MEETINGS

5

NUMBER OF LOBBYING LETTERS

2

COMMITTEE ACTIVITIES, 2021

LOCALIZATION OF AGRICULTURAL MACHINERY PRODUCTION IN RUSSIA

In 2020, discussions began on draft Decree No. 719 on grain and forage harvesters. At the moment, an agreement has yet to be reached on several key issues, which raises concerns that the situation with the amendments in Decree No. 719 regarding tractors and towed machinery will be repeated.

The responsibility for the development of a supplier network falls on equipment manufacturers since there is no government program or strategy for the development of suppliers for the agricultural sector. The main problem is the search for Russian suppliers of several certain components.

The main message that manufacturers are trying to convey to the Ministry of Industry and Trade of Russia is that the requirements should be proportionate to the real possibilities for localizing their products in Russia. The goal of agricultural machine manufacturers is still to develop and improve their

model range and provide Russian farmers with modern equipment that meets international quality standards.

SCRAPPAGE FEE

According to the Committee's experts, scrappage fees were not economically justified, and the actual cost of recycling should not exceed 2% of equipment cost, so fee amounts do not

comply with the goals of the respective Federal Law to ensure the recycling procedure.

In January 2021, a draft decree of the Government of the Russian Federation on increasing the scrappage fee for agricultural and road construction machinery was published on the official website for information on the preparation of draft regulations by federal executive authorities. The draft decree proposed to increase the coefficients for calculating the scrappage fee for agricultural machinery by 2–3.5 times, depending on the type of machinery and engine power.

This proposal to increase the scrappage fee caused the expected criticism from the business community, and numerous appeals were sent to the Government of the Russian Federation from both individual companies and business associations.

As a result, the draft decree was sent for revision, and in September 2021, the Ministry of Industry and Trade of the Russian Federation announced that there were no plans to increase the

scrappage fee this year. However, the issue was not completely removed from the agenda.

It should be noted that increasing the scrappage fee makes no sense for improving the environmental situation or reducing the negative impact on the environment.

The Committee also believes that this decision goes against the idea of the need to increase the power supply capacity of domestic agriculture, which chronically suffers from a shortage of agricultural machinery due to low effective demand.

OTHER KEY ISSUES:

- › Key trends of the agro-industrial market of Russia
- › Subsidies for agricultural machinery producers (Government Decree No. 1432)
- › Electronic passports for self-propelled machines

INDUSTRIAL COMMITTEES

AIRLINES COMMITTEE

COMMITTEE ACTIVITIES, 2021

Since the beginning of the unprecedented COVID-19 crisis, all international airlines are fighting for their survival and market presence in Russia and are actively lobbying to authorize the resumption of regular international flights and lift unnecessary travel restrictions.

The complex legal environment (air service agreements, bilateral taxation treaties, Russian Federation laws) creates taxation hurdles for airlines operating in Russia, but also for Russian providers and local authorities.

The Committee continued its lobbying efforts for postponing of installation on board video cameras (CCTV) on all new aircrafts to/from and overflying Russia (Eff. 2025 for all aircrafts). It seems that the implementation of the law will be postponed for uncertain period.

Another important topic for the Committee in 2021 was airport handling. Most Russian airports are today in a monopolistic situation as regards handling activities, which can be performed only by the airport. Therefore, the prices are much higher than

AIM

To represent and lobby interests of international airlines in Russia.

CHAIRPERSON

Eric Anconetti, Air France Regional General Manager for Russia and CIS

DEPUTY CHAIRPERSON

Leonid Tarasov, General Manager, Delta Airlines

COMMITTEE MEMBERS

Air Astana, Air France, Delta, Emirates, KLM, Royal Air Maroc

NUMBER OF
COMMITTEE
MEETINGS

5

NUMBER OF
LOBBYING
LETTERS

1

the European average, limiting airlines' development. Some immigration and customs procedures should be reviewed and simplified in order to improve the punctuality in Russian airports without compromising security and safety.

One of the main problems for the Committee remains the different rates of airport charges for Russian and foreign air carriers. The difference in rates has been discriminatory towards the international airlines. For this purpose, Committee sent a letter on this issue to the Ministry of Transport.

A project law on QR code implementation for visiting public places was approved by the State Duma in the first reading. While a project law on QR code on transport is still under discussion. Both laws could hardly affect incoming tourism and domestic flights. The Committee will continue to monitor the legislation and lobby the foreign airlines interests.

INDUSTRIAL COMMITTEES

AUTOMOBILE MANUFACTURERS COMMITTEE

AIMS

- › To unite and represent common interests of its members – automobile importers/manufacturers of global automobile producers, which guide business activities in the Russian Federation (producing in and/or importing).
- › To create conditions for development of civil automotive market; set and observe common and fair business rules for automotive companies officially operating in Russia and leverage inter-company co-operation and constructive partnership.
- › The AMC concentrates on the most important and urgent issues of the automotive business which affect its members, developing appropriate responses, lobbying to ensure that member interests are represented and dealing with the Russian governmental authorities, public institutions, local and international automotive associations, and the mass media.
- › To establish and maintain business dialogue with the dealership community.

CHAIRPERSON

Thomas Staertzel, Managing Director, Porsche Russland

COMMITTEE ACTIVITIES, 2021

In 2021 the Committee continued its activities in accordance with the declared objectives, such as to lobby the interests of international automobile manufacturers to the Russian government and other relevant authorities, concentrating on the most important and urgent issues of the automotive business in Russia.

THE COMMITTEE ACTIVITIES MAINLY FOCUSED ON:

- › Promotion of the electric vehicles and other innovative means of transport. The Committee voiced its opinion regarding the customer support measures (e.g. extension of the 0% import duty and non-increase of the disposal fee rate) and the infrastructure development for electric vehicles. The Committee commented on Concept of the electric vehicles production and infrastructure development and offered its competence to the stakeholders.

- › Manufacturers' recall campaigns. The Committee worked to make the recall campaigns more successful and attracted attention of the responsible state bodies to the necessity to better reaching and informing the customers and to motivate car owners to bring their cars to services. The Committee suggested setting up a working group consisting of representatives of all stakeholders to work out acceptable solutions for increasing a response rate of recall campaigns.
- › Avtodata project is of the highest importance for the AMC. The manufacturers see risks in the new requirements under discussion on car data provision. The Committee is convinced that any mandatory data transfer might be possible only when it is really required for the sake of the road safety and national security and no mediator should be present. But even in such cases information on VINs must not be shared as it is useless for solving the mentioned tasks, but is a source of the personal data leakage. The Committee communicated its position and concerns to the responsible state bodies.
- › Technical Regulations of the Customs Union, TR CU 018/2011, "On the Safety of Wheeled Vehicles" continued to be in the focus of the Committee's activities throughout the year 2021. The Committee actively participated in public discussions and worked out and submitted its proposals for the Amendments #3 to the Technical Regulations "On the Safety of Wheeled Vehicles".

Other important issues on the Committee's agenda include: OSAGO, potential spare parts labelling; digital passports of wheeled vehicles (EPTS); digital types approval (EOTTS), self-regulation of the industry etc.

In 2021 the Committee held 2 online press conferences. At an annual event the AMC announced results of 2020 and gave a forecast for 2021. During the half-year press conference the Committee presented the half-year 2021 results and also announced results of the study "Assessment of the socio-economic impact of the automotive industry on the Russian economy" conducted by the Higher School of Economics at the order of the Committee.

The Committee worked at its personal branding and adopted its logo. An image video was produced to introduce the Committee at events.

AMC representatives participated in industry related Committees and Working Groups at the Eurasian Economic Commission; Ministry of Industry and Trade, Rosstandart, Rosaccreditation, TK-056 and other.

The Committee maintained contacts with the national and international automotive associations: ACEA, OAR, OICA, ROAD, VDA.

DEPUTY CHAIRPERSON

Alexey Kalitsev, Managing Director, Hyundai Motor CIS

ORGANIZED EVENTS

AEB events

	Date
AMC Annual Press Conference "Review 2020" (~ 200 participants)	14.01.2021
AMC HY Press Conference "Russian Automotive Market 2021: Interim Results, Assessment of the State of the Industry and its Socio-Economic Impact"	06.07.2021

AEB external events

	Date
ROAD Convention	14.04.2021
AMC IMobility WG call with ACEA	11.05.2021
AMC + CVC Round table re Euro 6	25.05.2021
ACEA 30-Y Anniversary	03.06.2021
XIV International Navigational Forum at Expocentre	15-16.06.2021
IMAF at Expocentre	24.08.2021
NTI Avtonet meeting	27.09.2021
OICA General Assembly	18.11.2021
ROAD Autodealer conference	30.11.2021

COMMITTEE MEMBERS

Avtovaz, BMW Russland Trading, Chery Automobile Rus, FCA Russia, GAZ Group, General Motors CIS, Harley-Davidson Russia and CIS, Haval Motor Rus, Honda Motor Rus, Hyundai Motor CIS, Jaguar Land Rover, Kia Motors Rus, Mazda Motor Rus, Mercedes-Benz Russia, Mercury Auto (Ferrari / Maserati), MMC Rus, Mitsubishi Motors Rus, Nissan Manufacturing Rus, Peugeot Citroën Rus (Groupe PSA), Porsche Russland, Renault Russia, Subaru Motor, Suzuki Motor Rus, Toyota Motor, Volkswagen Group Rus, Volvo Cars, Yamaha Motor CIS

NUMBER OF
COMMITTEE
MEETINGS

43

NUMBER OF
LOBBYING
LETTERS

45

INDUSTRIAL COMMITTEES



AUTOMOTIVE SUPPLIER COMMITTEE

AIM

- › To unite and lobby for the joint interests of the AEB members in the automotive supplier sector, facilitating meetings with officials, industrial associations and Original Equipment Manufacturers (OEMs), supporting networking and exchange of contacts within the industry and helping companies establish working contacts with car plants.

CHAIRPERSON

Alexey Belyaev, Strategic Projects Director, Smart Driving Labs

DEPUTY CHAIRPERSON

Andrey Kossov, Director of Branch, Johnson Matthey

COMMITTEE MEMBERS

Atlas Copco, Benteler Automotive, Continental, Dow Europe, Performance Specialty Products Rus, Faurecia, Gestamp, Johnson Matthey, NTN-SNR Rus, Robert Bosch, ISG support-GUS GmbH, Russian Automotive Components, SAF-Holland RUS, Segula Technologies Russia, Volvo Vostok, ZF

Automotive Consultants members:

Deloitte, DLA Piper, EY, KPMG, PwC

NUMBER OF COMMITTEE MEETINGS

4

NUMBER OF LOBBYING LETTERS

1

COMMITTEE ACTIVITIES, 2021

Historically, the Committee has been taking active part in discussing and reacting to the relevant industry issues. For example, the Committee was actively engaged in preparing the Strategy on development of automotive products export in Russia up to 2025 adopted by the Government of the Russian Federation under Decree No. 1877-p dated 31 August 2017.

In 2021 the Committee’s media coverage was highlighted by over 130 references in mass media, including prime time TV news.

In 2021 the Committee took part in the following key events:

EXTENDED MEETING OF THE COMMITTEE “PROSPECTS OF EURO 6 IMPLEMENTATION IN RUSSIA AND EAEU COUNTRIES”

Representatives of public authorities and associations (in hybrid format) – such as NAMI, the Ministry of Industry and Trade, the Eurasian Economic Commission, the Association of Russian Automakers as well as business representatives – member companies of the Automotive Supplier Committee, Automobile Manufacturers Committee and Commercial Vehicles Committee took part in the meeting.

During the event, the participants exchanged their views on the deadlines and prospects of ecological class 6 implementation in Russia and EAEU. In the end, it was decided to continue the dialogue between the industry and public authorities’ representatives on the issue of Euro 6 legal adoption.

INTERNATIONAL MOSCOW AUTOMOTIVE FORUM (IMAF)

Widely regarded as the most significant event in the automotive industry, the 2021 Forum was devoted to the automotive industry’s prospects in the realm of the coronavirus infection pandemic and its effects.

The Forum hosted high-profile speakers and participants – top executives and GR directors of Volkswagen Group Rus, BMW,

AVTOVAZ, MAN Truck & Bus RUS, Scania Rus, Haval, Hyundai, etc., as well as representatives of well-known consulting firms (Deloitte, PwC), business and industrial associations (ROAD, Avtostat, NAPI, NP "GLONASS", etc.), autonomous branches of Sber and Yandex, etc. Furthermore, foreign guests from the Brussels car supplier association CLEPA also participated in the event, thus confirming the international status and recognition of IMAF.

The Committee teamed up with Deloitte to launch the Automotive GR Monitor that will highlight the regulatory news in the automotive industry of Russia.

The Committee was the first to prepare a Committee presentation to be on the web page of the AEB. All the work was done in 2021, starting from 2022 the presentation will be available to all. The aim of the presentation is to give an overview of the activities and to attract new members.

In March 2021 together with the leading automotive institution NAMI the Committee held a joint seminar to discuss the automotive regulation and how to comply to the localization requirements. In response to the questions of the Committee NAMI prepared a presentation that is currently used in the industry.

In June 2021 the Committee had a meeting with Mr Manturov, Minister of Industry and Trade and had the possibility to ask questions on future technologies.

The Committee had the possibility to invite other members, including potential members and car plants.

ORGANIZED EVENTS

AEB events

Webinar with NAMI (as a result of the letter sent to S. Gaisin on 16th March, 2021)

Date

21.04.2021

Round Table on Euro 6 ecological class – "Prospects of Euro 6 Class Implementation in Russia and EAEU Countries: Deadlines and Regulations"

25.05.2021

AEB external event

International Moscow Automotive Forum 2021 (IMAF 2021)

Date

24.08.2021 –
25.08.2021

INDUSTRIAL COMMITTEES

BANKING COMMITTEE

COMMITTEE
ACTIVITIES, 2021

Traditionally, in 2021, the Committee held several regular meetings of the Committee's specialized working groups, including joint intra-Committee meetings, to consider various current issues of interest to the Committee, and initiated several letters to the Bank of Russia.

The Committee's efforts focused on the issue – critical information infrastructure. Several meetings of the Banking Committee were devoted to this problem.

AIMS

- › The Banking Committee brings together representatives of international banks and other financial institutions and combines their efforts to effectively represent their interests on the Russian market and promote a favorable climate for the operation of international banks in Russia.
- › The Committee aims to: provide a level playing field between local and foreign operators; provide direct technical policy advice to European and Russian government officials.

CHAIRPERSON

Mikhail Chaikin, CEO, ING BANK (EURASIA) JSC

DEPUTY CHAIRPERSON

Stuart Lawson, Senior Advisor, EY; Director, Skolkovo Ventures

ORGANIZED EVENTS

AEB event

Meeting with Elvira Nabiullina, Head of the Central Bank of Russia

Date

29.11.2021

COMMITTEE MEMBERS

American Express Bank; Banca Intesa; Bank Credit Suisse (Moscow); BNP Paribas; Center-invest Bank; Citibank AO; Commerzbank (Eurasija) AO; Credit Agricole CIB AO; DEG Representative Office Russian Federation; Deutsche Bank Ltd.; HELLENIC BANK PCL; HSBC Bank (RR) OOO; ING Wholesale Banking in Russia; Mercedes-Benz Financial Services Rus OOO/Mercedes Benz Bank Rus OOO/Mercedes-Benz Capital Rus OOO; Natixis Bank JSC; Nordea Bank; OTP Bank JSC; Raiffeisenbank AO; Rosbank; UBS Bank, OOO; UniCredit Bank AO; VISA

NUMBER OF COMMITTEE MEETINGS

5

NUMBER OF LOBBYING LETTERS

6

In August 2021 the Committee had a meeting with Artem Sychev, first Deputy Head of the Information Security Department of the Central Bank. The Committee informed the Bank of Russia about its position and studied the position of the Bank of Russia. The parties managed to find common ground on many issues.

AEB supports the Russian Government’s efforts to ensure the security and sustainable functioning of critical information infrastructure and believes that the increased attention to security issues in the digital environment corresponds to the global trend and reflects the increasing role of information technologies in maintaining sustainable economic relations and a favorable investment climate.

At the same time, AEB is extremely concerned about the requirements that oblige critical information infrastructure entities to switch to Russian software and Russian equipment, or, if foreign software is retained, to receive technical support and upgrades from Russian companies that are not regulated by the Russian Federation.

In June 2021, representatives of the Committee met with Alexey Lobanov, Director of the Banking Regulation Department of the Bank of Russia. At the meeting, the representatives had the opportunity to ask Mr. Lobanov questions, discuss current banking legislation, and strengthen important contact with a representative of the Central Bank for further fruitful work of the Committee.

At the end of November 2021, the Committee initiated and organized a meeting between the members of the Association and the Head of the Central Bank of Russia – Elvira Nabiullina. The meeting was organized at the highest level and received excellent feedback from all participants. Members of the Association had an opportunity to get answers to their questions directly from the head of the Bank of Russia.

INDUSTRIAL COMMITTEES

COMMERCIAL VEHICLES COMMITTEE

COMMITTEE ACTIVITIES, 2021

The Commercial Vehicles Committee (CVC) was founded at the end of 2008 as a spin-off of the Automobile Manufacturers committee (AMC) in order to focus on specific needs of the commercial vehicles manufacturers in the Russian Federation. The Committee consists of the following working groups: GR, Certification and Technical Regulation and Marketing.

MAIN ISSUES DISCUSSED WITHIN THE COMMITTEE IN 2021:**› Green transport – CV segment**

The Committee supports the commitment to reducing carbon dioxide emissions that has been announced by the Government of the Russian Federation as part of international climate change initiatives. The commercial vehicles industry could make a material contribution to the achievement of this goal by increasing supplies of gas, electric, and hydrogen vehicles. Currently, the high difference between prices for 'green' vehicles and for diesel vehicles, as well as the under-development of the respective infrastructure, are the main obstacles to the growth of the clean transport market.

› Electronic vehicles

On August 23, 2021 the Government of the Russian Federation published the Concept of Development of E-Vehicles and Battery-Charging Infrastructure up to 2030 – the Committee believes this initiative marks an important step in the development of state policy in this field. Nevertheless, the concept needs material improvement.

› Natural gas vehicles

Increasing the extent to which natural gas vehicles are used is among the strategic goals of the Government of the Russian Federation. Modern vehicles powered by natural gas (either compressed or liquefied) comply with the EURO-6 standard, which means that their exhaust gases are almost entirely free from solid particles. Moreover, this standard is accountable for the sharp decline in the content of sulfur and nitrogen compounds. The advanced growth of the natural gas vehicle fleet as compared to diesel vehicles will result in the reduction of pollutant emissions and decarbonization of the economy.

› Autodata

The initiative on forming a national platform for automotive data collection and processing was announced on September 30, 2019, and the AEB became a member of the newly created consortium led by the Non-Profit Partnership GLONASS. The Committee continues discussion and aligning of the AEB's position with the AMC's representatives. The Committee believes the requirements for transferring a limited set of data, solely for the purpose of increasing traffic safety, is justified.

The Committee (by CVC GR) also initiated the informal working initiative working group on green technologies and connectivity in CV segment organized on a permanent basis for representing the related interests of commercial vehicles industry in the GR field (in particular, connectivity issues to be aligned with AMC as well) and conducted a series of kick-off meetings for identifying the relevant agenda.

AIM

- › To formulate and promote the agenda of European commercial vehicles producers as a contribution to motivate sustainable business environment and the development of the economy and innovation in Russia.

CHAIRPERSON

Jan Aichinger, Managing Director, MAN Truck & Bus RUS

ORGANIZED EVENTS**AEB event**

Round Table on Euro 6 ecological class – "Prospects of Euro 6 Class Implementation in Russia and EAEU Countries: Deadlines and Regulations"

Date

25.05.2021

AEB external events

International Moscow Automotive Forum 2021 (IMAF 2021)

Date

24.08.2021 –
25.08.2021

Rosstandart meeting on conformity assessment of front fog lamps

24.03.2021

Regular WG Meeting at Technical Committee 056

Quarterly

EPTS Meeting initiated by AMC Committee (with AO "Elektronniy passport")

31.03.2021

COMMITTEE MEMBERS

DAF Trucks Rus LLC, DAIMLER KAMAZ RUS OOO (DK RUS OOO), GAZ Group, Hino Motors, LLC ISUZU RUS JSC, Iveco Russia LLC, MAN Truck & Bus RUS LLC, Meiller Vostok LLC, Mercedes-Benz Russia, Nissan Manufacturing Rus, Peugeot Citroën Rus (Groupe PSA), Renault Russia, Scania-Rus LLC, Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), Volvo Vostok NAO

NUMBER OF
COMMITTEE
MEETINGS

12

NUMBER OF
LOBBYING
LETTERS

4

INDUSTRIAL COMMITTEES



CONSTRUCTION EQUIPMENT COMMITTEE

AIMS

- › To serve as a platform for foreign manufacturers of construction equipment to discuss common issues and opportunities and acts, where appropriate, as a representative of its member companies on common industry concerns.
- › To promote safety, good business practice and sustainability.

CHAIRPERSON

Andrey Komov, Managing Director, Volvo Construction Equipment Russia & CIS, Volvo Vostok

ORGANIZED EVENTS

AEB event	Date
CEC Press Conference	11.02.2021
AEB external events	Date
CECE Economic Reporting Group	06.05.2021, 22.11.2021
CECE Executives Committee	11.02.2021, 22.04.2021, 22.06.2021, 02.09.2021, 20.10.2021, 16.12.2021
CECE Steering Group and General Assembly	22.04.2021, 20.10.2021
Meeting of EEC WG on EPSM regarding amendments to D100	02.04.2021

COMMITTEE MEMBERS

Atlas Copco, Caterpillar Eurasia, CNH Industrial Russia, Doosan Infracore Co., Hitachi Construction Machinery Eurasia Sales, Hyundai Heavy Industries, JCB, John Deere, Komatsu CIS, Liebherr-Russland, Ponsse, Volvo Vostok, Wirtgen International Service

COMMITTEE ACTIVITIES, 2021

The Construction Equipment Committee (CEC) was established in February 2008 to unite and represent the interests of the CE industry players in Russia.

One of the key priorities of the Committee is running the statistical program which was launched in 2008 and which has proved effective. Starting from January 2013, the list included telescopic handlers, track-mounted mini loaders, and wheel dozers. Now almost all players of the Russian road construction and special-purpose equipment market are included in the program for certain types of products, which accounts for the high accuracy of reports.

Monthly reports available to the program participants help determine the market volume and trends, as well as assess the effectiveness of marketing of the main product line and of the introduction of new products, including on a regional level. The press-releases are published on quarterly basis. The committee is working on launching the statistical program for road construction and forestry machines.

Key questions discussed in the Committee in 2021:

- › electronic vehicles for self-propelled vehicles;
- › amendments to D719 and localization requirements;
- › amendments to TR CU 010/2011.

The Committee cooperates with other national construction equipment industry associations. In 2009, the AEB CEC became a member of the Committee for European Construction Equipment (CECE) and participates annually in the CECE meetings. In April 2013 AEB CEC and KOCEMA (Korea Construction Equipment Association) signed the memorandum of understanding.

The Committee in the face of separate CEC Technical Regulation Working Group also actively participates in settling and promoting the technical regulation and certification issues with regard to self-propelled vehicles (jointly with the Agribusiness Committee) and operatively addresses the relevant issues (as, for example, concerning the issue of electronic passports for self-propelled vehicles).

NUMBER OF COMMITTEE MEETINGS

20

NUMBER OF LOBBYING LETTERS

15

INDUSTRIAL COMMITTEES



CONSTRUCTION INDUSTRY & BUILDING MATERIAL SUPPLIERS COMMITTEE

COMMITTEE ACTIVITIES, 2021

The AEB Construction Industry & Building Material Suppliers Committee represents within the AEB a variety of businesses with very heterogeneous industrial and commercial backgrounds and with a diversity of interests but with construction materials as a common bound. This Committee was established in 2010 in belief that there are many matters that need to be monitored, shared and discussed in order to improve business climate in the industry.

In 2021, the Committee's efforts concentrated on building a common position on the following issues:

- › prolongation of the preferential mortgage program and its extension to construction (purchase) of individual houses;
- › seasonal restrictions on truck traffic in RF regions;
- › improvement of building materials quality control in RF regions;
- › draft of the EAEU TR "On the safety of building materials and products";
- › application of advanced construction technologies and materials for development of road infrastructure in Russia;
- › introduction of mandatory expert examination of design documentation for the overhaul of apartment buildings;
- › application of best available technologies in the field of waste management; inclusion of cement industry enterprises as energy disposal facilities in waste management at federal and regional levels.

The Committee worked to improve interaction with ministries and agencies, as well as other industry associations.

Committee members strongly believe that a dialogue between experts with different backgrounds on the one side and official bodies on the other side could bring benefit to the Russian construction practice.

AIMS

- › To serve as a platform for communication between Committee members on industrial issues.
- › To represent construction and building material suppliers of European origin in Russia (in private, governmental and non-governmental organizations).
- › To communicate within and outside the Committee on general and specific issues.

CHAIRPERSON

Vitaly Bogachenko, Corporate Affairs Director, Holcim

COMMITTEE MEMBERS

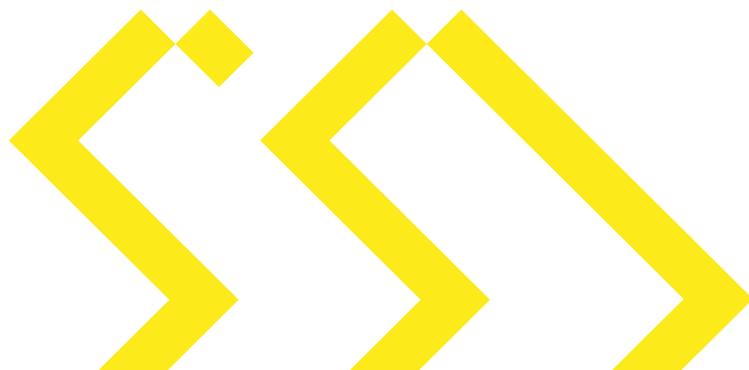
AGC Glass Europe; BASF; Cersanit; Dow Europe GmbH Representation office; Guardian Glass; HeidelbergCement Rus; Henkel Rus OOO; Holcim; Knauf Group CIS (OOO Knauf Gips); Legrand LLC; Performance Specialty Products Rus LLC; Saint-Gobain; SLK Cement LLC; ROCA; ROCKWOOL; Siemens LLC; Tikkurila; Wienerberger; YIT

NUMBER OF
COMMITTEE
MEETINGS

5

NUMBER OF
LOBBYING
LETTERS

4



INDUSTRIAL COMMITTEES

CROP PROTECTION COMMITTEE

AIMS

- › To establish a consolidated position on key issues affecting the CPP industry.
- › To provide members with information support and advocacy of the Committee consolidated position.
- › To monitor the development of regulatory policy and to react promptly on emerging challenges.
- › To render support of a favourable climate for business development.

CHAIRPERSON

Johannes Bestman, General Manager, ADAMA

DEPUTY CHAIRPERSON

Pavel Zibarev, Business Director CIS & West Balkans, FMC

COMMITTEE MEMBERS

ADAMA, BASF, Bayer, Corteva Agriscience, FMC, Syngenta

NUMBER OF COMMITTEE MEETINGS

23

NUMBER OF LOBBYING LETTERS

28

COMMITTEE ACTIVITIES, 2021

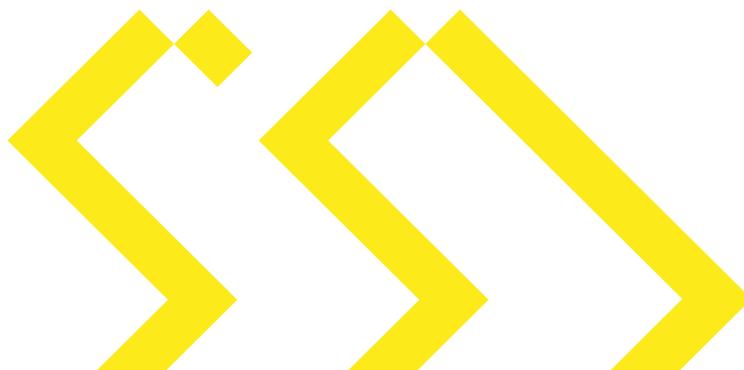
In 2021 the Crop Protection Committee (CPC) key issues were as follows:

NEW REQUIREMENTS OF CPP IMPORT

- › CPC initiated organizing meetings on a regular basis with the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoznadzor) to have clarifications how to fulfill new requirements of CPP import (7 meetings were held).
- › CPC amendments to the Government Order of the Russian Federation of June 28, 2021 No. 1030 "On the implementation of federal state control (supervision) in the field of safe handling of pesticides and agrochemicals at checkpoints across the state border of the Russian Federation" were sent to Rosselkhoznadzor.
- › CPC supported Rosselkhoznadzor's efforts to open a laboratory in Burachki – one of the key checkpoints at the border – and sent the appropriate letters.

OPERATING OF THE FEDERAL STATE INFORMATION SYSTEM OF CPP TRACEABILITY

- › CPC initiated meetings with Rosselkhoznadzor to improve demo version of the system (to be continued).
- › CPC companies' specialists started testing the system. CPC proposals were taken into consideration.



INDUSTRIAL COMMITTEES



COMMITTEE ACTIVITIES, 2021

The AEB Energy committee stands as an interface on business opportunities and issues of concern to European energy companies operating in the Russian Federation. Therefore, the Committee sustains and develops its links to relevant state authorities in Russia, such as the RF State Duma, Ministry of Energy, Ministry of Finance and Ministry of Economic Development. The Committee also acts as an interface between the European energy business and Russian companies, such as Gazprom and others.

The Committee sustains its traditional cooperation with bilateral and multilateral entities in Russia, such as the International Business Congress (IBC), Petroleum Advisory Forum (PAF), Foreign Investment Advisory Council (FIAC), promoting active interaction on business-to-business and business-to-government levels. The Committee supports the AEB's position as an official partner of the annual Russian Oil and Gas Forum in Moscow. The Committee's activities are focused on energy policy strategic issues, investment climate, energy market conditions, and environmental protection issues, including global climate changes.

Year 2021 was marked by intense developing and enhancing of the working relations with the RF Duma Energy Committee started by the meeting with its Chairman, P. Zavalny. The Committee has been also actively enhancing relations with the Russian Energy Agency, State Duma committee on ecology, RSPF climate policy committee.

In 2021 the Committee paid particular attention to the process of mergers and acquisitions in the Russian economy; to the influence of COVID-19 on energy sector in Russia and worldwide and development of the Russian crude oil and products during the pandemic; to behavior during pandemic and after it (hygienic preparation of the office – requirements, regulations; how plan work processes and motivate staff; to recent Developments of the sanctions and anti-boycott regimes; to the role of hydrogen in the Russian energy policy; to tax issues. In the center of its interest were also the questions of Russian gas export to Europe; renewables; Russia's gas strategy; EU-Russia Climate and Energy Dialogue, and certainly the cross-border carbon regulation.

AIMS

- › To support EU-RF cooperation in the energy sector.
- › To provide a forum for AEB companies involved in the Russian energy sector to discuss and address matters of common interest.
- › To maintain relations with the parties directly involved in the Russian energy sector.
- › Intensify cross-committee cooperation, especially, within the green agenda

CHAIRPERSON

Ernesto Ferlenghi, Head of Eni representative office in Russia, Head of market development Eni in Russia and Central Asia

DEPUTY CHAIRPERSON

Andreas Boeldt, Head of Representative office, OMV Russia Upstream GmbH

ORGANIZED EVENTS

AEB events	Date
Meeting with the Forum of Gas Exporting Countries and the Russian Academy of Science	10.12.2021
Russia's Taxonomy on "Green Finance" – how to attract international investors	20.12.2021

COMMITTEE MEMBERS

BP Russia; Chevron Neftegas Inc.; Electricite de France; Enel Russia; Eni S.p.A; ENGIE; Equinor Russia AS; Fortum; Gasunie; MOL Plc; OMV; Repsol Exploration S.A.; Shell E&P Services (RF) B.V.; Total E&P Russie; Uniper Global Commodities SE; Unipro PJSC; VNG AG

NUMBER OF
COMMITTEE
MEETINGS

8

NUMBER OF
LOBBYING
LETTERS

5

One of the important sources of information and influence tools for the Committee is its regular Position Paper, which is a highly professional status document reflecting the views and approaches of the European companies towards the obstacles to making business in Russia and proposing real solutions. The Position Paper is widely distributed among petroleum and energy sector stakeholders both in Russia and abroad, including EU headquarters in Brussels.

The Committee advocates that EU-Russia relations on energy matters should be based on stability in strategic perspective, mutual advantage, and delivery of commitments. Such relations must include a balanced and transparent approach to the security and diversity of energy supply and demand, commercial attractiveness, and reciprocity.

The Committee Chairman Ernesto Ferlenghi participated as speaker in the most influenced events at the energy sector, including SPIEF-2021 and REW-2021.

INDUSTRIAL COMMITTEES

FOOD PROCESSING COMMITTEE

AIMS

- › To bring together and represent the common interests of its members – food processing and ingredients’ producing companies.
- › To contribute to improvement of regulatory framework of the food processing industry through governmental liaison and lobbying activities.
- › To promote international healthy nutrition standards.

CHAIRPERSON

Tatiana Tkachenko, GR Director, Danone

COMMITTEE MEMBERS

Barry Callebaut, Bacardi, Bayer, Bonduelle, Cargill, Coca-Cola HBC Russia, Danone, DSM, Corteva Agriscience, Ferrero Russia, Herbalife Nutrition, Nestle Rossiya, Perfetti van Melle, Pernod Ricard Rouss, SAF-Neva, Zentis Russland

NUMBER OF COMMITTEE MEETINGS

4

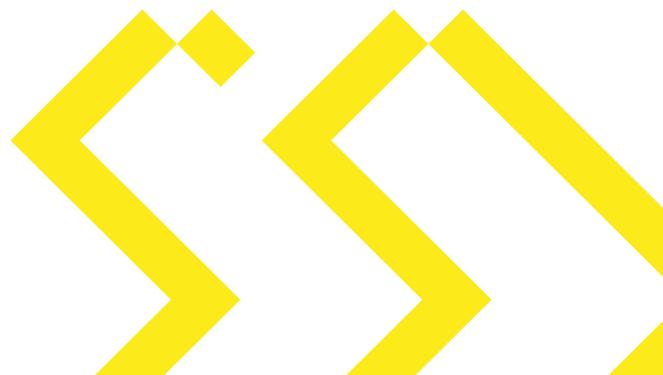
NUMBER OF LOBBYING LETTERS

8

COMMITTEE ACTIVITIES, 2021

In 2021, a special focus of the Committee’s work was put on the track & trace system introduced for dairy products and bottled water, difficulties with the implementation of the law on organic products labeling and EU veterinary barriers for export of composite food products.

The Committee was actively involved in the discussion and drafting of letters on such inter-sector issues as the changes in transport documents, extended responsibility of producers and medical check-ups for HQS.



INDUSTRIAL COMMITTEES

HEALTH &
PHARMACEUTICALS
COMMITTEECOMMITTEE
ACTIVITIES, 2021

In 2021 the Committee's activities were still related to COVID-19 issues. At the very beginning of the year the Committee hosted the extended meeting to discuss the vaccination against COVID-19, including the progress of vaccination, the availability of Russian vaccines, prospects for export and organization of production abroad.

It is worth mentioning the Committee's lobbying letter on the remote retail sale of medical products for medical use, the implementation of such trade and the delivery of these drugs to citizens and the meeting with Russian Post representatives – these activities were under demand and mostly driven by COVID-19 restrictions.

Another trend in the Russian healthcare system is digitalization and that was reflected in 12th Northern Dimension Forum, session on "Digitalization of Healthcare: Trends and Challenges".

Sizing the EAEU the Committee's activities were mainly focused on the issues of GMP regulation, licensing and other aspects, causing difficulties for companies to enter the EAEU market.

The 'second is out' mechanism became one of major concerns for pharmaceutical manufacturers. The Committee repeatedly presented its position to the Russian governmental authorities calling them to come up with a balanced solution regarding the procurement procedure.

Another Committee mainstream in 2021 was the topic of improving patients' access to innovative drugs.

It is also important to mention Committee's activities on the marketing contracts draft law, which directly affects the interests of pharmaceuticals manufacturers and requires serious improvement.

AIM

- › To consolidate, coordinate and protect interests of AEB member companies working in the health and pharmaceutical industry.

CHAIRPERSON

Yana Kotukhova, EAEU Governmental Affairs Director, Servier

ORGANIZED EVENTS

AEB events	Date
Extended Health & Pharmaceuticals Committee Meeting – Discussion with Ivan Glushkov, Deputy CEO, Immunotechnology, on vaccination issues	03.02.2021
Meeting with Timofei Nizhegorodtsev, Federal Antimonopoly Service of Russia, on pricing policy for medicines	07.02.2021
Online meeting with MP Alexander Petrov, State Duma's Committee for Healthcare, on the topic of improving patients' access to innovative drugs	26.02.2021
12th Northern Dimension Forum, session on "Digitalization of Healthcare: Trends and Challenges"	08.04.2021

ORGANIZED EVENTS

AEB external events

	Date
International specialized forum-exhibition "Pharmacy", Skolkovo innovation center, round table on the marketing contracts	24.11.2021
Forum "Healthcare in Russia", session "National Drug Safety: Expanding availability", Roscongress	01.12.2021
Meeting of the BRICS+ Working Group on the study of competition issues in the pharmaceutical markets on the topic: "Development of competition in the pharmaceutical market in order to increase the availability of drugs and vaccines against COVID-19", FAS of Russia	14.12.2021

The localization issues, antimonopoly regulation, pricing policy, intellectual property were also in the Committee agenda in 2021.

The Working Group on Medical Devices focused its activities on localization, regulation of public procurement including promotion of trade-in and modernization mechanisms, VAT on medical software, fair competition related issues. The main obstacle in 2021 was the implementation of the 'second is out' mechanism in medical devices, which refers to public procurement limitations. In the end of the year the Working group called Prime Minister Mikhail Mishustin to review the government decree.

COMMITTEE MEMBERS

Astellas Pharma ZAO, AstraZeneca Pharmaceuticals LLC, BAYER, BIOCAD, Bionorica OOO, Boehringer Ingelheim, Canon Medical Systems LLC, Chiesi Pharmaceuticals LLC, Dr. Reddy's Laboratories Ltd., DSM, Egis Pharmaceuticals PLC (Hungary), Esparma, Fidia Pharma, GE (General Electric International (Benelux) B.V.), GlaxoSmithKline Trading, JSC, Karl Storz, Lundbeck Rus, Merck LLC, Mir-Vracha LLC, Novartis Group Russia, Novo Nordisk A/S, Orion Pharma LLC, Philips LLC, Procter & Gamble, Reckitt Benkiser Healthcare LLC Roche Diagnostics Rus LLC, Sanofi Russia AO, SANOFI-AVENTIS REP OFFICE, SERVIER, Siemens LLC, Stada CIS, Teva LLC

NUMBER OF COMMITTEE MEETINGS

11

NUMBER OF LOBBYING LETTERS

18

INDUSTRIAL COMMITTEES

HOME APPLIANCES MANUFACTURERS COMMITTEE

AIMS

- › To monitor legislative changes and inform Committee members.
- › To improve business environment for European manufacturers in Russia.
- › To respond to regulatory initiatives through delivering the Committee's position.

CHAIRPERSON

Huibert Arie de Haan, General Director & CEO, BSH Bytowije Pribory

COMMITTEE ACTIVITIES, 2021

In 2021 the Home Appliances Manufacturers Committee focused on such issues as F-gases regulation, energy efficiency labelling, technical regulations, waste management, as well as enhanced its international cooperation with Applia, its European counterpart. With its annual conference on urgent regulation topics, it offered a platform for both regulatory authorities and AEB members on a broad level.

The Committee sent 49 lobbying appeals to the state authorities of the Russian Federation the majority of which was related to F-gases regulation.

The main results of the Committee's activities in 2021 are as follows:

F-gas regulation:

- › Earlier it was not allowed to prepare import licence for 2022 in 2021 due to quotas (limits) of F-gas which can be imported per year. By the lobbying efforts of the Committee home appliance products like air conditioners, refrigerators were excluded from quotas regulation. Thus, it became possible to prepare F-gas import license in advance.
- › Achieved clarification and simplification of F-gas import process.

Waste regulation:

- › Succeeded to keep the recycling targets for products on 2021 level instead +10% increase planned earlier by the Russian authorities. This will support the Committee members in developing self-recycling initiatives.

Energy efficiency regulation:

- › Succeeded to postpone the coming into force of Technical Regulation #048/2019 for 1 year till September 2022.
- › Obtained clarification regarding the requirements of the EAEU Technical regulation #048/2019 by official responses from authorities, namely: transitional periods rules, manufacturers' own test laboratories, national regulation, improved interrelations with the Eurasian Economic Commission, Russian Ministry of Industry and Trade, EU Delegation, etc.



INDUSTRIAL COMMITTEES

HOTELS & TOURISM COMMITTEE

COMMITTEE ACTIVITIES, 2021

The World Travel & Tourism Council has recently warned the COVID-19 pandemic could lead to a cut 50 million jobs worldwide in the travel and tourism industry. As per an Oxford economics study, Asia is expected to be the worst affected and data suggests the industry could take many months to recover.

Following travel bans, border closures and quarantine measures, QR code implementation many workers cannot move to their places of work or carry out their jobs which has effects on incomes, particularly for informal and casually employed workers.

DEPUTY CHAIRPERSON

Pavel Rudyakov, Technical Regulation Manager, Samsung

ORGANIZED EVENTS

AEB event

Energy efficiency technical regulation for energy consuming appliances: application of TR EAEU 048/2019 and European best practices

Date

28.09.2021

COMMITTEE MEMBERS

Ariston Thermo Rus, BEKO, Brother, BSH Bytowije Pribory, Delonghi, Electrolux, Groupe SEB-Vostok, Kaercher, Liebherr, Mitsubishi Electric, Philips, Procter & Gamble, Samsung, SMEG, Whirlpool, Schneider Electric

NUMBER OF
COMMITTEE
MEETINGS

9

NUMBER OF
LOBBYING
LETTERS

49

AIMS

- › To consolidate, coordinate and lobby for the interests of AEB member companies working in the tourism and hotel industries.
- › To exchange information on best practices and the challenges for business on the Russian hotels market.

CHAIRPERSON

Bertrand Dugast, Vice President Operations, Accor, Northern Europe – Russia, Georgia, Ukraine & the CIS

COMMITTEE MEMBERS

Accor Groupe, Astoria Hotel St. Petersburg, Ararat Park Hyatt Moscow, Corinthia Hotel St. Petersburg, Hotel Baltshug Kempinski Moscow, Fairmont Moscow Hotel Management, LLC, Hilton Russia LLC (USA) Branch, Hotel Baltshug Kempinski Moscow / Baltshug Ltd., Hyatt Regency Petrovsky Park Moscow, LOTTE RUS, JSC, Mercure Ibis Adajio Moscow Centre Bakhrushina, Marriott Novy Arbat Moscow, Radisson Collection Hotel Moscow, Renaissance Moscow Monarch Centre Hotel, Ritz Carlton, Moscow, Sokotel LLC (Sokos Hotels St. Petersburg)

NUMBER OF COMMITTEE MEETINGS

3

NUMBER OF LOBBYING LETTERS

3

Given the current environment of uncertainty and fear, enterprises are likely to delay investments, purchases of goods and the hiring of workers.

The AEB Hotels & Tourism Committee urge official authorities to ease labor employment and migration rules for informal and casually employed workers especially coming for the CIS countries. Most of the hotels in Russia regardless of their location have tremendous difficulties to find front line staff. They often cannot sell all their room inventory because they simply cannot clean them. That situation leads to revenue loss and quality drop. By easing the employment of non-skilled worker hotels would be able to fully benefit from the post pandemic recovery and maintain their quality standard.

The Federal Antimonopoly Service announced that it was developing the bill that will restrict the economically unjustified increase in prices for accommodation in hotels and hotels during major international events.

The AEB Hotels & Tourism Committee members have been hardly hit by the COVID 19 crisis, their cash flow is at a lowest, average rates are still below the level of 2019, international travelers are still far from resuming and most of the international chains do not plan a complete recovery before 2023. Once again, limiting pricing during periods where hotels manage to overcome these conjectural difficulties will jeopardize a fragile on-going recovery.

INDUSTRIAL COMMITTEES

INSURANCE & PENSIONS COMMITTEE

AIMS

- › To provide members with an opportunity to lobby the interests of foreign insurance companies on the Russian market.
- › To worthily represent the interests and position of the Committee at internal and external events, as well as in state bodies.

CHAIRPERSON

Alexander Lorenz, Chairman of Advisory Council, NPF "Deserving FUTURE", JSC

COMMITTEE ACTIVITIES, 2021

In 2021, the Insurance & Pensions Committee traditionally focused on lobbying the interests of member companies in state bodies. Committee members actively prepared letters and participated in meetings with representatives of the Ministry of Finance to discuss draft laws in the insurance sphere.

Committee representatives participated in an interview with Reuters. They discussed conditions of commercial presence of foreign insurance organizations on the territory of the Russian Federation by creating branches.

The Committee successfully held 3 open events, which received high ratings from all participants:

LIFE INSURANCE EVENT

The markets for life insurance, investment life insurance, etc. have shrunk, but life insurance services are still in demand by consumers. The webinar discussed trends in the Bank of Russia's approach to regulating the insurance market and protecting the rights of policyholders. Representatives of the All-Union Insurance Association were invited to the event as experts.

ECO INSURANCE EVENT

The environmental problem in Russia continues to grow. The danger of man-made accidents increases every day due to deteriorating infrastructure and climate risks. The government intends to tighten measures against violators of the environment, in this connection the Ministry of Natural Resources and Environment has prepared a draft law on the responsibility of business owners for the liquidation of damage caused to the environment. The event discussed whether environmental liability insurance can protect the interests of society in connection with damage to nature and other losses associated with environmental risks.

PENSION EVENT

Changes in Russian pension legislation have been taking place over the past 16 years. Some innovations are gradually being implemented in practice, and some are still under discussion and consideration. It is not yet clear what the final version of legislation on pensions will be, but general goals and trends can already be identified. The invited experts helped the guests of the webinar to understand the current situation better.

The Russian section of the AIDA within the AEB Insurance & Pensions Committee chaired by Capitolina Tourbina is actively involved in the discussion of legal issues related to the regulation of insurers in the Russian insurance market, changes in civil legislation on insurance, protection of rights and interests of foreign insurance market participants in Russia. The Committee under the banner of the AIDA National Section has already held numerous working meetings and conferences, including participation in the international AIDA activities at the highest level.

DEPUTY CHAIRPERSON

Vladimir Sukhinin, Advisor to the CEO, BNP Paribas CARDIF Insurance Company

ORGANIZED EVENTS

AEB events	Date
Life insurance in Russia. Challenges and opportunities	27.04.2021
Eco-insurance in the management of the environmental risks	01.10.2021
Pension reform in Russia. An update for corporates operating in Russia	17.12.2021

COMMITTEE MEMBERS

AIG Insurance Company, JSC; Allianz IC OJSC; BNP Paribas CARDIF Insurance company; Capitolina Tourbina (individual member); Chubb Insurance Company, LLC; CMS Russia; Credendo – Ingosstrakh Credit Insurance LLC; Euler Hermes; EY; General Reinsurance AG; Generali Russia & CIS; MAI Insurance Brokers; NPF "Deserving FUTURE", JSC; Pension solutions, NPF; PPF Life insurance, LLC; SCOR Moscow Representative Office; SOCIETE GENERALE Strakhovanie Zhizni LLC; SOGAZ Insurance Group; Tinkoff Online Insurance, JSC; Zetta Insurance Company Ltd.; Zurich, JSC Insurance Company

NUMBER OF
COMMITTEE
MEETINGS

9

NUMBER OF
LOBBYING
LETTERS

7



INDUSTRIAL COMMITTEES

IT & TELECOM COMMITTEE

AIMS

- › To promote the interests of AEB member companies in Telecom and IT through governmental liaison and information exchange.
- › To assist AEB members on changes, best practices, legal and regulatory issues in IT and Telecom.

CHAIRPERSON

Edgars Puzo, General Director, Atos IT Solutions and Services LLC

DEPUTY CHAIRPERSONS

Maria Ostashenko, Partner, Alrud Law Firm
 Aleksandra Shmigirilova, Head of Regulations & Type Approval, Ericsson Eastern Europe and Central Asia
 Gleb Vershinin, GR Director, SAP C.I.S.

ORGANIZED EVENTS

AEB events	Date
Open meeting with O. Korotova, Roskomnadzor	02.04.2021
Flagship conference 25+: preparation of the questions for the moderator of the IT session	22.04.2021
Meeting with Software Vendors on Federal Accounting Standard 27/2021	22.09.2021
Artificial Intelligence. Creating the future	27.10.2021

COMMITTEE ACTIVITIES, 2021

IT & Telecom Committee representatives participated in the following meetings with authorities:

- › August, 27 - Meeting with the head of the Competence Center for Import Substitution in the field of ICT, I.I. Massukh on CII.
- › December-20 - Meeting with the Department of Cybersecurity of the Ministry for Digital Development and FSTEC Russia on CII.

IT & Telecom Committee participated in the following cross-sectoral projects:

- › From April up until now IT & Telecom Committee has been involved in the GR activities around the new Federal Accounting Standard FSBU 27/2021 requiring companies to localize their IT accounting databases in Russia. This work united the representatives of several AEB Committees on the base of the Taxation Committee's WG on Electronic Workflow. The group prepared 5 letters to Minfin, Minec, Mindigit and had 2 meetings with Minfin and 1 meeting with Software Vendors, organized jointly with IT-Telecom Committee. We may suppose the AEB's efforts contributed into the Minfin's decision to postpone the localization requirement until 2024.
- › The Committee contributed to the preparations for the St. Petersburg Legal Forum by inviting speakers and sharing contacts in Roskomnadzor and Yandex.
- › Committee members of Siemens participated in the meeting of the Heating Systems Manufacturers WG speaking about smart house systems.
- › Committee members participated in preparations for the meeting with the RF Central Bank initiated by the AEB Banking Committee.
- › The Committee had a joint meeting with the Leasing Sub-Committee on the functioning of Gosuslugi platform.
- › In the end of 2021 IT & Telecom Committee requested a meeting with Mindigit on Gosuslugi platform on behalf of all the AEB Committees facing difficulties using this platform.

COMMITTEE MEMBERS

AIG Insurance Company, JSC, Allianz IC OJSC, ALRUD Law Firm, Antal Russia, Atos, Baker Botts L.L.P., Baker McKenzie, BP, Brother LLC, Bryan Cave Leighton Paisner (Russia) LLP, Russian branch, Cargill LLC, Caterpillar Eurasia LLC, CMS Russia, Commerzbank (Eurasija) AO, Corteva Agriscience, Creon Capital S.a.r.l, Dassault Systems LLC, DAT-Rus, OOO, Egorov Puginsky Afanasiev & Partners (EPAM), Ericsson, EY, GE (General Electric International (Benelux) B.V.), Google, HELLENIC BANK PCL, HSBC Bank (RR) OOO, JTI Russia, Ksetek, LLC, Mikenopa, Morgan Lewis, Noerr OOO, Nokia, Orange Business Services, Oriflame, Pepeliaev Group, LLC, PwC, Rödl & Partner, SAP CIS, SCHNEIDER GROUP, Shell Exploration and Production Services (RF) B.V., Siemens LLC, Signify Eurasia LLC, Telia Carrier, TKM LLC, VEGAS LEX Advocate Bureau

NUMBER OF
COMMITTEE
MEETINGS

7

NUMBER OF
LOBBYING
LETTERS

9

ORGANIZED EVENTS**AEB external events**

SPIEF'21: preparation of the speaking points for Johan Vanderplaetse to speak at the session "Digital Business and New "Lifeforms" of Post-COVID-19"

Date

03.06.2021

IT & Telecom Committee Chairman participated in the session of Rospatent

Innoprom'21: preparation of the speaking points for Tadzio Schilling speaking at the session "Business Education: IT and Digitalization"

06.07.2021

INDUSTRIAL COMMITTEES**MACHINE BUILDING & ENGINEERING COMMITTEE****COMMITTEE
ACTIVITIES, 2021**

The AEB Machine Building & Engineering Committee in its activities tries to keep a balance between topics and issues common to representatives of other "neighbour" branches, such as automobile construction, autocomponents, construction equipment, technical regulation and standardization trying to act in synergy with other AEB Committees. In 2021, the Committee continued to monitor the development of the Russian machine building market organizing regular open events tackling the most important issues, such as localization; import substitution; customs duties; SPICs.

In April the Meeting on "Localization in various sectors of the economy, SPIC 1.0 and SPIC 2.0 mechanisms" was held jointly

AIMS

- › To take part in governmental policy making, in the areas related to the power and machine building industries, in an attempt to create clear rules to promote the development of a market where all participants have equal rights.
- › To initiate changes in environmental legislation, taking into account the stringent environmental requirements of consumers, resulting in a better performance of power stations and implementation of new technologies.
- › To render support to the Committee member companies operating in Russia.
- › To monitor the development of the machine building market in Russia.
- › To facilitate the exchange of information and international experience in the field of machine building, which can subsequently be applied to the Russian environment.

CHAIRPERSON

Philippe Pegorier, Partner, Kesarev

DEPUTY CHAIRPERSON

Maria Kulakhmetova, Corporate Affairs Director, Dassault Systems

ORGANIZED EVENTS

AEB events	Date
Meeting with Vasily Osmakov, First Deputy Minister of Industry and Trade of the RF "Localization in various sectors of the economy, SPIC 1.0 and SPIC 2.0 mechanisms"	29.04.2021
Localization of European companies in Russia: regional aspect. Round table and visit to the localization sites of the Special Economic Zone "Lipetsk"	09.09.2021
Machine Building Market Trends in Russia 2021	15.12.2021

with the AEB Working group on Modernization & Innovations, where Vasily Osmakov, First Deputy Minister of Industry and Trade of the RF, covered the relevant topics.

In December 2021 a traditional round table on the trends of the Russian machine building sector was organized. From the AEB side the representatives from Dassault Systems, ABB Rus, and Volvo participated. During the round table an accent was put on green technologies – digitalization of production and electro-mobility in civil and freight transport.

COMMITTEE MEMBERS

ABB; Alstom Russia; Atlas Copco, JSC; BEITEN BURKHARDT; BMA Russland; Caterpillar Eurasia LLC; Dow Europe GmbH Representation office; GE Russia/CIS; ISG support-GUS GmbH; JCB; John Deere Rus LLC; Jungheinrich; Kaercher; Mitsubishi Electric; NTN-SNR; PwC; Pepeliaev Group, LLC; Radius Group; Robert Bosch OOO; Schneider Electric; Segula Technologies Group; Siemens; Technology Company Schlumberger LLC; Vanderlande Industries; VEGAS LEX Advocate Bureau; VR-Group; Wacker Chemie

NUMBER OF COMMITTEE MEETINGS

4

INDUSTRIAL COMMITTEES

RETAIL TRADE COMMITTEE

AIMS

- › To provide support to AEB member companies operating in Russian trade.
- › To serve as a dialogue platform for member companies and other stakeholders on appropriate topics.
- › To develop a common industry stand on selected issues.
- › To lobby industry interests towards various stakeholders.
- › To keep member companies informed about relevant issues.

COMMITTEE ACTIVITIES, 2021

The AEB Retail Trade Committee was established in 2010. The Committee deals with a number of sensitive industry issues affecting activities of foreign retailers operating on the Russian market.

The issues considered during 2021 included COVID-related issues: restrictions, vaccination; price regulation; alcohol online trade; the Trade Law (suppliers and retailers); self-regulation/dialogue with suppliers; traceability (T&T) requirements (labeling; the national catalogue; an additional packaging traceability system; unification of IT systems/single interface; commercial data protection); waste management; the so called "Tax Clause" (art. 54.1 of the RF Tax Code); tax regulation in retail; "regulatory guillotine"; alcohol trade (tax issues, penalties, EGALS, licenses); non-cash payment/acquiring; regional barriers; "fandomats"; gift cards regulation; green economy in trade, etc.

In 2021, the Committee actively interacted with the AEB Taxation Committee and took part in the work of 4 inter-committee working groups: on bonuses; on shortages, damage, theft; on inseparable improvements; on gift cards.

The Committee strengthened external communications with governmental officials and other associations (e.g., through organizing a meeting with Nikita Kuznetsov, Director of the Internal Trade Development Department, RF Ministry of Industry and Trade, through discussions of retail taxation issues jointly with AHK and ACORT on the platform of the Interregional Tax Inspectorate #1 of the Federal Taxation Service).

CHAIRPERSON

Alexey Grigoriev, Head of METRO AG Representative office

ORGANIZED EVENTS

AEB event

Open meeting with Nikita Kuznetsov, Director of the Internal Trade Development Department, RF Ministry of Industry and Trade

Date

10.09.2021

COMMITTEE MEMBERS

Auchan Russia; H&M Hennes & Mauritz LLC; IKEA DOM LLC; Lenta LLC; LEROY MERLIN Russia; METRO AG Representative office; M.Video; OBI Russia; ZARA CIS (Inditex Group) JSC

NUMBER OF
COMMITTEE
MEETINGS

7

NUMBER OF
LOBBYING
LETTERS

6

INDUSTRIAL COMMITTEES

SEED COMMITTEE

COMMITTEE
ACTIVITIES, 2021

OPTIMIZATION OF THE STATE SEED VARIETY TRIAL SYSTEM

- › A meeting with the Head of the Federal State Institution "Russian State Commission on Test and Protection of Selection Achievements" (Gossortcommissiya) on the issue of improving the procedure for state variety testing was held on June 10,

AIMS

- › To establish a consolidated position on key issues affecting the seed industry.
- › To provide members with information support and advocacy of the Committee consolidated position.
- › To monitor the development of regulatory policy and react promptly on emerging challenges.
- › To render support of a favourable climate for business development.

CHAIRPERSON

Vladimir Druzina, Head of East Europe, Corn and Oil Crops, KWS

DEPUTY CHAIRPERSON

Denis Zhuravskiy, Head of GR Russia, Syngenta

COMMITTEE MEMBERS

BASF, Bayer, Corteva Agriscience, KWS, Lidea Rus, Limagrain, Syngenta

NUMBER OF COMMITTEE MEETINGS

9

NUMBER OF LOBBYING LETTERS

22

2021. An agreement with Gossortcommissiya was reached to hold such meetings on a regular basis at least 2 times a year and to permit AEB representative, T. Belousovich, to participate in meetings of Expert Commissions as an observer.

- › T. Belousovich participated in the meetings of 4 Commissions as an observer, which made it possible to provide Seed Committee members with information about varieties and hybrids considered at the commissions in instant response mode.

REGULATORY ACTIONS ON SEED IMPORT PROCEDURE BASED ON THE LAW OF THE EAEU AND REGULATIONS OF THE RUSSIAN FEDERATION

8 official appeals to state authorities were sent and 2 meetings with the representatives of the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoznadzor) were held on the following issues:

- › Development and implementation of a clear seed import procedure in accordance with the provisions of Decision of the Customs Union Commission of June 18, 2010 No. 318. Introducing the right of the Rosselkhoznadzor inspectors to affix a stamp "Import is allowed without the right to sell" on the phytosanitary certificate and shipping documents, and the right of the customs officers to allow the exit of vehicles and their movement to the warehouses of companies in relevant regulations. Accordingly, prior to the receipt of the Phytosanitary Control Certificate, companies will deliver seeds to their warehouses equipped in accordance with the requirements for the storage of seeds.
- › Forming a smooth procedure for interaction between the Rosselkhoznadzor inspectors and the Federal customs service when taking control and supervisory measures during seed import. This will allow Russian agricultural producers to be provided with seeds in the volumes and within the time frames indicated in agreements with suppliers, which is crucial during spring planting and for the food security of the country in general.

CROSS-SECTORAL COMMITTEES

COMPLIANCE & ETHICS COMMITTEE

AIMS

- › To serve as a place where professionals from AEB members and different external stakeholders (incl. state bodies) can share and promote best practices via informational briefings, seminars, reports, regular compliance cases updates.
- › To comply with their obligations under the international and local requirements in compliance area.
- › To facilitate, promote, monitor and secure the implementation of the best compliance programmes and policies.

COMMITTEE ACTIVITIES, 2021

The Compliance & Ethics Committee held 4 Committee meetings in 2021. The invited experts shared the compliance real life experience, challenges, and best practices. An active discussion on the following topics took place at the meetings:

- › driving open reporting and speak up culture – Compliance Ombudsman program in Nokia;

- › compliance program in PJSC Fortum: concept and practical aspects of implementation;
- › key soft skills critical for an effective and successful compliance officer;
- › the New Ethics: cases in practice, risk assessment, impact and challenges for the compliance function;
- › effective partnering between business and compliance and supporting business accountability for ethics;
- › personal data: what any compliance manager needs to know in 2022 and how to prepare/ mitigate risks.

The Committee participated and arranged round tables at the X Annual ICA Conference "Compliance Manager: Profession and Destination". The Committee members took part as speakers at two sessions "Lessons from COVID-19/Ethical Compliance" and "Talking about: Ethical Compliance and Investigations", which were moderated by the Committee Chair.

The Committee arranged an online open event titled "Compliance for European and International Business in Russia: Trends and New Challenges". At the webinar Ekaterina Sheveleva, Director of Legal Department, Barry Callebaut NL Russia LLC, and Lyudmila Aitova, Local Compliance Officer, Anti Money Laundering Coordinator, Mercedes-Benz Russia, shared their views on the topic of the New Ethics and how the Russian companies were dealing with the new challenges. Olga Guliaeva, Director of Legal Department, Compliance Officer, Legrand Russia & CIS, talked about the Legrand experience of moving from a formal approach in compliance to practical results in her presentation. The event was moderated by Svetlana Makarova, AEB Compliance & Ethics Committee Chair.

The Committee prepared the 3rd issue of the AEB Business Quarterly – the 1st magazine to be fully devoted to the compliance and ethics issues.

AIMS

- › To foster the international understanding of applicable laws, including but not limited to laws addressing corruption, bribery, trade controls, and fair competition. Areas of interest include business ethics, regulatory issues, internal controls, governance and risk assessment and mitigation.

CHAIRPERSON

Svetlana Makarova, Head of Compliance, Business Groups, Nokia

DEPUTY CHAIRPERSON

Alexey Khakhulin, Head of Compliance, PJSC Fortum

ORGANIZED EVENTS

AEB event

Open event "Compliance for European and International Business in Russia: Trends and New Challenges"

Date

18.11.2021

AEB external event

X Annual ICA Conference "Compliance Manager: Profession and Destination"

Date

27.05.2021

COMMITTEE MEMBERS

ADVANT Beiten; AIG Insurance Company, JSC; Air France; Akzo Nobel Coatings LLC; ALD Automotive; ALRUD Law Firm; AO Deloitte & Touche CIS; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Baker McKenzie; Barry Callebaut; BNP Paribas CARDIF Insurance company; Boehringer Ingelheim; BRAND & PARTNERS LLC; British American Tobacco Russia; Buhler AG Moscow Representative office; Caterpillar Eurasia LLC; Center-invest Bank; Cersanit; Chiesi Pharmaceuticals LLC; CMS Russia; Coleman Services UK; Continental Tires RUS OOO; Credendo – Ingosstrakh Credit Insurance LLC; Credit Agricole CIB AO; DAIMLER KAMAZ RUS OOO (DK RUS OOO); DANONE RUSSIA, JSC; De Lage Landen Leasing; Dentons; DHL Express; Drees & Sommer; Egorov Puginsky Afanasiev & Partners (EPAM); Euler Hermes; EY; Fortum; General Motors CIS; GlaxoSmithKline Trading, JSC; HEINEKEN BREWERIES, LLC; Hempel AO; HSBC Bank (RR) OOO; IKEA DOM LLC; Imperial Tobacco Sales and Marketing; Inchcape Holding LLC; John Deere Rus, LLC; JURALINK; Karl Storz (KSTE WOSTOK); KPMG AO; Kuehne+Nagel; LANXESS LLC; Legrand LLC; Limagrain RU LLC; Liniya Prava Law Firm; M.Video; Maersk, LLC; MAN Truck & Bus RUS LLC; Mannheimer Swartling; Mercedes-Benz Financial Services Rus OOO / Mercedes-Benz Bank Rus OOO / Mercedes-Benz Capital Rus OOO; Mercedes-Benz Russia; Merck LLC; METRO AG Representative office; Michelin; NAWINIA; Noerr OOO; Nokia; Novo Nordisk A/S; PEAC Leasing AO; Pepeliaev Group, LLC; Peugeot Citroën Rus (Groupe PSA); Philips LLC; Porsche Russland; PPF Life insurance, LLC; PwC; Reckitt Benckiser Healthcare, LLC; Refinitiv SA – Moscow branch; Repsol Exploracion S.A.; Risk Advisory Group Ltd; Robert Bosch OOO; Roche Diagnostics Rus LLC; ROCKWOOL; Rödl & Partner; Rosbank; SAP CIS; Scania-Rus LLC; Schneider Electric Joint Stock Company; SCHNEIDER GROUP; SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; SOCIETE GENERALE Strakhovanie Zhizni LLC; Syngenta; Teva, LLC; Tinkoff Online Insurance, JSC; TKM LLC; TotalEnergies; Toyota Motor; UniCredit Bank AO; Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles); Whirlpool RUS; ZARA CIS (Inditex Group), JSC; Zurich, JSC Insurance Company

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

1

CROSS-SECTORAL COMMITTEES



CUSTOMS & TRANSPORT COMMITTEE

AIMS

- › To promote the legitimate interests of member companies through the relevant Russian regulatory bodies and to provide information to members on transport and customs issues.
- › To monitor the implementation of the RF Customs Code and to lobby and to cooperate with the Federal Customs Service to improve the process.
- › To develop equal business rules for European companies operating on the Russian market.

CHAIRPERSON

Wilhelmina Shavshina, Partner, Global Trade and Customs CIS Leader, CIS Tax & Law, EY

DEPUTY CHAIRPERSONS

Sergei Gusev, GR & Technical Regulation Manager, Electrolux

Evgeny Mishutkin, Import/Export Service Manager, Nestle
Alexander Perrote, Customs Project Manager, Leroy Merlin

ORGANIZED EVENTS

AEB event

“Northern Dimension Forum”

Date

08.04.2022

COMMITTEE ACTIVITIES, 2021

The Customs & Transport Committee was constantly analyzing trends in the rapid development of law enforcement practices regarding customs regulations and developing initiatives aimed at improving the regulatory framework in the field of foreign trade to form unified approaches and methodologies. Realizing the need to reduce the risks of doing business, the Committee experts identified the most urgent tasks and suggest solutions thereto.

The Committee also mediated a constructive dialogue between government authorities and the business community on customs regulation issues to enhance the business environment and ensure that the parity necessary for a sustainable balance between public and private interests exists.

Considering the current trends in transport and customs regulation, the Committee identified the most problematic issues and proposed their resolution in dozens of lobbying letters to the State authorities:

- › Customs value of goods. The Committee experts prepared lobbying letters to the Ministry of Finance of the Russian Federation, the Federal Customs Service and the Eurasian Economic Council to clarify the procedure for determining customs value in respect to the additional charges (in particular, license and intra-group payments, dividends, and VAT paid by companies as tax agents in connection with license payments to rightsholders) in order to minimize customs risks for business and significantly increase the efficiency of customs administration in the Russian Federation.
- › Waybill tracking. The Committee experts suggested the AEB position on the the Government Decree No. 2200 dated 21.12.2020 and addressed the changes to the Decree to the Ministry of Transport and Russian Government Office. Thanks to this lobbying activity some of the Committee proposals were accepted and the implementation of the electronic waybill was postponed for 3 months.
- › The EEC Board decisions. The Committee experts monitored the development of the legislation, actively lobbied business interests and suggested improvement of the regulatory framework in the field of foreign trade.



COMMITTEE MEMBERS

Air Liquide, Akzo Nobel Coatings LLC, Alfa Laval Potok, Allen & Overy Legal Services, Allianz IC OJSC, ALRUD Law Firm, AO Deloitte & Touche CIS, Arval, Atlas Copco, Baker McKenzie, Barry Callebaut, BAYER, BMW Rusland Trading, Bonduelle-Kuban LLC, British American Tobacco Russia, Brother LLC, Bryan Cave Leighton Paisner (Russia) LLP, Cargill LLC, Caterpillar Eurasia LLC, CLAAS, Clarios, CMS Russia, Coca-Cola HBC Russia, Coca-Cola Hellenic Bottling Co. Eurasia, Continental Tires RUS OOO, Corteva Agriscience, DANONE RUSSIA, Delonghi, Delphi Samara JV JSC, Dentons, DHL Express, DHL Global Forwarding, DiDi Mobility Rus, DLA Piper, DLA Piper Rus Limited LLC Branch in St. Peterburg, Egorov Puginsky Afanasiev & Partners (EPAM), Electrolux, Ewart GROUP, LLC, EY, Ferrero Russia, CJSC, FM LOGISTIC VOSTOK, General Motors CIS, GROUPE SEB-VOSTOK, ZAO, Haval Motor Rus, LLC, Honda Motor RUS LLC, Huntsman-NMG, JSC, Imperial Tobacco Sales and Marketing, International Law and Tax Services Association (ILTS), International Road Transport Union, Permanent Delegation to Eurasia, JCB Russia LLC, JETRO, John Deere Rus, LLC, Knauf Group CIS (OOO Knauf Gips), KONE Lifts, JSC, KPMG AO, LEROY MERLIN Russia, L'Oreal, M. RAUANHEIMO Ab, Oy, Maersk, LLC, MAN Truck & Bus RUS LLC, Mercedes-Benz Russia, METRO AG Representative office, Mitsubishi Electric (Russia) LLC, NAWINIA, Nestle Rossiya LLC, Nissan Manufacturing Rus, Noerr OOO, OBI Russia, Pepeliaev Group, LLC, Performance Specialty Products Rus LLC, Peugeot Citroën Rus (Groupe PSA), Philips LLC, Porsche Rusland, PPF Life insurance, LLC, Procter & Gamble, PwC, Reckitt Benckiser (RB Hygiene), LLC, Renault Russia, ROCA, ROCKWOOL, Roquette, Saint-Gobain, Samsung Electronics, Scania-Rus LLC, Schneider Electric Joint Stock Company, SCHNEIDER GROUP, Shevryev and partners, Bureau of attorneys, Siemens LLC, Smurfit Kappa RUS, Sony Mobile, Targo Group, The Branch Office of Johnson Matthey Public Limited Company, TKM LLC, TNT, TotalEnergies, Toyota Motor, VEGAS LEX Advocate Bureau, Vlasta-Consulting, LLC, Volkswagen Group Rus, Volvo Cars, LLC, VTG, LLC, Yamaha Music LLC, Zentis Rusland LLC

NUMBER OF
COMMITTEE
MEETINGS

11

NUMBER OF
LOBBYING
LETTERS

17

CROSS-SECTORAL COMMITTEES**FINANCE & INVESTMENTS
COMMITTEE****COMMITTEE
ACTIVITIES, 2021**

In 2021, the Committee held a series of webinars on sanctions and their impact on the economy.

The year 2021 was a year of recovery from the COVID-19 pandemic for Russia, as it was for the rest of the world. Massive upheavals in both the social and economic spheres gave way to economic recovery and brought with them new economic trends.

An important mission of the Committee is to provide timely and qualified information to members of the Association about

AIMS

- ▶ To assist in and contribute to the ongoing improvement of Russia's investment climate by integrating information and discussions related to critical finance issues of prime importance for foreign companies working in Russia.
- ▶ To serve as a forum for discussion and lobbying, as well as a platform for the exchange of information and ideas concerning finance and investments issues.

CHAIRPERSON

Stuart Lawson, Senior Advisor, EY; Director, Skolkovo Ventures

ORGANIZED EVENTS

AEB events	Date
What next, sanctions again? How widespread? How damaging?	24.02.2021
Presentation of the results of the survey "Strategies and prospects for European companies in Russia"	28.05.2021
Sanctions update. Belarus and implications beyond.	13.07.2021
Briefing by Annette Kyobe, Resident Representative of the International Monetary Fund in the Russian Federation	24.09.2021
Briefing by Boris Titov, Ombudsman for the Protection of Entrepreneurs' Rights	08.12.2021

changes in the economy and financial sector. This is evidenced by the lineup of high-level experts who spoke at webinars organized by the Committee in 2021: Annette Kyobe, International Monetary Fund Resident Representative for Russian Federation, Laura M. Brank, Managing Partner, Moscow Head of the Russia Practice, DECHERT LLP, John Bedford, Partner, DECHERT LLP.

On December 8, the AEB Finance & Investments Committee on and the AEB Small & Medium-Sized Enterprises Committee organized a briefing by Boris Titov, Ombudsman for the Protection of Entrepreneurs' Rights.

The Committee is the organizer of the annual business Survey conducted by GfK-Rus. On October 6, members of the Association were presented with the results of the study "Strategies and Prospects of European Companies in Russia".

On November 1, the traditional annual "How to Invest in Russia" guidebook was published. Its 2021 edition is devoted to investing in turbulent times for the economy. The publication provides updates on business, financial, legal, corporate, tax, environment, green initiative, and other aspects of investment. The magazine contains the foreword by Maxim Reschetnikov, Minister of Economic Development of Russia, and features the article by the Federal Antimonopoly Service of Russia as well as interesting articles by members of the Association.

COMMITTEE MEMBERS

ABB; ALD Automotive LLC; ALRUD Law Firm; American Express Bank; American Institute of Business and Economics; Antal Russia; Arval; Auto Partners; AVIS Russia (Bilantilia Corp., duly authorized representative of Avis in the territory of the Russian Federation); Baker Botts L.L.P.; BEITEN BURKHARDT Moscow; BMW Russland Trading; Borenium Russia; BRAND & PARTNERS LLC; Caterpillar Eurasia LLC; Chadbourne & Parke LLP; Citibank AO; Credendo – Ingosstrakh Credit Insurance LLC; Creon Capital S.a.r.l; De Lage Landen Leasing; Debevoise and Plimpton LLP; Deloitte CIS; Dentons; Deutsche Bank Ltd.; Drees & Sommer; Egorov Puginsky Afanasiev & Partners (EPAM); Euler Hermes; Experian; EY; FCA Russia; Finexpertiza; G-TEAM Russia; Generali Russia & CIS; Gerald Sakuler (individual member); HeidelbergCement Rus; HELLENIC BANK PCL; Hino Motors, LLC; HOGAN LOVELLS (CIS); HSBC Bank (RR) OOO; Hyundai Truck and Bus Rus LLC; IBFS Europe GmbH; Inchcape Holding LLC; ING Wholesale Banking in Russia; Intermark Auto; INVESTMENT COMPANY IC RUSS-INVEST; John Deere Rus, LLC; Kia Motors Rus; Knauf Group CIS (OOO Knauf Gips); KPMG AO; LeasePlan Rus; LegaLife Diaz Reus; Legrand Group; LEROY MERLIN Russia; Lincoln International CIS Holding B.V., Branch in Moscow; MAI Insurance Brokers; MAN Truck & Bus RUS LLC; Mannheimer Swartling Ryssland Advokataktiebolag; Marsh – Insurance Brokers; Mazars; Mercedes-Benz Financial Services Rus OOO/Mercedes-Benz Bank Rus OOO/Mercedes-Benz Capital Rus OOO; Mercedes-Benz Russia; MonDef; MosFirst LLC; MOST SERVICE, member of Bruck Consult; Natixis Bank JSC; NOBLE HOUSE Group Russia; Noerr OOO; Norton Rose Fulbright (Central Europe) LLP; OTP Bank JSC; PEAC Leasing AO; Pepeliaev Group, LLC; Peugeot Citroën Rus (Groupe PSA); PwC; Raiffeisen-Leasing; Raiffeisenbank AO; Renaissance pensions JSC NSPF; Rödl & Partner; Rosbank; Rosbank Leasing; Russian Management Hotel Company Ltd; SANOFI-AVENTIS REP OFFICE; Scania-Rus LLC; Schneider Electric; SCHNEIDER GROUP; Segula Technologies Russia LLC; SERVIER; Tikkurila; TMF Group; UniCredit Bank AO; Uponsor; Urus Advisory Ltd.; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Viruni Capital Partners; VISA; Volvo Cars; Volvo Vostok NAO; YIT; ZURICH RELIABLE INSURANCE, JSC

NUMBER OF
COMMITTEE
MEETINGS

3

NUMBER OF
LOBBYING
LETTERS

2

CROSS-SECTORAL COMMITTEES

HUMAN RESOURCES
COMMITTEECOMMITTEE
ACTIVITIES, 2021

There were 2 events organized by the AEB Recruitment Sub-Committee:

An open event "How has the year of remote work affected the future of work places and HR processes?" took place. At the event the results of the survey conducted by Antal Russia of the companies plans on a hybrid work format, unfixed workplaces practice spreading and changing of office spaces and locations were presented.

An open event "HR processes digitalization and related legal aspects" took place. At the event the participants learned about current HR-automation trends in Russia and related legal aspects. Practical cases on HR-services digitalization, implementation of chat-bot and online monitoring of mass personnel salaries were discussed.

The AEB Compensation and Benefits Sub-Committee held a webinar "Overview of salary surveys in Russia 2021". The participants talked about general trends in compensation strategy in Russia. Main providers of the salary survey reports presented AEB members their results.

The AEB Assessment, Training & Development Sub-Committee held a webinar "Online vs offline. Onboarding and Team Management in a Corporation".

There were 5 joint events arranged by HR Committee and other AEB Committees on different topics:

The AEB Assessment, Training & Development Sub-Committee and the AEB Compensation and Benefits Sub-Committee organized an open joint event "How the year of remote work affected the assessment, staff training, as well as the compensations and benefits of employees". The invited experts shared best practices in talent management reinterpretation and evaluation of candidates in a post-pandemic world with the participants of the meeting. At the end the results of the survey conducted by KPMG on the HR work in a remote work environment were presented.

AIMS

- › To develop the HR market in Russia.
- › To lobby for the Committee members' interests in business communities and in governmental and legislative bodies at all levels necessary for the implementation of the activities of AEB members on the territory of the Russian Federation.
- › To inform business circles and government institutions in Russia about the current situation in the field of human resources.
- › To develop solutions for HR-related issues which AEB member companies face when working with personnel in our country.
- › To promote the exchange of experiences between foreign and Russian HR specialists.
- › To assist AEB members in expanding their networks and helping companies to adapt to the Russian business environment.

CHAIRPERSON

Irina Aksenova, Deputy General Manager, Key Accounts, Coleman Services UK

ORGANIZED EVENTS

AEB events

AEB HR Recruitment Sub-Committee "How has the year of remote work affected the future of workplaces and HR processes"

Date

06.04.2021

Joint event organized by AEB Compensation and Benefits Sub-Committee and AEB Assessment, Training & Development Sub-Committee "How has the year of remote work affected the assessment, training & development of employees and also on compensation and benefits"

29.04.2021

ORGANIZED EVENTS

AEB events

Joint event organized by AEB Labour Law Sub-Committee and Electronic Workflow WG "Hot issues of distant work contracts: who may be transferred to remote work and how this transfer may be formalized, formats of distant work (only remote work/ combining office and distant work / difficult categories – traveling nature of work for distant employees, etc.) and of introduction the electronic document flow"

Date

10.06.2021

Joint event organized by AEB HR and SHES Committees "Mandatory vaccination of employees against COVID-19: regulation and practice"

15.07.2021

Joint cross-regional session organized by the AEB HR Committee, AEB Southern Regional Committee and AEB North-Western Regional Committee "HR spotlight: peculiarities of production and warehouse personnel involvement"

07.10.2021

Joint event organized by AEB HR and SHES Committees "Impact on mental health & wellbeing at workplace. Employers' legal policy aspects & government regulation"

09.11.2021

AEB Compensation and Benefits Sub-Committee "Overview of salary surveys in Russia 2021"

23.11.2021

AEB Assessment, Training & Development Sub-Committee "Online or offline. On-boarding of a team and managing it in a corporation"

24.11.2021

AEB HR Recruitment Sub-Committee "Digitalization in HR and related Labor Law aspects"

25.11.2021

The AEB Labour Law Sub-Committee and the Working Group on Electronic Document Flow joined their efforts to run a topical event dedicated to the recent trends in the organization of labor. The experts discussed such important aspects of ways of work as internal and external electronic document flow, remote work from the business management point of view, labour law and personal data implications.

The AEB HR, AEB Southern Regional and AEB North-Western Regional Committees held its second open joint cross-regional meeting "HR spotlight of the Russian regions: peculiarities of attracting warehouse and production staff". The meeting provided a platform for discussion federal and regional trends on the labor market of warehouse and production personnel, challenges, and practice of attracting, recruiting, and retaining warehouse personnel before and after the pandemic in Moscow and in the south and north-western regions.

Also HR and SHES Committees arranged 2 open joint events titled "Mandatory vaccination of employees against COVID-19: regulation and practice", and "COVID-19: Impact on mental health and wellbeing at workplace. Employers' legal policy aspects and government regulation".

COMMITTEE MEMBERS

Accenture; Accor Groupe; ADVANT Beiten; AIG Insurance Company, JSC; Air France; ALD Automotive; ALRUD Law Firm; American Institute of Business and Economics; Antal Russia; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Auchan Russia; Avito (LLC KEH eCommerce); Baker Hughes; Baker McKenzie; BAYER; BDR Thermea RUS Ltd; Bonduelle-Kuban LLC; BOSCH Group; BP; British American Tobacco Russia; Brother LLC; Bryan Cave Leighton Paisner (Russia) LLP, Russian branch; BSH Bytowyje Pribory OOO; Buhler AG Moscow Representative office; Cargill LLC; Center for Creative Leadership; Chevron Neftegaz Inc. Moscow Branch; Chiesi Pharmaceuticals LLC; Citibank AO; Clariant (RUS), LLC; Coleman Group; Continental Tires RUS OOO; Credit Agricole CIB AO; Delonghi; Deutsche Bank Ltd.; DHL Express; DSM; Epiroc Rus LLC; Equinor; Ericsson; Euler Hermes; EY; FERRONORDIC; Foodcard; Gasunie; GfK Rus; HELLENIC BANK PCL; Henkel Rus OOO; Honda Motor RUS LLC; HSBC Bank (RR) OOO; Huntsman-NMG, JSC; Hyundai Motor CIS; ING Wholesale Banking in Russia; Intermark Relocation; International School LLC; John Deere Rus, LLC; JTI Russia; Ketchum Maslov, LLC; KPMG AO; Legrand LLC; LEROY MERLIN Russia; M.Video; Maersk, LLC; MAI Insurance Brokers; Mazars; Mazda Motor Rus; METRO AG Representative office; Michelin; MMC Rus; Morgan Lewis; NAVIEN RUS, LLC; NAWINIA; NOBLE HOUSE Group Russia; Novartis Group Russia; NPF "Deserving FUTURE", JSC; OBI Russia; Orange Business Services; Oriflame; Orion Pharma LLC; Pepeliaev Group, LLC; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Porsche Russland; PPF Life insurance, LLC; PwC; Reckitt Benckiser Healthcare, LLC; Renault Russia; Richemont; ROCKWOOL; Rödl & Partner; SAIPEM SPA Moscow Representative Office; Samsung Electronics; SCHNEIDER GROUP; SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Signify Eurasia LLC; Specta; TOTAL VOSTOK LLC; Unipro PJSC; Vaillant Group Rus LLC; Viessmann LLC; VISA; Vitus Bering Management Ltd.; Volvo Vostok NAO

NUMBER OF COMMITTEE MEETINGS

11

NUMBER OF LOBBYING LETTERS

6

CROSS-SECTORAL COMMITTEES

INTELLECTUAL PROPERTY
COMMITTEECOMMITTEE
ACTIVITIES, 2021

On May 26, 2021, the AEB Intellectual Property Committee held its annual conference "Intellectual property rights: recent trends, court practices, problems and solutions". The event took place in the online format. The conference was dedicated to the key issues in the sphere of intellectual property in Russia, the EU and the EAEU, including the overview of established practices in applying regulatory acts, court practices, topical issues in the field of unfair competition, and digital initiatives. The high-profile speakers from Rospatent, FAS Russia, FTS of Russia, IPR Court, Federal Institute of Industrial Property, European Commission and the Eurasian Economic Union, and lawyers from major European companies (Baker Mckenzie, Schneider Group, Morgan Lewis, Dentons, CMS Russia, Alrud, Roedel & Partner) attended the conference.

The conference was opened by H.E. Markus Ederer, Ambassador of the European Union to the Russian Federation and by Tadzio Schilling, AEB CEO.

The event was moderated by Anton Bankovskiy, AEB Intellectual Property Committee Chairperson, Partner, CMS Russia.

AIMS

- › To monitor changes in IP legislation of the Eurasian Economic Union and to monitor these changes on the national level in Russia.
- › To protect the rights of IP right owners and other fair market players and to prevent unauthorized use of intellectual property.
- › To monitor the application of the Procedural Codes in respect of the IP-related issues.
- › To provide legal support services (informational briefing and seminars, regular legislative updates) for AEB members on IP related issues.
- › To undertake expert review of draft AEB letters and policy papers on existing and proposed Russian and Eurasian intellectual property legislation: copyright, patents, trademarks, industrial design rights, utility models, geographical indication, trade secrets, related rights, trade names.
- › To undertake expert review of court practice and also to conduct comparative analysis of court practice in Russia and in the European Union.
- › To provide a forum for the exchange of information, analysis, and views between AEB members on new developments in Russian and Eurasian laws and legal practice in the area of intellectual property.

CHAIRPERSON

Anton Bankovskiy, Partner, CMS Russia

DEPUTY CHAIRPERSON

Pavel Sadovsky, Partner, EPAM

Dmitry Semenov, Senior Associate, Baker McKenzie

ORGANIZED EVENTS

AEB event

AEB Intellectual Property Committee annual conference "Intellectual property rights: recent trends, court practices, problems and solutions"

Date

26.05.2021

COMMITTEE MEMBERS

AstraZeneca Pharmaceuticals LLC, Auchan Russia, Avon Beauty Products, Company, LLC, Chiesi Pharmaceuticals LLC, CLAAS, CMS Russia, DANONE RUSSIA, DHL Express, DSM, Egorov Puginsky Afanasiev & Partners (EPAM), ERM (Environmental Resources Management), GlaxoSmithKline Healthcare, Hennes & Mauritz LLC, Harley-Davidson Russia and CIS, HEINEKEN BREWERIES, HERBALIFE NUTRITION, Honda Motor RUS LLC, IKEA, JCB Russia LLC, L’Oreal, LEROY MERLIN Russia, Mazda Motor Rus, Mercedes-Benz Russia, Merck LLC, METRO AG Representative office, Michelin, Mitsubishi Electric (Russia) LLC, MMC Rus, MOST SERVICE, member of Bruck Consult, NAWINIA, Nestle Rossiya LLC, Nike, Nokian Tyres Ltd, Oriflame, Peugeot Citroën Rus (Groupe PSA), Philip Morris, Sales and Marketing, Philips LLC, Pirelli Tyre Russia OOO, Procter & Gamble, Promaco-TIAR, Quality partners, Reckitt Benckiser (RB Hygiene), Reckitt Benckiser Healthcare, Renault Russia, Samsung Electronics, SCANDINAVIAN INTERIORS JSC, Shell Exploration and Production Services (RF) B.V., Tikkurila, Vlasta-Consulting, LLC, Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), Volvo Vostok NAO, Yamaha Motor CIS LLC, Yusen Logistics Rus LLC, ZARA CIS

NUMBER OF COMMITTEE MEETINGS

4

CROSS-SECTORAL COMMITTEES

LEGAL COMMITTEE

AIMS

- › To provide legal support services (informational briefings and seminars, legislation updates) to AEB members.
- › To participate in Russian legislation proceedings in the interest of AEB members.
- › To promote the exchange of practical experience of companies related to different legal aspects of the development of legislation in Russia and EU countries.
- › To provide a forum for the exchange of information, analysis and views between AEB members on new developments and legal practice.
- › To prepare recommendations for Russian legislation, i.e. encourage the implementation and application of existing international standards.
- › To participate in the Russian legislation procedure by presenting international experience and lobbying for the interests of AEB members and holding open discussions, sharing the best practices of AEB members with the Russian authorities.

COMMITTEE ACTIVITIES, 2021

The Legal Committee held 6 Committee meetings. The invited experts of a particular field spoke on the following topics:

- › Consumer Protection Law and it’s development.
- › Bankruptcy of counterparties (offsetting and balancing of mutual claims in counterparty bankruptcies; confronting the abuses of affiliated creditors in bankruptcy proceedings).
- › Arbitration reform and the status.
- › The responsibility of management and shareholders of the companies, including best risk minimization practices (criminal liability, liability to shareholders, liability to creditors, insurance of liability, etc.).
- › Contract law evolution – the latest practices in minimizing of sanctions and COVID-19 pandemic-related risks.
- › New Supreme Court Resolution on antitrust issues.
- › “GDPR compliance of European companies doing business in Russia” and practical aspects of personal data protection in the era of pandemic and the correlation of these aspects with Roskomnadzor requirements, practical cases.

The AEB Legal Committee held its open event “Practical aspects of the creation and application of antimonopoly compliance systems”. The event was focused on the development and implementation of antimonopoly compliance in the companies. Elena Sokolovskaya, Partner, Head of Antitrust practice, Pepeliaev Group, talked about main approaches of the Russian Federal Antimonopoly Service (FAS) to the most significant aspects of the creation and application of antimonopoly compliance systems. Julia Glubokaya, Ethics & Compliance expert (LPEC), Hitachi ABB Power Grids Russia, talked about the application of the new international standard ISO 37301:2021. Marina Navolokova, Head of Antitrust Compliance, MTS, shared MTS experience in the development of the antitrust compliance system with the participants of the meeting.

In accordance with the established practice of annual meetings between AEB and the Head of FAS and as a part of successful cooperation with FAS, the Head of the Russian Federal Antimonopoly Service Maxim Shaskolsky briefed AEB members. In his speech Mr. Shaskolsky mentioned that the main priorities of the agency’s further development were: the attraction of investments, the increase in the number of working places and the digitalization of the antimonopoly regulation. In addition, he spoke on the development of the “Fifth Antimonopoly Package” and the terms of transmission of information from companies to the Federal Antimonopoly Service.

CHAIRPERSON

Dias Assanov, CEO, Siemens LLC (Kazakhstan)

DEPUTY CHAIRPERSON

Anton Maltsev, Partner, Baker McKenzie

ORGANIZED EVENTS

AEB events

	Date
“Practical aspects of the creation and application of antimonopoly compliance systems”	23.09.2021
Briefing by Maxim Shaskolsky, Head of the Federal Antimonopoly Service	11.11.2021

COMMITTEE MEMBERS

ADVANT Beiten; Advocates Bureau Yug; Akzo Nobel Coatings LLC; ALD Automotive; Allen & Overy Legal Services; Almi LLC; ALRUD Law Firm; AO Deloitte & Touche CIS; ART DE LEX law firm; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Auchan Russia; Baker Botts L.L.P.; Baker McKenzie; Barry Callebaut; BASF; BEKO LLC; Bellerage Alinga; BMW Russland Trading; BP; BRAND & PARTNERS LLC; Bryan Cave Leighton Paisner (Russia) LLP, Russian branch; Buhler AG Moscow Representative office; Carnelutti Russia Law Firm; Caterpillar Eurasia LLC; Center for Creative Leadership; Clifford Chance; CMS Russia; DANONE RUSSIA, JSC; Dentons; DLA Piper; Egorov Puginsky Afanasiev & Partners (EPAM); EkoNiva-Technika Holding, LLC (part of EkoNiva group); Eversheds Sutherland; Ewart GROUP, LLC; EY; General Motors CIS; Gowling WLG (International) Inc; GROUPE SEB-VOSTOK, ZAO; HeidelbergCement Rus; HEINEKEN BREWERIES, LLC; Henkel Rus OOO; HSBC Bank (RR) OOO; Huntsman-NMG, JSC; JUNGHEINRICH; JURALINK; Karl Storz (KSTE WOSTOK); Kia Russia & CIS, LLC; KPMG AO; L’Oreal; LANXESS LLC; Law Company TAXOLOGY, LLC; Legrand LLC; Lidings Law Offices, Moscow; M.Video; Maersk, LLC; Mannheimer Swartling; Mazars; Merck LLC; METRO AG Representative office; Mitsubishi Electric (Russia) LLC; MOL-Russ LLC; Morgan Lewis; NAWINIA; Nissan Manufacturing Rus; NOBLE HOUSE Group Russia; Noerr OOO; Nokia; Nordea Bank; Novo Nordisk A/S; Orange Business Services; Pension solutions, NPF; Pepeliaev Group, LLC; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Philips LLC; Porsche Russland; PPF Life insurance, LLC; Procter & Gamble; PwC; Reckitt Benckiser (RB Hygiene), LLC; Reckitt Benckiser Healthcare, LLC; Refinitiv SA - Moscow branch; Renault Russia; Repsol Exploracion S.A.; Rödl & Partner; Rouse & Co. International (UK) Ltd. in Moscow, Branch of PLC; SANOFI-AVENTIS REP OFFICE; Scania-Rus LLC; SCHNEIDER GROUP; Schulze, Brutyan and Partners LLC; SECRETAN TROYANOV SCHAER S.A.; Seldico, LLC; Shell Exploration and Production Services (RF) B.V.; Shevyrev and partners, Bureau of attorneys; Siemens LLC, SOCIETE GENERALE Strakhovanie Zhizni LLC; Sngenta; Teva, LLC; Tinkoff Online Insurance, JSC; TKM LLC; Toyota Motor; UniCredit Bank AO; Valartis International Ltd. (British Virgin Islands); Vanderlande Industries, LLC; VEGAS LEX Advocate Bureau; VISA; Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles); Volvo Cars, LLC; ZARA CIS (Inditex Group), JSC; Zurich, JSC Insurance Company

NUMBER OF
COMMITTEE
MEETINGS

6

NUMBER OF
LOBBYING
LETTERS

5

CROSS-SECTORAL COMMITTEES



MIGRATION COMMITTEE

AIMS

- › To monitor immigration legislation and practice developments in the Russian Federation.
- › To promote the exchange of companies' practical experience related to the immigration issues in the Russian Federation (RF) and the European Union (EU) countries.
- › To promote information exchange regarding different international practices/policies and their relevance to Russia.
- › To build a strong relationship with various immigration and labor authorities to lobby immigration related issues and hold open discussions and share information with AEB member companies.
- › To identify the most problematic issues in immigration area that AEB member companies face; address these issues through further discussions with the authorities and resolve them.
- › To keep AEB member companies updated on all immigration related activities to avoid possible immigration related risks and promote effective business planning.
- › To organize meetings/round tables/joint events, involving the participation of the Russian state immigration and labor authorities.
- › To support the one-window process of documents submission for AEB members.

CHAIRPERSON

Ludmila Shiryayeva, Government Relations Director Tax & Law, EY

DEPUTY CHAIRPERSONS

Alexey Filipenkov, Partner, Visa Delight
Andrey Slepov, Partner, Advant Beiten

ORGANIZED EVENTS

AEB event	Date
Annual Migration Conference	14.12.2021

COMMITTEE ACTIVITIES, 2021

The AEB Migration Committee was lobbying the elimination of 14 days quarantine for the coming to Russia high qualified specialists (HQS). Finally, HQS were excluded from the category of persons who were obliged to keep a self-isolation after entry to Russia. Several changes to the new migration concept were suggested. New laws came into force in 2021 (FZ-375, FZ-274) which affected significantly HQS. The result of the Committee work is as follows:

- › Exclusion of the HQS from the category of persons who were obliged to keep 14 days self-isolation after entry to the Russian Federation.
- › The AEB Position Paper and Key Issues publications on the main problematic issues that our member companies were facing regarding HQS re-entry and other issues re migration law enforcement practice were prepared by the AEB Migration Committee experts.
- › A joint letter with the major business associations was sent to the Government lobbying the changes to the FZ-375 and FZ-274 on medical checks, dactyloscopy and photography of foreign citizens.
- › A number of meetings were organized with the Ministry of Internal Affairs, Ministry of Economic Development, Russian Government and Moscow City Government representatives on the future migration concept, procedures associated with FZ-375 and FZ-274.
- › The AEB Migration Committee Chairwoman and the deputies actively discussed the procedure on the new FZ-357 (came into force on 31.10.2021) and FZ-274 (came into force on 29.12.2021) with the Ministry of Internal Affairs, Ministry of Economic Development and Moscow City Government to improve the approach on medical checks towards HQS. As a result the amendments were suggested into the project of Order of the Ministry of Health No. 1079n published on 19.11.2021.

The Committee organized XIV Annual Migration Conference titled "Migration practice and legislative prospects. Migration concept" on December 14, 2021, which was held in an offline format with participation of the representatives of the General Directorate on migration of the Ministry of Internal Affairs, and representatives of the Moscow General Directorate on migration and Moscow region General Directorate, on migration of the Ministry of Internal Affairs, and Ministry of Labor of the Russian Federation. They presented the new Migration concept and related legislative prospects, including practical issues on the medical checks, dactyloscopy and photography for HQS.

COMMITTEE MEMBERS

ADVANT Beiten, Alfa Laval Potok, AO, Allen & Overy Legal Services, ALRUD Law Firm, AO Deloitte & Touche CIS, Baker McKenzie, Bellerage Alinga, BP, Bryan Cave Leighton Paisner (Russia) LLP, Russian branch, Buhler AG Moscow Representative office, Cernelutti Russia Law Firm, Caterpillar Eurasia LLC, CEETRUS, LLC, Center for Creative Leadership, Chevron Neftegaz Inc. Moscow Branch, CMS Russia, Coca-Cola HBC Russia, Continental Tires RUS OOO, Corteva Agriscience, Credit Agricole CIB AO, Dentons, Deutsche Bank Ltd., DLA Piper, ENGIE, EY, Haval Motor Rus, LLC, Henkel Rus OOO, Honda Motor RUS LLC, IKEA DOM LLC, Intermark Relocation, JTI Russia, KPMG AO, LANXESS LLC, LEROY MERLIN Russia, Maersk, LLC, MAN Truck & Bus RUS LLC, Mannheimer Swartling, Mazars, Michelin, Morgan Lewis, Moscow School of Management SKOLKOVO, MOST SERVICE, member of Bruck Consult, NAWINIA, Noerr OOO, P.R. Rouss (Pernod Ricard Rouss), Pepeliaev Group, LLC, Philip Morris Sales and Marketing, PPF Life insurance, LLC, Reckitt Benckiser (RB Hygiene), LLC, Rosbank, SAIPEM SPA Moscow Representative Office, Samsung Electronics, Scania-Rus LLC, SCHNEIDER GROUP, SECRETAN TROYANOV SCHAER S.A., Shell Exploration and Production Services (RF) B.V., Siemens LLC, TotalEnergies, UniCredit Bank AO, VISA, Visa Delight, Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), Volvo Vostok NAO

ORGANIZED EVENTS

AEB external events

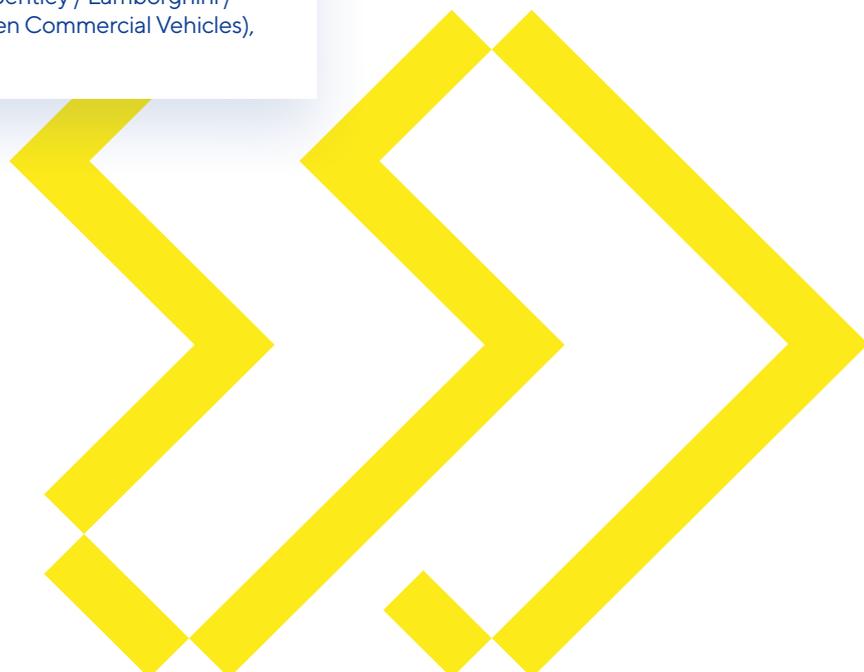
	Date
Meeting with the Ministry of Economic Development	29.01.2021
Meeting with RTK	04.02.2021
Meeting with A.L. Overchuk	04.03.2021
Meeting with MVD on Migration concept	11.03.2021
Meeting with A.L. Overchuk	19.05.2021
AEB regional meeting with the St. Petersburg office	20.05.2021
Meeting with RTK	25.05.2021
Meeting with MVD	24.06.2021
Meeting with MVD, Moscow City Government and Ministry of Economic Development	07.12.2021

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

15



CROSS-SECTORAL COMMITTEES

PUBLIC RELATIONS & COMMUNICATIONS COMMITTEE

AIM

- › To bring together public relations and corporate communications professionals, as well as to create a forum for exchanging information and providing advice on issues relevant to adopting successful international public relations strategies in Russia.

CHAIRPERSON

Marina Tatarskaya, IA&CC Director, Ferrero CIS-An region

ORGANIZED EVENTS

AEB event

“Meet the Media” open event with Forbes and Forbes Congress in Russia

Date

21.12.2021

NUMBER OF COMMITTEE MEETINGS

3

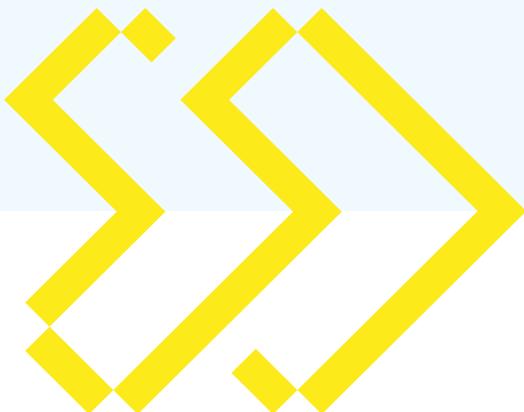
COMMITTEE ACTIVITIES, 2021

In 2021, the Public Relations & Communications Committee continued its efforts to bring together experts in the fields of public relations and corporate communications, create a platform for information exchange, and provide guidance on how to apply successful international public relations practices in Russia.

The Committee insists that ESG and sustainable development strategies are important in establishing a corporate brand. The Committee operates as a reliable partner and attempts to create public awareness of the need to implement responsible business practices through its agenda and by emphasizing the issues of reducing operational effect on the environment. In this sense, the Committee worked in this area again in 2021, conducting Committee sessions that served as a common platform for more proactive interaction with external stakeholders. The Committee’s objective is to keep track of developments in this area and serve as a discussion platform, particularly through communicating with authorities (GR) and other stakeholders including professional associations, the expert community, and non-governmental organizations (NGOs).

Because the media’s connection with the corporate sector has evolved over the last ten years, this is still one of the PR industry’s most pressing issues. Under current conditions, public relations professionals are required to consistently update their professional competencies. In this end, the Committee hosted its annual “Meet the Media” open events to reach out to the main media outlets. The Committee held an open event on December 21, 2021, with Olga Oreshnikova, Director General of Forbes Congress Russia, and Marina Matytsina, Forbes Russia’s Commercial Director. There was a discussion about the best practices employed by Russian companies to maintain effective external communications, and how a business event can help go beyond traditional marketing tactics in promoting a product or service and promote a corporate brand as an active player on the market and facilitate the generation of new business relationships. Through this type of format, PR specialists were able to get professional recommendations and improve their ability to plan news content and cover newsworthy topics in the digital space.

The Committee follows the AEB’s mandate in planning and conducting its business. All the Committee’s meetings and events are aimed at enhancing and preserving AEB’s reputation as a reliable partner and public relations actor that engages



external audiences in a transparent and inclusive manner on a variety of subjects. It is also good to emphasize the valuable contribution of the Committee's Chairperson, who is actively involved in the process of formation of AEB strategy and internal regulations as well as maintaining good working relationships with other stakeholders.

COMMITTEE MEMBERS

ABB, Accor Groupe, ADVANT Beiten, Allianz IC OJSC, ALRUD Law Firm, American Institute of Business and Economics, Antal Russia, AO Deloitte & Touche CIS, Ararat Park Hyatt Moscow, Arval, AstraZeneca Pharmaceuticals LLC, Atlas Copco, JSC, AVIS Russia (Bilantilia Corp., duly authorized representative of Avis in the territory of the Russian Federation), Avon Beauty Products Company, LLC, Baker McKenzie, BAYER, Benteler Automotive LLC, BNP Paribas Bank JSC, Boehringer Ingelheim, Bonduelle-Kuban LLC, BP, British American Tobacco Russia, Bryan Cave Leighton Paisner (Russia) LLP, Russian branch, BSH Bytowyje Pribory OOO, Carnelutti Russia Law Firm, Caterpillar Eurasia LLC, Chadbourne & Parke LLP, Chevron Neftegaz Inc. Moscow Branch, Clifford Chance, CMS Russia, Commerzbank (Eurasija) AO, Continental Tires RUS OOO, Corteva Agriscience, Creon Capital S.a.r.l, DANONE RUSSIA, JSC, Dassault Systems LLC, Delegation of the European Union, Dentons, DHL Express, Dow Europe GmbH Representation office. DSM, Egorov Puginsky Afanasiev & Partners (EPAM), Enel Russia, ENGIE, Essity LLC, Euler Hermes, Evonik, EY, Ferrero Russia CJSC, Gasunie, GAZ Group, Generali Russia & CIS, Gestamp Russia, Haldor Topsoe LLC, Haval Motor Rus, LLC, HELLENIC BANK PCL, Hino Motors LLC, Hotel Baltschug Kempinski Moscow / Baltschug Ltd., Hyundai Motor CIS, IE Business School, Imperial Tobacco Sales and Marketing, ING Wholesale Banking in Russia, Intermark Relocation, Iveco Russia LLC, John Deere Rus, LLC, Kesarev, LafargeHolcim, LANXESS LLC, LeasePlan Rus, Legrand LLC, Lipetsk SEZ JSC, LOTTE RUS JSC, Lundbeck Rus, Macro - Advisory Ltd., Maersk LLC, Mazars, Merck LLC, Mercuri International, Messe Frankfurt Rus Ltd., Mitsubishi Electric (Russia) LLC, Morgan Lewis, MOST SERVICE, member of Bruck Consult, NAVIEN RUS LLC, NAWINIA, Nestle Rossiya LLC, Noerr OOO, Nokia, Novo Nordisk A/S, Orange Business Services, Oriflame, Pepeliaev Group, LLC, Philip Morris Sales and Marketing, Philips LLC, Procter & Gamble, Promaco-TIAR, PwC, Raiffeisenbank AO, Reckitt Benckiser (RB Hygiene) LLC, Renaissance Moscow Monarch Centre Hotel, Repsol Exploracion S.A., ROCKWOOL, Rödl & Partner, SANOFI-AVENTIS REP OFFICE, Scania-Rus LLC, SCHNEIDER GROUP, SERVIER, Shell Exploration and Production Services (RF) B.V., Siemens LLC, Signify Eurasia LLC, Sokotel LLC (Sokos Hotels St. Petersburg), Specta, Subaru Motor, Syngenta, TABLOGIX, TechSert, Tikkurila, Unipro PJSC, United Nations Information Centre, VEGAS LEX Advocate Bureau, Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), VTG, LLC, Yamaha Motor CIS LLC



COMMITTEE ACTIVITIES, 2021

The Product Conformity Assessment Committee held 2 open meetings with V. A. Burmistrov, Director of the Department of State Policy in the field of technical regulation, standardization and ensuring the uniformity of measurements, Ministry of Industry and Trade of Russia, and with T. B. Nurashev, Director of the Department of Technical Regulation and Accreditation of

AIMS

- To identify and act on the major problems identified in the field of technical regulation, product conformity assessment and standardization.
- To act as a specific link with European Commission representatives in charge of the EU-Russia Regulatory Dialogue.
- To contribute to approximation of the technical regulation between Russia and EU.

CHAIRPERSON

Sergei Gusev, GR Manager, Electrolux

DEPUTY CHAIRPERSON

Alexey Soldatov, Technical Regulation Manager, BSH Bytowije Pribory

ORGANIZED EVENTS

AEB events

Meeting with Vladislav Burmistrov, Director of the Department of State Policy in the field of technical regulation, standardization and ensuring the uniformity of measurements, Ministry of Industry and Trade of Russia

Date

30.07.2021

Meeting with T.B. Nurashev, Director of the Department of Technical Regulation and Accreditation, Eurasian Economic Commission

15.10.2021

NUMBER OF COMMITTEE MEETINGS

6

NUMBER OF LOBBYING LETTERS

14

the Eurasian Economic Commission, on different issues related to technical regulation and conformity assessment in the EAEU.

Product Conformity Assessment Committee members will continue to collect the major problems identified in the field of Technical Regulation and Standardization, especially in the frame of the EAEU.

COMMITTEE MEMBERS

ABB, Avon Beauty Products Company, BASF, Bondulle-Kuban LLC, Brother LLC, BSH Bytowije Pribory OOO, Caterpillar Eurasia LLC, Continental Tires RUS OOO, Corteva Agriscience, DANONE RUSSIA, JSC, DLA Piper, Doosan Infracore Co. Representative Office in Russia, Dow Europe GmbH Representation office, Electrolux, Ericsson, Ferrero Russia, CJSC, GE (General Electric International (Benelux) B.V.), GROUPE SEB-VOSTOK ZAO, H&M Hennes & Mauritz LLC, Harley-Davidson Russia and CIS, Hempel AO, Henkel Rus OOO, Hino Motors, LLC, Hitachi Construction Machinery Eurasia Limited Liability Company, IKEA Purchasing Services Russia, Imperial Tobacco Sales and Marketing, JCB Russia LLC, John Deere Rus, LLC, Kaercher, Komatsu CIS, LLC, L'Oreal, Lafarge-Holcim, Legrand LLC, Merck LLC, Michelin, Mitsubishi Electric (Russia) LLC, Nestle Rossiya LLC, Nike, Noerr OOO, Nokia, Nokian Tyres Ltd, Oriflame, Philip Morris Sales and Marketing, Philips LLC, Procter & Gamble, Renault Russia, ROCKWOOL, Saint-Gobain, Samsung Electronics, Scania-Rus LLC, Schneider Electric Joint Stock Company, SCHNEIDER GROUP, SECRETAN TROYANOV SCHAER S.A., TechSert, Tikkurila, VEGAS LEX Advocate Bureau, Volvo Cars, Yamaha Motor CIS LLC

CROSS-SECTORAL COMMITTEES

REAL ESTATE COMMITTEE

AIMS

- › To facilitate the information exchange regarding real estate, construction and development issues in Russia.
- › To monitor and analyze legal requirements in real estate (current, new, draft).
- › To present business expertise in the field and to be a platform for industrial discussions between the AEB and relevant governmental bodies.
- › To increase the attractiveness of Russian real estate market for foreign investors.

COMMITTEE ACTIVITIES, 2021

The AEB Real Estate Committee was founded in 2003 and brings together real estate professionals from a variety of areas including developers, financiers, consultants, engineering and design companies, project and facilities managers, and other service providers.



During 2021 Committee members organized several major events:

- › webinar jointly with RICS: "Cost prediction standards" (04.02);
- › joint webinar with AIP Russia: "Pandemic" effect on warehouses" (18.02);
- › webinar: "Legal & tax changes in the field of real estate" (11.03);
- › offline open meeting: "Energy-efficient construction in Russia" (14.04);
- › hybrid event: "PropTech in Russian real estate and construction. Results of 2020" (26.04);
- › offline open meeting jointly with AIP Russia and CCIFR: "BIM technologies in Russian real estate and construction" (27.05);
- › webinar: "Real Estate Committee event "New in the legislation on investment activities" (22.06);
- › hybrid event of REC and NWRC jointly with AHK and AIP Russia in SPb: "Industrial BTS deals: key [legal/technical] aspects of site selection and contracting" (14.07-16.07);
- › joint webinar of REC and AIP Russia: "Deals on acquisition of commercial real estate" (22.07);
- › webinar: "Real estate legal and tax update" (23.09);
- › open REC meeting: "Retail: from due diligence to deal structuring tips" (01.12).

Throughout the year, the Committee continued to issue its magazine – "The Real Estate Monitor" on a quarterly basis.

COMMITTEE MEMBERS

AERECO S.A. (FRANCE) - Representative Office in Russian Federation; ABB; Allianz IC OJSC; ALRUD Law Firm; Baker McKenzie; Bank Credit Suisse (Moscow); Benteler Automotive LLC; BNP Paribas Bank JSC; Bryan Cave Leighton Paisner (Russia) LLP, Russian branch; Carnelutti Russia Law Firm; Clifford Chance; CMS Russia; Corteva Agriscience; AO Deloitte & Touche CIS; Dentons; DLA Piper; Drees & Sommer; Egorov Puginsky Afanasiev & Partners (EPAM); Eversheds Sutherland; EY; Intermark Relocation; Italcantieri; KPMG AO; Lipetsk SEZ JSC; Mazars; METRO AG Representative office; NAWINIA; NHOOD; Orange Business Services; Pavia e Ansaldo; Pepeliaev Group, LLC; Porsche Russland; Promaco-TIAR; PwC; Radius Group; ROCA; Rödl & Partner; Saint-Gobain; SAP CIS; Sendler&Company OOO; SCANDINAVIAN INTERIORS JSC; Siemens LLC; SCHNEIDER GROUP; Spectrum holding Ltd; Special economic zone "STUPINO QUADRAT"; TABLOGIX; Law Company TAXOLOGY, LLC; Valartis International Ltd.; Whirlpool RUS; YIT

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

1

CHAIRPERSON

Tatjana Kovalenko, Deputy General Director, Sendler & Company

ORGANIZED EVENTS

AEB events

	Date
Webinar: "Legal & tax changes in the field of real estate"	11.03.2021
Offline open meeting: "Energy-efficient construction in Russia"	14.04.2021
Hybrid event: "PropTech in Russian real estate and construction. Results of 2020"	26.04.2021
Real Estate Committee webinar "New in the legislation on investment activities"	22.06.2021
Webinar: "Real Estate legal and tax update"	23.09.2021
Open meeting: "Retail: from due diligence to deal structuring tips"	01.12.2021

AEB external events

	Date
Webinar jointly with RICS: "Cost prediction standards"	04.02.2021
Joint webinar with AIP Russia: "Pandemic" effect on warehouses"	18.02.2021
Offline open meeting jointly with AIP Russia and CCIFR: "BIM technologies in Russian real estate and construction"	27.05.2021
Joint webinar of REC and AIP Russia: "Deals on acquisition of commercial real estate"	22.07.2021
Hybrid event of REC and NWRC jointly with AHK and AIP Russia in SPb: "Industrial BTS deals: key [legal/technical] aspects of site selection and contracting"	14.07.2021- 16.07.2021

CROSS-SECTORAL COMMITTEES

SAFETY, HEALTH, ENVIRONMENT & SECURITY COMMITTEE

AIMS

- › To promote international safety, health, environment and security (SHES) standards and best practices among the companies operating in Russia and enhance relevant information exchange between European and Russian business through a common platform.
- › To advocate Committee’s position on the current state and proposed changes in the Russian SHES legislation through channels established by AEB and in cooperation with other business associations.
- › To provide AEB members with regular updates on the key issues concerning the SHES sphere development and prospects.

CHAIRPERSON

Valery Kucherov, Partner, Global Director, ERM

ORGANIZED EVENTS

AEB events	Date
Health & safety aspects of remote work	28.01.2021
Doing well by doing good: perspectives on ESG development in Russia	18.02.2021
How to select and measure the effectiveness of security services providers. Practical recommendations and business cases	18.03.2021
Regulation and practice of mandatory vaccination of employees	15.07.2021
Approaching ESG: best practices of international companies in Russia	21.10.2021
COVID-19: impact on mental health & wellbeing at workplace. Employers’ legal aspects & government regulation	09.11.2021
COVID-19: impact on mental health & wellbeing at workplace. Employers’ legal aspects & government regulation	22.11.2021

COMMITTEE ACTIVITIES, 2021

In 2021 the Committee’s agenda and activities were dominated by three directions: climate policy and ESG, information and cyber security, COVID-19.

The open events on climate agenda and ESG strategies were focused on addressing climate change as one of the biggest global challenges in the 21st century. The average global temperature is continuously growing due to higher CO2 and other greenhouse gas concentrations.

The introduction of ESG principles in Russia and worldwide has already affected investment trends significantly. Investors are increasingly focused on how businesses compensate for the damage to the environment caused by companies’ activities, how companies care for their employees and clients, and how to improve the quality of corporate governance.

The Security Sub-Committee presented in a number of events an overview of threats in social engineering and cybersecurity and discussed the practical recommendations for AEB companies’ members.

With the COVID-19 crisis having impacted most of this year’s business activity and still looming over the coming year is a significant factor to reckon with. In 2021 AEB launched a COVID-19 mental health and workforce wellbeing impact survey. The survey showed valuable inputs: 76.8% of employers admitted the negative impact on employees’ mental health. 65.2% noticed that COVID-19 had affected the general wellbeing of employees. Self-isolation, travel and leisure restrictions, work overload and school disclosure are among the biggest challenges employees had to face in relation to COVID-19.

COMMITTEE MEMBERS

ABB, AERECO S.A. (FRANCE) – Representative Office in Russian Federation, Akzo Nobel Coatings LLC, ALRUD Law Firm, AO Deloitte & Touche CIS, Avon Beauty Products Company, BASF, BEITEN BURKHARDT Moscow, BP, British American Tobacco Russia, CHEP RUS LLC, CMS Russia, Coca Cola HBC Russia, Coleman Services UK, Control Risks, Corporate Counselling Services Sarl, Corteva Agriscience, Creon Capital S.a.r.l, Deutsche Bank Ltd., DHL Express, DHL Global Forwarding, Dow Europe GmbH Representation office, ECOPOLIS Corporation JSC, Egorov Puginsky Afanasiev & Partners (EPAM), Elite Security, Eni S.p.A, ERM (Environmental Resources Management), Euler Hermes, EY, Faurecia, GE (General Electric International (Benelux) B.V.), Grata International, Guardian Glass, HeidelbergCement Rus, HEINEKEN BREWERIES, LLC, HELLENIC BANK PCL, Hino Motors, LLC, IKEA DOM LLC, International SOS, John Deere Rus, LLC, Komatsu CIS, LLC, KPMG AO, LafargeHolcim, LANXESS LLC, LEROY MERLIN Russia, Lidings Law Offices, Mazars, Mercedes-Benz Russia, Merck LLC, METRO AG , Michelin, MIG Business Security Strategies, Noerr OOO, Nokia, Novartis Group Russia, OBI Russia, Orange Business Services, Orion Pharma LLC, Pepeliaev Group, Performance Specialty Products Rus LLC, Promaco-TIAR, PwC, Renault Russia, Repsol Exploracion S.A., Risk Advisory Group Ltd, Roche Diagnostics Rus LLC, ROCKWOOL, Saint-Gobain, Schneider Electric Joint Stock Company, SCHNEIDER GROUP, SERVIER, Shell Exploration and Production Services (RF) B.V., Syngenta, Tikkurila, TNT, Total E&P Russie, Toyota Motor, Uniproc PJSC, VISA, Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), Wienerberger.

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

6

CROSS-SECTORAL COMMITTEES**SMALL & MEDIUM-SIZED
ENTERPRISES COMMITTEE****COMMITTEE
ACTIVITIES, 2021**

Almost two years after the COVID-19 initially swept the globe, the pandemic continues to have an influence on the global economy's growth trajectory. The economic impact of the coronavirus was disproportionately felt by small and medium-sized enterprises. During the COVID-19 lockdown, the government's business support programmes for SMEs mostly targeted certain sectors. That is, the SME sector as a whole has suffered considerably due to a lack of government support. In the short term, the share of SMEs is projected to fall rather than grow, despite the government's objectives.

AIMS

- To establish new business connections to other AEB members and local companies.
- To offer a platform for interaction with Russian state agencies and regulatory bodies.
- To create a forum to exchange information, best practices and relevant market news.
- To provide its members with regular updates on sectoral/ cross-sectoral information.
- To interact with SMEs from EU member states with the support of Embassies/trade representations.

CHAIRPERSON

Andreas Bitzi, Managing Director, quality partners.

ORGANIZED EVENTS

AEB events

Open meeting with Boris Titov,
Presidential Commissioner for the
Protection of Entrepreneurs' Rights

Date

08.12.2021

COMMITTEE MEMBERS

Credendo – Ingosstrakh Credit Insurance LLC, Creon Capital S.a.r.l, DAF Trucks Rus LLC, Dentons, DHL Express, DISPAK, LLC, Egorov Puginsky Afanasiev & Partners (EPAM), EKE Group, ERM (Environmental Resources Management), EY, Ferrero Russia, FM LOGISTIC VOSTOK, Foodcard, Generali Russia & CIS, Gestamp Russia, HELLENIC BANK PCL, HERBALIFE NUTRITION, Hino Motors, HUMAN SEARCH, OOO, IE Business School, Intermark Relocation, International School LLC, International SOS, INVESTMENT COMPANY IC RUSS-INVEST, Italcantieri, JTI Russia, JURALINK, Juralink G-nius, KfW IPEX-Bank Representative Office, Kuehne+Nagel, LANXESS LLC, LIEBHERR-RUSSLAND, Lighthouse Russia BV, Macro - Advisory Ltd., MAI Insurance Brokers, Mannheimer Swartling, Mazars, Mercedes-Benz Russia, Messe Frankfurt Rus Ltd., MonDef, Moskva - Krasnye Holmy LLC, MOST SERVICE, member of Bruck Consult, NOBLE HOUSE Group Russia, Nordea Bank, Oriflame, Pavia e Ansaldo, Pepeliaev Group, Perfetti Van Melle Co., Ltd, Philip Morris Sales and Marketing, Polish Business Club in Moscow, Port Hamburg Marketing, Publicity Consulting Group, an ECCO Network Affiliate in Russia, PwC, Quality partners., Raiffeisenbank AO, Renaissance Moscow Monarch Centre Hotel, Robert Bosch OOO, Rödl & Partner, Royal Norwegian Consulate General in St. Petersburg, SAF-HOLLAND, SCANDINAVIAN INTERIORS JSC, SCHNEIDER-GROUP, SECRETAN TROYANOV SCHAER S.A., Special economic zone "STUPINO QUADRAT", Spectrum holding Ltd, Stockholm School of Economics in Russia, Subaru Motor, Swisshotel Krasnye Holmy Moscow, TABLOGIX, TechSert, TNT, Toyota Motor, Unipro PJSC, Urus Advisory Ltd., Viruni Capital Partners, Vitus Bering Management Ltd., Vlasta-Consulting, LLC, VSK Insurance House (SAO VSK), Welcome Abroad Relocations, Zentis Russland LLC

Due to these issues, the SME Committee continued to meet with the Federal Corporation for the Development of Small and Medium Enterprises (SME Corporation) and the AEB Labour Law Sub-Committee to discuss sector assessments and identify areas for regulatory and policy improvement, as well as the development of an enabling environment and comprehensive support measures.

On December 8, 2021, the SME Committee, in collaboration with the Finance & Investments Committee, had its annual open meeting with Boris Tivov, Presidential Commissioner for the Protection of Entrepreneurs' Rights, in order to deepen cooperation with the government sector. Mr. Titov discussed with AEB members the breadth and efficiency of the help offered, as well as the significance of the ombudsman's agenda in protecting entrepreneurs' rights in the present economic climate. Despite the pandemic's significant negative impact on SMEs, rising inflation, disrupted supply chains, and rising geopolitical risks, according to the Commissioner, the SME Development Index compiled by the Office of the Presidential Commissioner in collaboration with Sber showed a gradual improvement in SMEs activities in Russia. According to the business ombudsman, the number of people employed in small businesses as well as a number of self-employed in Russia is steadily expanding.

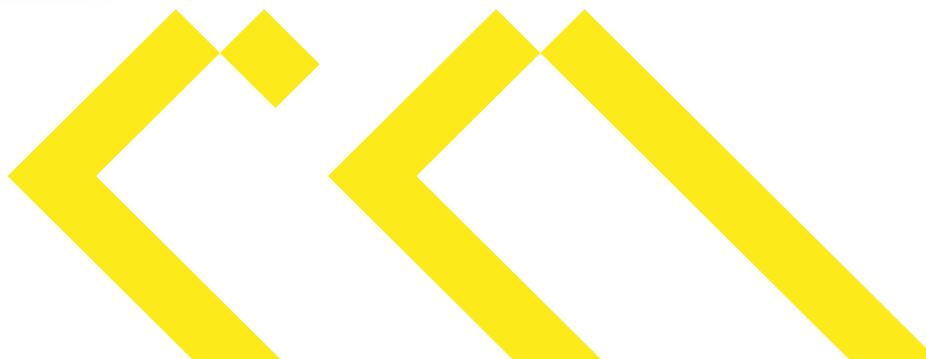
The SMEs stand to benefit greatly from legislative changes, however for the time being, many of the announced changes are more declarative in character and frequently complicated. The entry into force of Federal Laws 274-FZ dated 01.07.2021 and 357-FZ dated 02.07.2021 "On amendment of the Federal Law 'On legal status of foreign citizens in the Russian Federation' and the Federal Law "About the state dactyloscopy registration in the Russian Federation" (excluding certain provisions) and the Federal Law №357-FZ from 02.07.2021 "On amendments to certain legislative acts of the Russian Federation" (effective date – 31.10.2021) identified one of the key challenges for SME in 2021. The new rules, which dramatically alter the medical check system for all categories of foreign workers and introduce redundant screenings, have sparked outrage among foreign businesspeople operating in Russia who were previously exempt from these requirements. In this regard, the SME Committee sent an official letter to the Presidential Commissioner for the Protection of Entrepreneurs' Rights as part of its lobbying activities, emphasizing the importance of carefully targeting these measures to avoid any unintended collateral damage to Russia's business climate and investment attractiveness.

NUMBER OF
COMMITTEE
MEETINGS

3

NUMBER OF
LOBBYING
LETTERS

1



CROSS-SECTORAL COMMITTEES

TAXATION COMMITTEE

COMMITTEE
ACTIVITIES, 2021

The following working groups of the Taxation Committee held 55 meetings in 2021:

- › Intragroup services;
- › Intercompany loans;
- › VAT on electronic services;
- › Tax clause;
- › Amending international tax treaties;
- › Electronic workflow;
- › Currency regulation;
- › Documentary traceability;
- › Retail issues (gift cards; promotional discounts; inseparable improvements; shortages, damage, theft).

Committee representatives participated in the following 12 meetings with authorities:

- › January 19 and 28, June 28 – working meetings with the FTS on VAT on ESS.
- › February 2 – working meeting with Minfin on intragroup services issues.
- › June 2 – working meeting with Interregional Tax Inspectorate No. 1 on tax clauses and other issues of interaction between the regulator and businesses.
- › June 10 and October 15 – working meetings with Minfin on Federal Standard of Accounting FSBU 27/2021.
- › August 9, November 15 and December 15 – meetings of the WG on retail issues organized by Interregional Tax Inspectorate No. 1.
- › August 9 – working meeting with the FTS on marketing issues of pharma industry (art. 148 Tax Code).
- › August 24 – FTS Advisory Council meeting on intragroup services and shareholder activities.

Including 3 meetings at the senior level:

- › July 15 – meeting between AEB CEO, Taxation Committee leadership team and A. M. Makarov, Deputy of the State Duma.
- › October 19 – meeting between AEB CEO, Taxation Committee leadership team and D. V. Egorov, Head of the FTS.
- › November 30 – meeting between AEB CEO, Taxation Committee Chairperson and A. Artamonov, Head of the Federation Council Committee on Budget and Financial Markets.

AIMS

- › To promote the initiatives aimed at improving taxation and tax administration.
- › To inform AEB members about significant changes in tax legislation and law enforcement practice.
- › To develop professional communication and create expert teams.

CHAIRPERSON

Alina Lavrentieva, Partner, EY

DEPUTY CHAIRPERSONS

Alexander Erasov, Head of Tax Dispute Resolution, BCLP Russia

Alexey Ludvik, Chief Accountant, Volkswagen Group Rus

Andrey Wakar, Tax Manager, IKEA Dom Russia

ORGANIZED EVENTS

AEB events

AEB events	Date
Open event "Implementation of article 54.1 of Tax Code"	28.04.2021
Open event "Tax clause and industry-specific "whitewash" projects: business as an "agent" of tax control or collective tax liability?"	08.06.2021
Open event of the Labour Law Subcommittee jointly with the WG on electronic workflow of the Taxation Committee "Hot issues related to the implementation of electronic document flow"	10.06.2021
Open event "Russian tax system development in the first six months of 2021: key news"	08.07.2021

ORGANIZED EVENTS

AEB events

Joint open event of IT & Telecom Committee and WG on Electronic Workflow “Meeting with Software Vendors”

Date
22.09.2021

Open event “AEB Taxation Committee Annual Conference”

Date
16.12.2021

AEB external events

SPIEF’21: Tadzio Schilling took part in the Taxation Session. The Taxation Committee assisted in preparation of his speaking points.

Date
03.06.2021

MCCI 2021: Tadzio Schilling took part in the Taxation Session. The Taxation Committee assisted in preparation of his speaking points on double taxation treaties.

Date
12.11.2021

Taxation Committee participated in the following cross-committee projects:

- › From April up until now the Committee’s WG on Electronic Workflow has been leading on the GR activities around the new Federal Accounting Standard FSBU 27/2021 requiring companies to localize their IT accounting databases in Russia. This work united the representatives of several AEB committees increasing the number of the group’s participants from 30 to 82 persons. The group prepared 5 letters to Minfin, Minec, Mindigit and had 2 meetings with Minfin and 1 meeting with Software Vendors, organized jointly with IT-Telecom Committee. We may suppose the AEB’s efforts contributed into the Minfin’s decision to postpone the localization requirement until 2024.
- › Taxation Committee has been closely working with the Retail Committee joining their committee meetings to update the colleagues on tax clause. Also, Taxation Committee invited Retail Trade Committee to take part in the working group on retail issues initiated by the Interregional Tax Inspectorate No. 1.

COMMITTEE MEMBERS

ADVANT Beiten, Akzo Nobel Coatings LLC, AliExpress, ALRUD Law Firm, AO Deloitte & Touche CIS, AstraZeneca Pharmaceuticals LLC, Auchan Russia, Baker McKenzie, BASF, BAYER, Bellerage Alinga, BMW Russland Trading, BNP Paribas Bank JSC, Boehringer Ingelheim, BP, BRAND & PARTNERS LLC, British American Tobacco Russia, Brother LLC, Bryan Cave Leighton Paisner (Russia) LLP, Russian branch, BSH Bytowyje Pribory OOO, Canon Medical Systems LLC, Cargill LLC, Carnelutti Russia Law Firm, Cersanit, Citibank AO, CLAAS, Clifford Chance, CMS Russia, Coca-Cola HBC Russia, Commerzbank (Eurasija) AO, Confederation of Danish Industry, Continental Tires RUS OOO, Corteva Agriscience, Credit Agricole CIB AO, Creon Capital S.a.r.l, DAF Trucks Rus LLC, DAIMLER KAMAZ RUS OOO (DK RUS OOO), De Lage Landen Leasing, Delegation of the European Union, Delonghi, Dentons, Deutsche Bank Ltd., DHL Express, DLA Piper, Drees & Sommer, Egorov Puginsky Afanasiev & Partners (EPAM), EkoNiva-Technika Holding, LLC (part of EkoNiva group), Electrolux, Enel Russia, Esparma GmbH, Euler Hermes, Eversheds Sutherland, EY, Faurecia, FCA Russia, Ferrero Russia, CJSC, Finnish-Russian Chamber of Commerce, General Motors CIS, GlaxoSmithKline Healthcare, JSC, Google, Guardian Glass, Haval Motor Rus, LLC, HeidelbergCement Rus, HEINEKEN BREWERIES, LLC, Hempel AO, Hino Motors, LLC, Honda Motor RUS LLC, HSBC Bank (RR) OOO, IBFS united GmbH, IC MANAGEMENT, IKEA DOM LLC, IKEA Purchasing Services Russia, Imperial Tobacco Sales and Marketing, INVESTMENT COMPANY IC RUSS-INVEST, ISG support-GUS GmbH, ISUZU RUS JSC, JTI Russia, JURALINK, Kia Russia & CIS, LLC, Knauf Group CIS (OOO Knauf Gips), KPMG AO, L’Oreal, LafargeHolcim, Lidings Law Offices, Moscow, Loyens & Loeff N.V., M.Video, Macro - Advisory Ltd., Maersk, LLC, Mazars, Mercedes-Benz Financial Services Rus OOO / Mercedes-Benz Bank Rus OOO / Mercedes-Benz Capital Rus OOO, Mercedes-Benz Russia, Merck LLC, METRO AG Representative office, Michelin, MOL-Russ LLC, Nike, Nissan Manufacturing Rus, NOBLE HOUSE Group Russia, Noerr OOO, Nokian Tyres Ltd, Nordea Bank, OBI Russia, Olson Consulting, Oriflame, Orion Pharma LLC, OTP Bank JSC, PEAC Leasing AO, Pepeliaev Group, LLC, Peugeot Citroën Rus (Groupe PSA), Philip Morris Sales and Marketing, Philips LLC, Pirelli Tyre Russia OOO, PPG Industries LLC, Procter & Gamble, Promaco-TIAR, PwC, Raiffeisenbank AO, Renault Russia, Repsol Exploracion S.A., ROCKWOOL, Rödl & Partner, Rufil Russia Consulting, Sanofi Russia AO, SANO-FI-AVENTIS REP OFFICE, Scania-Rus LLC, Schneider Electric Joint Stock Company, SCHNEIDER GROUP, Segula Technologies Russia LLC, Seldico, LLC, SERVIER, Shell Exploration and Production Services (RF) B.V., Siemens LLC, SOCIETE GENERALE Strakhovanie Zhizni LLC, Solvay Vostok LLC, Technology Company Schlumberger LLC, Teva, LLC, Tikkurila, TOTAL VOSTOK LLC, TotalEnergies, Toyota Motor, Unipro PJSC, VEGAS LEX Advocate Bureau, Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), Volvo Vostok NAO, Whirlpool RUS, Wienerberger, Wirtgen-International-Service LLC, Yamaha Motor CIS LLC, Yusen Logistics Rus LLC, Zentis Russland LLC, Zurich, JSC Insurance Company

NUMBER OF
COMMITTEE
MEETINGS

6

NUMBER OF
LOBBYING
LETTERS

13

WORKING GROUPS

COATINGS INDUSTRY
WORKING GROUPWORKING GROUP
ACTIVITIES, 2021

The growth of counterfeit products remained one of the major concerns of the AEB Coatings Industry Working Group in 2021. Despite all of the efforts made by paint and varnish producers to prevent counterfeiting, the problem remains to this day. The state, commodity producers, and counterfeit product customers all suffer as a result of the actions of unscrupulous manufacturers. Because the issue is much larger and impacts other businesses, the WG convened an extended session in which colleagues from other industries were invited to discuss their experiences with counterfeiting and which techniques have proven to be the most successful. Besides, the session provided insight into the most important threats and cases of illegal trademark use, as well as legal and recommendations guidelines for identifying counterfeit products for local representation offices and interaction with government agencies in the context of a comprehensive fight against counterfeiting.

In terms of development and adherence to the principles of sustainable development (ESG), the WG is looking into changes in Russian standards for fire-retardant intumescent coatings, their compatibility with European counterparts, and the results of a pilot project on introducing a pollutant quota system on Sakhalin Island and achieving carbon neutrality. The WG also researches and shares information on topics and methods linked to the disposal of waste from the use of paints and varnishes, as well as packaging. The WG is interested in harmonizing carbon footprint accounting methods between Europe and Russia, and is continuing to monitor the implementation of Eurasian Economic Union (EAEU) Technical Regulation TR.No.041/2017 on Chemical Product Safety, which was approved on March 3, 2017 ("Eurasia REACH" or "TRO41"). On this topic, the WG is forming tight ties with the AEB Green Initiative's Steering Committee and the ministries engaged in the project's execution.

The subject of localization is still relevant and remains on the Working Group's agenda. The WG is still working to establish the consequences of Article 18 of the Russian Federation Federal Law No. 488-FZ of December 31, 2014, on state procurement and subsequent legislation, as well as the prioritization of Russian-made products over those made abroad. It is in the members' best interests to grasp the rules and interpretations of the law in order to provide a fair playing field for both Russian and international enterprises producing in the Russian Federation. The Working Group believes that the government should explicitly define what it means to be "locally

AIMS

- › To represent, align and lobby interests of coatings manufacturers operating in Russia.
- › To cooperate with other associations and relevant governmental bodies, including with the Ministry of Industry and Trade of the RF, in order to enact legislation and industry road maps, to ensure sustainable growth of competitive locally available raw materials.
- › To share information on international sanctions and counter-sanctions so that each individual member can decide on its own course of action.
- › To share information between its members regarding the presence of counterfeit products on the market and actions taken by its members to combat fraud, including cooperation with competent authorities.

CHAIRPERSON

Zakhar Karpikov, General Manager, Hempel Russia & CIS

WORKING GROUP MEMBERS

Akzo Nobel Coatings LLC; Allnex Belgorod LLC; Hempel AO; Jotun Paints LLC; PPG Industries LLC; Resinex Rus; Tikkurila

NUMBER OF
WORKING GROUP
MEETINGS

4

manufactured" or "localized," including the amount to which local raw materials should be utilized, among other criteria. The Working Group collaborates with various organizations and government departments, notably the Russian Ministry of Industry and Trade, to enact legislation and industry road maps that will lead to the long-term expansion of locally accessible raw materials that are competitive. It has regular meetings with specialists in the sector to keep the members informed about new requirements.

WORKING GROUPS

NON-FOOD FMCG WORKING GROUP

AIM

- › To provide an aligned position of non-FMCG manufacturers to relevant stakeholders on the most important industrial issues and topics.

CHAIRPERSON

Sergey Bykovskih, President, Henkel Russia

WORKING GROUP MEMBERS

Avon, Electrolux, Henkel, Herbalife, Reckitt Benckiser, L’Oreal, Oriflame, Procter & Gamble

WORKING GROUP ACTIVITIES, 2021

In 2021 the Working Group continued its focus on the development of track & trace system of perfumery products and related issues of brand protection and access to the data. WG members took active part in the discussion of extended responsibility of producers and development of the technical regulation on the third package of changes to the Technical Regulation on perfumery and cosmetics.

A special discussion within the WG was also made on the refill and reuse issue related to cosmetics products.

NUMBER OF WORKING GROUP MEETINGS

4

NUMBER OF LOBBYING LETTERS

1

WORKING GROUPS

TOBACCO PRODUCTS WORKING GROUP

AIM

- › To promote the interests of AEB member companies in the tobacco production sector through alignment of the industry and constructive advocacy and government relations.

WORKING GROUP ACTIVITIES, 2021

In 2021, the Tobacco Products Working Group activities were focused on aligning and presenting to relevant stakeholders the WG’s position and suggestions on issues of major importance for the industry.

The main issues which were on the agenda of the Working Group: draft regulatory law prepared by the Ministry of Finance of Russia, excise tax issues, T&T for innovative products, illicit trade and development of the EEC technical regulation.

NUMBER OF WORKING GROUP MEETINGS	4	NUMBER OF LOBBYING LETTERS	2
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CHAIRPERSON

Vasili Gruzdev, GR Director, JTI Russia

WORKING GROUP MEMBERS

British American Tobacco Russia; Imperial Tobacco Sales and Marketing; JTI Russia; Philip Morris Sales & Marketing



WORKING GROUP ACTIVITIES, 2021

On May 14, 2021 the AEB Working Group on Labelling and Track & Trace System held an open meeting with Natalya Lyakhova, Deputy Director of the Tariff and Non-tariff Customs Regulation Department, Eurasian Economic Commission, titled "Update on Current Labelling Issues". Tadzio Schilling, AEB CEO, welcomed all the participants and Alexander Perekrest, former Chairman of the AEB WG on Labelling and Track & Trace, moderated the meeting.

The WG position on labelling was presented:

- › At the briefing by the Minister of Industry and Trade of the Russian Federation Denis Manturov on April 13, 2021.
- › At the briefing by the Presidential Aide Maxim Oreshkin on September 28, 2021.
- › At the meeting in RSPP on November 12, 2021.
- › At the briefing by the Minister for Trade of the Eurasian Economic Union Andrey Slepnev on December 16, 2021.

NUMBER OF WORKING GROUP MEETINGS	4	NUMBER OF LOBBYING LETTERS	3
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AIMS

- › To monitor the legislation initiatives to prevent potential risks for the companies and prove timely update.
- › To analyze and monitor new and potential categories of products which could fault under the labelling.
- › To help our members to take part in the pilot projects.
- › To develop risk management recommendations for businesses.
- › To prepare letters and comments to the decrees of the Ministry of Industry and Trade.
- › To arrange exchange of information and best practices on categorization between foreign trade participants and Russian authorities.
- › To organize meetings with respective representatives of Russian authorities, Ministry of Industry and Trade and CRPT.

CHAIRPERSON

Ekaterina Tchepourina, Scientific Director, L'Oreal

ORGANIZED EVENTS

AEB event	Date
Meeting with Natalya Lyakhova, Deputy Director of the Tariff and Non-tariff Customs Regulation Department, Eurasian Economic Commission, titled "Update on Current Labelling Issues"	14.05.2021

WORKING GROUP MEMBERS

AstraZeneca Pharmaceuticals LLC, Auchan Russia, Avon Beauty Products, Chiesi Pharmaceuticals LLC, CLAAS, CMS Russia, DANONE RUSSIA, DHL Express, DSM, Egorov Puginsky Afanasiev & Partners (EPAM), ERM (Environmental Resources Management), GlaxoSmithKline Healthcare, Hennes & Mauritz LLC, Harley-Davidson Russia and CIS, HEINEKEN BREWERIES, HERBALIFE NUTRITION, Honda Motor RUS LLC, IKEA, Purchasing Services Russia, JCB Russia LLC, L'Oreal, LEROY MERLIN Russia, Mazda Motor Rus, Mercedes-Benz Russia, Merck LLC, METRO AG Representative office, Michelin, Mitsubishi Electric (Russia) LLC, MMC Rus, MOST SERVICE, member of Bruck Consult, NAWINIA, Nestle Rossiya LLC, Nike, Nokian Tyres Ltd, Ori-flame, Peugeot Citroën Rus (Groupe PSA), Philip Morris, Sales and Marketing, Philips LLC, Pirelli Tyre Russia OOO, Procter & Gamble, Promaco-TIAR, Quality partners, Reckitt Benckiser (RB Hygiene), Reckitt Benckiser Healthcare, Renault Russia, Samsung Electronics, SCANDINAVIAN INTERIORS JSC, Shell Exploration and Production Services (RF) B.V., Tikkurila, Vlasta-Consulting, LLC, Volkswagen Group Rus (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), Volvo Vostok NAO, Yamaha Motor CIS LLC, Yusen Logistics Rus LLC, ZARA CIS (Inditex Group), JSC

WORKING GROUPS

WORKING GROUP ON MODERNIZATION & INNOVATIONS

AIMS

- › To assist companies involved in research and development (R&D) in Russia.
- › To represent the interests of the R&D community and executives in this sphere.
- › To develop recommendations for regulations and the legal framework in order to improve conditions for the activities of foreign investors.
- › To exchange information between companies on modernization and innovative trends in Russia, various international practices and their application in Russian conditions.
- › To share experience in the sphere of collaboration with Russian innovation and educational centers, intellectual property, commercialization of innovations, and production of prototypes.
- › To attract sources of innovation and human resources, including the identification of opportunities to raise capital through Russian and foreign channels of financing.

CHAIRPERSON

Michael Akim, Associated Partner, Vitus Bering Management Ltd.

WORKING GROUP ACTIVITIES, 2021

In 2021, the Modernization & Innovations Working Group continued fostering cooperation with the Russian state-owned funds and institutions for innovation-driven economic development.

The localization and implementation of SPIC 2.0 mechanism remained in the spotlight of the Working Group's activity. The Modernization & Innovations Working Group dedicated a special effort to diligent analyses of SPIC 2.0 updated mechanism with the focus on its technological and legal aspects. In April the WG held a Round Table on localization of technologies and production. Major event on this issue was the meeting with RF First Deputy Minister of Industry & Trade V. Osmakov.

In 2021 the Working Group paid special attention to the European Green Deal and respective developments in the research and innovation area of the EU-Russia co-innovation opportunities under the Horizon 2020 European Green Deal Call.

The events organized by the Working Group in 2021 were marked by high-ranking speakers representing the Russian Government and the EU Institutions, top managers of international companies and senior representatives for the research

and innovation community. The Delegation of the European Union to the Russian Federation extended its invitation to the representatives of the Working Group to participate in regularly held meetings of scientific counsellors of the EU Member States.

In 2021 the Working Group maintained cooperative interaction within its regular agenda with the main federal bodies such as Ministry of Industry and Trade of the RF; Ministry for Economic Development of the RF; Ministry for the Development of the Russian Far East and Arctic; Ministry of Science and Higher Education of the RF; State Duma of the Federal Assembly of the RF; Special Envoy to the President of the Russian Federation for Relations with International Organizations to Achieve Sustainable Development Goals, and others.

WORKING GROUP MEMBERS

ABB; Agro-Chemie Kft.; ALRUD Law Firm; American Institute of Business and Economics; ANCOR; Baker McKenzie; BAYER; BEITEN BURKHARDT Moscow; Benteler Automotive LLC; British American Tobacco Russia; Brunel CR B.V. Moscow Branch; BSH Bytowyje Pribery OOO; Caterpillar Eurasia LLC; Clifford Chance; CMS Russia; CNH Industrial Russia LLC; Commerzbank (Eurasija) AO; Confederation of Danish Industry; Corteva Agriscience; Credendo – Ingosstrakh Credit Insurance LLC; DAF Trucks Rus LLC; DANONE RUSSIA; JSC; Dassault Systems LLC; Debevoise and Plimpton LLP; DELCREDA; Delegation of the European Union; DEME Group; DLA Piper Rus Limited LLC Branch in St. Petersburg; Dow Europe GmbH Representation office; Electricite de France (EDF Russie); Ericsson; European Space Agency, Permanent mission in the RF; Eversheds Sutherland; EY; Ferrero Russia, CJSC; FERRONORDIC; Finnish-Russian Chamber of Commerce; FM LOGISTIC VOSTOK; Gasunie; GE (General Electric International (Benelux) B.V.); HELLENIC BANK PCL; Hino Motors, LLC; HYUNDAI CONSTRUCTION EQUIPMENT Co., LTD; Hyundai Motor CIS; Hyundai Truck and Bus Rus LLC; ING Wholesale Banking in Russia; International SOS; ISG support-GUS GmbH; Itella, OOO; JCB Russia LLC; JETRO; John Deere Rus, LLC; Johnson Matthey PLC; JUNGHEINRICH; JURALINK; KfW IPEX-Bank Representative Office; Kia Motors Rus; Komatsu CIS, LLC; Kuehne+Nagel; Legrand LLC; Lipetsk SEZ JSC; Mannheimer Swartling; Mercedes-Benz Russia; Merck LLC; MonDef; Morgan Lewis; MOST SERVICE, member of Bruck Consult; Nestle Rossiya LLC; Nissan Manufacturing Rus; Noerr OOO; Novartis Group Russia; Pavia e Ansaldo; PEAC Leasing AO; Pepeliaev Group, LLC; Philips LLC; Polish Business Club in Moscow; PPG Industries LLC; Promaco-TIAR; Publicity Consulting Group; an ECCO Network Affiliate in Russia; PwC; quality partners; Renault Russia; Roche Diagnostics Rus LLC; Rödl & Partner; Saint-Gobain; Samsung Electronics; Scania-Rus LLC; SCHNEIDER GROUP; SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Special economic zone "STUPINO QUADRAT"; Subaru Motor; TABLOGIX; TechSert; Tikkurila; TMF Group; Volkswagen Group; Volvo Vostok NAO; Weir Minerals RFZ; Wirtgen-International-Service LLC; Yamaha Motor CIS LLC

ORGANIZED EVENTS

AEB events

	Date
Round table "Energy" co-moderated by the AEB Modernization & Innovations Working Group's Chairman at the Northern Dimension Forum 2021	08.04.2021
Round Table "Localization of Technology vs Localization of Production"	12.04.2021
Meeting with RF First Deputy Minister of Industry & Trade V. Osmakov "Localization in Various Sectors of the Economy. SPIC 1.0 & SPIC 2.0 Mechanisms"	29.04.2021
Open event "Logistics Innovations & Their Impact on E-commerce Market. Supply resilience Risks & the Consequences for Various Industries"	25.06.2021
Round Table "5G & the Modernization of the Russian Industry: Potential, Myth, Reality"	19.11.2021

AEB external event

	Date
INNOPROM-2021 session "What business competencies are required in the field of ESG?", in cooperation with HSE, moderated by Michael Akim, AEB Modernization & Innovations Working Group Chairman	04.07.2021

NUMBER OF
COMMITTEE
MEETINGS

4

WORKING GROUPS

WORKING GROUP ON THE REGULATION OF CHEMICAL PRODUCTS

AIMS

- › To harmonize EU and EAEU regulation on the safety of chemical products, so that to escape additional barriers for European manufacturers doing business in Russia.
- › TR EAEU 041/2017 "On the safety of chemical products" (adopted by the EEC Decision No. 19 on 3 March 2017, hereinafter the TR EAEU) and the main problems related to it.

CHAIRPERSON

Anna Trunina, Compliance and Technical Regulation Manager, Dow Europe GmbH Representation office

DEPUTY CHAIRPERSON

Ekaterina Suchalko, Regulatory Affairs Manager & Trade Compliance Officer Russia & CIS, Merck Life Science

WORKING GROUP MEMBERS

Akzo Nobel Coatings LLC, Allnex Belgorod LLC, Avon Beauty Products Company LLC, BASF, Bayer, British American Tobacco Russia, Brother LLC, Caterpillar Eurasia LLC, Clariant (RUS), LLC, Continental Tires RUS OOO, Dow Europe GmbH Representation office, Electrolux, GE, Hempel AO, Henkel Rus OOO, John Deere Rus, LLC, Johnson Matthey PLC, JTI Russia, Kaercher, Knauf Group CIS (OOO Knauf Gips), LANXESS LLC, Merck LLC, Michelin, Philip Morris Sales and Marketing, Procter & Gamble, Reckitt Benckiser (RB Hygiene), Renault Russia, Rockwool, Shell Exploration and Production Services (RF) B.V., Solvay S.A., Wacker Chemie Rus

WORKING GROUP ACTIVITIES, 2021

In 2021, the Working Group on the Regulation of Chemical Products continued to comply with the Technical Regulation TR 041 requirements. The WG companies concerned about the lack of clear instruction from the state bodies on the upcoming cataloguing process for submission of data on chemical substances. For this purpose, the Working Group identified the most burning issues and addressed them via several letters to the Ministry of Industry and Trade officials.

In Q1 2021, the Working Group on the Regulation of Chemical Products actively participated in approval procedure of the GOSTs on classification (32419), labelling (31340) and safety data sheet (30333) related to the Technical Regulation TR 041.

NUMBER OF WORKING GROUP MEETINGS

3

NUMBER OF LOBBYING LETTERS

2

REGIONAL COMMITTEES

NORTH-WESTERN
REGIONAL COMMITTEECOMMITTEE
ACTIVITIES, 2021

The year 2021 was distinguished by the 25+ Anniversary of the AEB celebrated also in St. Petersburg on September 30, with 150 participants in an offline format.

The year 2021 was marked by 13 notional open events and round tables held by the Committee and its Subcommittees in online, offline and hybrid formats. A number of joint events were held with the federal committees and the Southern Regional Committee.

In 2021, the Committee continued to strengthen its cooperation with regional authorities and business associations, in order to actively lobby member companies' interests, promptly inform them about the measures regarding investment climate in the region as well as about COVID-related restrictions and support measures.

The NWRC continued a good tradition of conducting an annual survey among its members on their satisfaction with the investment climate in the Leningrad region. The results of the survey were presented during the annual meeting with the investment team of the Leningrad region in December 2021, which was dedicated to ESG projects in sustainable regional development.

The Committee raised and discussed with responsible authorities such problems like:

- › improvement of investment climate in the region;
- › changes in the customs procedures and application of the customs legislation;
- › labor inspection audit;
- › attracting, onboarding, and retaining the employees in warehouses, motivation, wellbeing and hybrid work issues;
- › ESG and green economy issues.

General Consulates in St. Petersburg and the European Union Delegation to the Russian Federation consider the AEB North-Western Regional Committee as an adviser and reliable partner for the European companies in the North-Western region. The Committee continued fostering cooperation with the EU countries consulates in St. Petersburg through meetings with EU delegation representatives, the consuls general and the commercial staff, organization of events in cooperation with the consulates, presentations of the AEB's federal and regional activities, meetings with the national representative companies and potential members.

AIMS

- › To be the best Western lobbying organization supporting member companies.
- › To improve the business environment, increase transparency and develop honest business opportunities in the region.
- › To facilitate effective cooperation with local and federal authorities in order to solve problems or benefit member companies and/or their business sectors.
- › To develop platforms, such as subcommittees or working groups, in order to resolve members' business issues.
- › To organize events and other meeting opportunities for networking purposes.
- › To cooperate with consulates and other bodies of the European Union in the region.
- › To cooperate with other business associations.
- › To provide quality information according to the needs of member companies.

CHAIRPERSON

Anton Rassadin, Head of Corporate Communications, BSH Bytowije Pribory

DEPUTY CHAIRPERSONS

Andreas Bitzi, Partner/Director, quality partners.

Elena Novoselova, Head of Regional Development, Coleman Services UK

Wilhelmina Shavshina, Partner, Head of Customs and International Trade CIS, EY

ORGANIZED EVENTS

AEB events	Date
Meeting with Labor Inspection (HR & Migration SC)	09.02.2021
Financial Outlook 2021 - Update for Successful Business	19.02.2021
AGM in St. Petersburg	03.03.2021
Annual Legal Conference (Legal & Taxation SC)	17.03.2021
HR Training Lab: Online Presentations (HR & Migration SC)	18.03.2021
Annual meeting with SZTU (Customs, Transportation & Logistics SC)	28.05.2021
Green Agenda: Experience of European Business (joint event of HR&M and CRE SCs)	24.06.2021
Joint event of AIP-AEB-AHK	14-16.07.2021
AEB 25+ Anniversary in St. Petersburg	30.09.2021
HR Projector (joint event with HR and Southern Regional Committees)	07.10.2021
Sustainable Waste Management in Circular Economy (joint event with Consulates in St. Petersburg)	17.11.2021
Annual Meeting with investment team of LO	02.12.2021
Christmas Get-Together in St. Petersburg	10.12.2021
AEB external events	Date
Baltic Circular Economy Forum	22.04.2022
BRIEF'2021	22.09.2021
Gas Forum in St. Petersburg	5-6.10.2021
HSE and EU DEL conference on pandemic consequences	12.11.2021
Public Council (under city administration)	10.12.2021
Investment Council of LO	16.12.2021

COMMITTEE MEMBERS

ABB; Abloy LLC (Russia); Advant Beiten; Akzo Nobel N.V.; Allianz IC OJCS; ALSTOM Transport Rus LLC; Antal Russia; Antwerp Management School; AO Deloitte & Touche CIS; Ariston Thermo Rus; Astoria Hotel Complex JSC; Baker McKenzie; Banca Intesa; BASF; Bellerage Alinga; BHJ, LLC; Boskalis Offshore Contracting B.V.; British American Tobacco Russia; BSH Bytowyje Pribory OOO; Business Finland Oy; Caterpillar Eurasia LLC; Citibank AO; Coca-Cola HBC Russia; Coleman Services UK; Commerzbank (Eurasija) AO; Continental Tires RUS OOO; Credit Agricole CIB AO; Danone Russia; DEME Group; Dentons; DHL Express; DLA Piper Rus Limited LLC Branch in St. Petersburg; Dom Suomi, LLC; Dow Europe GmbH Representation office; Drees & Sommer; East Office of Finnish Industries; Egorov Puginsky Afanasiev & Partners; EKE Group; Eversheds Sutherland; EY; Faurecia; Finnish-Russian Chamber of Commerce; Gestamp Russia; GfK; GROUPE SEB-VOSTOK ZAO; GoingRussia; HeidelbergCement Rus; HEINEKEN BREWERIES, LLC; HELLENIC BANK PLC; Henkel Rus OOO; Human Search, OOO; Huntsman-NMG, JSC; Hyundai Motor CIS; IKEA DOM LLC; ING Wholesale Banking in Russia; Intermark Relocation; International Hotel Investments (Benelux) B.V. (Corinthia Hotel); Italcantieri; Itella, OOO; JETRO; Jotun Paints LLC; JCB Russia LLC; JTI Russia; Jungheinrich; Juralink G-nius; Knauf Group CIS; KPMG AO; Kuehne+Nagel; Legrand LLC; Lenta LLC; LEROY MERLIN Russia; METAProactive LLC; Mikenopa Eastern Europe a.s.; MOST SERVICE; Nissan Manufacturing Rus; Nokian Tyres Ltd.; Novartis Group Russia; Novo Nordisk A/S; ORAS RUS LLC; Peperiaev Group LLC; Philip Morris Sales & Marketing; Philips LLC; Port Hamburg Marketing; Procter & Gamble; Promaco-TIAR; PwC; quality partners; Raiffeisenbank AO; Representative office of OMV Russia Upstream GmbH; ROCA; Rockwool; Rödl & Partner; Saint-Gobain CIS; SAF-NEVA; SATO Rus; Scandinavian Interiors; Scania-Rus LLC; SCHNEIDER GROUP; Schneider Electric; Segula Technologies Russia LLC; Semren & Månsson; Siemens LLC; Smurfit Kappa RUS; SOGAZ Insurance Group; Sokotel LLC; Specta; Spectrum Holding; Stockholm School of Economics in Russia; Tikkurila; Toyota Motor; Uniper Global Commodities SE; VOLKSWAGEN Group Rus OOO; VSK Insurance House (SAO VSK); Wienerberger; YIT; Yusen Logistics Rus LLC

**NUMBER OF
COMMITTEE
MEETINGS**
24
**NUMBER OF
LOBBYING
LETTERS**
6

REGIONAL COMMITTEES

SOUTHERN REGIONAL
COMMITTEECOMMITTEE
ACTIVITIES, 2021

The Committee was created in 2003 to ensure that investors can utilize the investment opportunities in the region to their fullest potential. Currently the Committee unites 32 companies: leading foreign investors, international banks and consulting companies that have affiliates operating in the Krasnodar region, Rostov region and Adygea Republic.

Representatives of the AEB SRC member companies are:

- › members of the Regional Foreign Investments Advisory Council under the Governor of the Krasnodar region;
- › members of the Council on Improvement of Investment Climate under the Governor of Krasnodar region;
- › members of the Council on Industrial Policy under the Governor of the Krasnodar region;
- › members of the Expert Committee of the Legislative Assembly of the Krasnodar region;
- › members of the Public Editorial Board of the Yug-Times;
- › members of the Trustee Board of Business schools at the Kuban State Technological, Kuban State Agrarian and Kuban State Universities;
- › members of the Expert Council and mentors of the Competition "Leaders of Kuban-moving up!"

In 2021, the AEB Southern Regional Committee acted in online and offline format and held regular events dedicated to the current business agenda, collected business opinions measuring the quality of work with foreign investors in 2021.

AIMS

- › To promote and strengthen business reputation of the AEB in the region.
- › To interact with authorities and key non-governmental partners.
- › To create an effective platform for business communication.

CHAIRPERSON

Oleg Zharko, Regional Corporate Affairs Director, Danone Russia

DEPUTY CHAIRPERSONS

Ralf Bendisch, General Director, CLAAS

Lubov Popova, Adviser, VEGAS LEX

ORGANIZED EVENTS

AEB events	Date
Online conference "Implementation of the Sustainable Development Goals based on ESG principles in the Krasnodar Region"	16.03.2021
Online "HR conference: human capital management as a factor of sustainable development"	27.05.2021
HR Round table: "Future working place – a new reality of companies' work"	05.10.2021
Open joint cross-regional meeting "HR spotlight: how to attract production and warehouse personnel in different Russian regions?"	07.10.2021

ORGANIZED EVENTS

AEB events

Online conference "Sustainable development and companies' business: regional context" **Date**
09.11.2021

AEB Jubilee event in Krasnodar: panel discussion "Building future talents for regional economy via business education" **Date**
18.11.2021

AEB Jubilee event in Krasnodar **Date**
18.11.2021

Online conference "Green future of banks: regional aspect of sustainable development of financial organizations" **Date**
07.12.2021

AEB external events

1st session of the Verona Forum in Rostov-on-Don "Innovation enterprises and technologies of the Rostov region" **Date**
25.03.2021

Graduation Ceremony of the Business School at the Kuban State Agrarian University 2020-2021 **Date**
21.05.2020

Graduation Ceremony of the Business School at the Kuban State Technological University 2020-2021 **Date**
25.05.2020

Graduation Ceremony of the Business School at the Kuban State University 2020-2021 **Date**
26.05.2020

Opening ceremony of the Business School at the Kuban State Agrarian University 2020-2021 **Date**
07.10.2021

Opening ceremony of the Business School at the Kuban State Technological University 2020-2021 **Date**
08.10.2021

Opening ceremony of the Business School at the Kuban State University 2020-2021 **Date**
13.10.2021

Opening ceremony of the Business School at the Southern Federal University 2020-2021 **Date**
13.10.2021

The Southern Regional Committee continued its activities in the field of HR issues, strengthening collaboration with universities through the support by the AEB member companies of the Business schools at the Kuban State Technological, Kuban State Agrarian, Kuban State Universities and at the Southern Federal University (Rostov-on-Don).

In summary, the Southern Regional Committee is recognized as a leading representative of international companies and investors in the south of Russia with high business reputation.

COMMITTEE MEMBERS

ABB, Advocates Bureau Yug, Atos, Banca Intesa, BONDUELLE-Kuban LLC, Cargill LLC, Center-invest Bank, CLAAS, Coca-Cola HBC Russia, Danone Russia, EY, Fresenius SP Ltd, Guardian Glass, IKEA DOM LLC, Knauf Group CIS, KPMG AO, KWS RUS LLC, Legrand Group, Limagrain RU LLC, Nestle Rossiya LLC, Philip Morris Sales and Marketing, Philips LLC, PwC, Raiffeisenbank AO, Rosbank, Schneider Electric, Siemens LLC, Syngenta, UniCredit Bank AO, VEGAS LEX Advocate Bureau, Volvo Cars LLC, YIT

NUMBER OF
COMMITTEE
MEETINGS

8

NUMBER OF
LOBBYING
LETTERS

3



COMMUNICATIONS, PR AND ANALYTICS



In 2021, we stucked to a pro-active communications and PR approach. In honor of the AEB 25+ anniversary, we refreshed our visuals and key communications channels to make them reflect our new goals – being valuable and informative, fast and reliable, innovative and appealing. We also developed and implemented a social media upgrade plan to make the content truly interesting and engaging for the audience.

PUBLICATIONS

In 2021, AEB continued the production of its periodical publications: “Business Quarterly”, “Real Estate Monitor”, “How to invest in Russia”. The design of all magazines went through a significant transformation and was adjusted to the newly adopted visuals. The “Business Quarterly” four publications covered the following topics: AEB 25+ anniversary; home appliances manufacturing and product conformity assessment; compliance and ethics; safety, health, environment and security.

DIGITAL COMMUNICATIONS

AEB WEEKLY UPDATE

AEB digital communications in 2021 continued demonstrating a steady development. One of the most notable achievements was an update of the flagship newsletter – AEB Weekly. According to the member requests, new sections were introduced to the publication: GR Monitoring, Regulatory Updates, Analytics, Member News, and others. From the UX/UI point of view, apart from the fresh design updated in line with the new corporate identity, the newsletter has become adaptive for mobile devices.

ALERTS VALUE INCREASE

The COVID-19 pandemic made us be more focused on uninterrupted information exchange. In 2021, we kept the momentum we had gained in 2020 and continued to timely inform our members through the dedicated alerts about any new legal, epidemiological, migration and other restrictions as well as respective AEB lobbying activities and initiatives.

GREEN INITIATIVE TELEGRAM CHANNEL

In 2021 we launched a new communication tool – Green Initiative Telegram Channel. The idea of such a channel derived from the activities of the eponymous expert platform launched by the AEB Board in 2020. The channel covers all recent low-carbon development news and presents professional opinion on the climate agenda prospects in Russia. More than 250 subscribers joined the channel over the last year and the number of followers keeps increasing.

AEB SOCIAL MEDIA UPGRADE

The presence of AEB in social networks increased over 2021. Compared to the year 2020, the AEB social media engagement rate (ER) became much higher (e.g. two times ER increase for Facebook and nearly the same figure for Instagram). One saying goes “Focus on how to be social, not on how to do social.” So, in 2021 we introduced a new project – Hall of Fame – dedicated to the achievements of the Association over the past quarter of century to make our members remember the most brilliant moments of the AEB history. We are very grateful to all our members who shared their photographs and recollections.

MEDIA RELATIONS

MEDIA COVERAGE

AEB media coverage remained high in 2021. According to Interfax-SCAN, in 2021 AEB was mentioned 23,953 times in the media, which is 28% more than in the previous year (16,435 quotes – in the federal press; 6,647 – in the regional sources; 871 – in the foreign media).

AEB press contacts include federal Russian TV channels, newspapers and information agencies (Interfax, Izvestia, Komersant, RBC, RIA Novosti, TASS, Vedomosti, VTimes; 1 TV Channel, RBC TV, Russia 24 TV Channel, Russia Today TV Channel, etc.); Russian regional media (Yug Times, Delovoy Peterburg, etc.); international media (Associated Press, BBC, Bloomberg, Deutsche Welle, El Mundo, El Pais, Euronews, Europa Press, Financial Times, Handelsblatt, La Tribune, Le Figaro, Le Monde, Les Echos, Moscow Times, Reuters, etc.).

PRESS EVENTS

In 2021, AEB held several important press conferences: annual and semi-annual press conferences of the Automobile Manufacturers Committee; annual conference of the Construction Equipment Committee; press conference on European business activities in Russia dedicated to SPIEF'21; presentation of the results of the survey jointly conducted with RSPP, AHK, German Embassy and Accenture – “Heading for sustainability: how Russian business is becoming responsible”; AEB joint press conference with representatives of major Russian and foreign business associations devoted to signing the Joint Memorandum in Favor of Mutual Recognition of Vaccination Certificates.

ANALYTICS

STATISTICS

AEB has been very well known for its statistics projects for many years. We run sales statistics projects for the Automobile Manufacturers Committee, Construction Equipment Committee, Commercial Vehicles Committee, and many others.

SURVEYS

The AEB flagship analytical project is its annual investment climate survey reflecting the conditions of the business and sentiments of European business “Strategies and prospects for European companies in Russia” that we have been doing with GfK since 2010.

In 2021, together with RSPP, AHK, German Embassy, and Accenture we also started the new incentive – research on ESG development in Russia.

Apart from this, we conducted several research projects at the request of the committees – on labeling, IPR, mental health issues, etc.



OTHER EVENTS

AMC ANNUAL PRESS CONFERENCE "OVERVIEW 2020"

On January 14, 2021 the Automobile Manufacturers Committee organized its Annual Press Conference "OVERVIEW 2020" in an online format. Thomas Staertzel, AMC Chairman, Porsche Russland, presented the results of car sales in 2020 (by 9,1% lower than in 2019), and made a forecast for 2021 (cars sales growth by 2,1%). Alexei Kalitsev, AMC Deputy Chairman, Hyundai Motor CIS, Stefan Teuchert, BMW Group Russia, and Alexander Migal, Kia Motors Russia & CIS, shared perspectives for the industry in 2021.



MEETING WITH THE EU HIGH REPRESENTATIVE FOR FOREIGN AFFAIRS AND SECURITY POLICY

On February 6, 2021 Johan Vanderplaetse, AEB Board Chairman, and Tazio Schilling, AEB CEO, met with Josep Borrell Fontelles, High Representative of the European Union for Foreign Affairs and Security Policy and Vice President of the European Commission. The meeting took place in the framework of the official visit of Mr. Borrell to Moscow and was also attended by EU Ambassador to Russia Markus Ederer, Head of Cabinet of the High Representative Pedro Serrano, Deputy Managing Director for Europe and Central Asia of the EEAS Luc Pierre Devigne, and Head of the Trade and Economic Section of the EU Delegation Laurent Bardon.



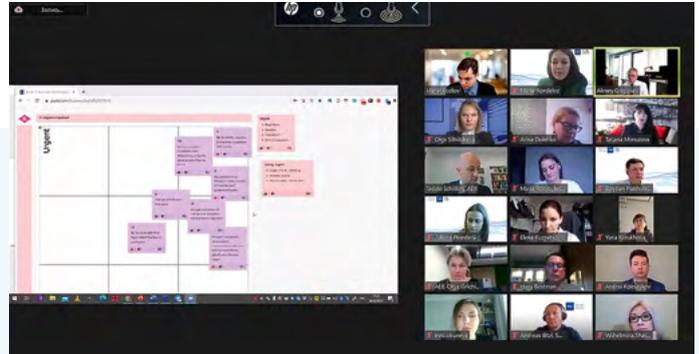
ANNUAL GENERAL MEETING OF THE AEB SOUTHERN REGIONAL COMMITTEE

On February 25, 2021 the Annual General Meeting of the AEB Southern Regional Committee was held in an online format. Tazio Schilling highly appreciated competences of member companies in the field of regional GR, localization, business service centers and the work of business schools in key universities of the Krasnodar region. Oleg Zharko, Chairman of the AEB Southern Regional Committee, made a report on the Committee activities in 2020 and spoke about upcoming activities.



AEB ANNUAL STRATEGY MEETING 2021

On February 26, 2021 AEB organized its traditional Annual Strategy Meeting. This time it was held online. In his opening speech the AEB CEO Tadzio Schilling pointed out that “AEB met 2021 in good shape in the new normal”, having provided actual COVID-19 alert and HQS support for its members, increasing its digital activities, extending its presence in the regions and having completed the process of adopting amendments to the AEB Charter. The following online parallel sessions were organized: next generation GR strategy & innovations; brand, digital communications, and strategic positioning; enhanced cross-committee cooperation.



AEB NORTH-WESTERN REGIONAL COMMITTEE ANNUAL GENERAL MEETING IN ST. PETERSBURG

On March 3, 2021 the AEB North-Western Regional Committee organized its Annual General Meeting in a hybrid format. Anton Rassadin, Chairman of the AEB North-Western Regional Committee, reported on the Committee activities in 2020 and announced plans for 2021.



AEB ANNUAL GENERAL MEETING 2021

On March 25, 2021 the AEB Annual General Meeting in a hybrid format was organized in Hotel Baltshug Kempinski Moscow. The meeting was chaired by Fredrik Svensson, Deputy Chairman of the AEB Council of National Representation. The audience was addressed by a keynote speaker, Markus Ederer, Ambassador of the European Union to the Russian Federation. The following reports were presented: “AEB Strategic Outlook” (by Johan Vanderplaetse, AEB Board Chairman); “AEB Business and Financial Reports for 2019 and 2020” and “AEB Restated Charter” (by Tadzio Schilling, AEB CEO); “Auditing Commission Report” (by Rene Pischel, AEB AC Chairman).



ANNUAL CONFERENCE ON INTELLECTUAL PROPERTY RIGHTS

On May 26, 2021 the AEB Intellectual Property Committee held its annual conference "Intellectual property rights: recent trends, court practices, problems and solutions". The event took place in the online format. The conference was opened by H.E. Markus Ederer, Ambassador of the European Union to the Russian Federation. The conference was dedicated to the key issues in the sphere of intellectual property in Russia, the EU and the EAEU, including the overview of established practices in applying regulatory acts, court practices, topical issues in the field of unfair competition, and digital initiatives.



ANNUAL SURVEY "STRATEGIES AND PROSPECTS FOR EUROPEAN COMPANIES IN RUSSIA"

On May 28, 2021 the results of the 14th AEB-GfK annual survey "Strategies and prospects for European companies in Russia" were presented by Alexey Dorofeev, Managing Director at GfK Rus. The study was conducted in April-May 2021 and covered 105 companies. The event was moderated by Stuart Lawson, AEB Board Member, Senior Adviser at EY, Director at Skolkovo Ventures, with participation of Tadzio Schilling, AEB CEO.



AMC SEMI-ANNUAL PRESS CONFERENCE 2021

On July 6, 2021, for the first time ever, the AEB Automobile Manufacturers Committee organized a semi-annual press conference in an online format. Tadzio Schilling, AEB CEO, delivered a welcome speech, and Thomas Staertzel, AMC Chairman, Porsche Russland, presented interim results of the automotive market and updated a forecast of the new car sales industry in 2021.



BRIEFING BY ANNETTE KYOBE, IMF RESIDENT REPRESENTATIVE FOR RUSSIA

On September 24, 2021 a briefing by Annette Kyobe, International Monetary Fund Resident Representative for the Russian Federation, was organized. Ms. Kyobe made a forecast of Russian GDP growth rates, gave an assessment of Russia's near-term economic prospects, spoke about current global economic trends. The event was moderated by Stuart Lawson, AEB Board Member, Senior Advisor, EY, Director, Skolkovo Ventures.



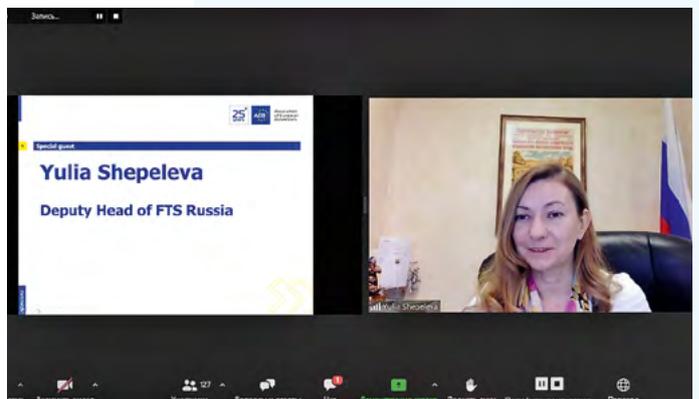
AEB ANNUAL MIGRATION CONFERENCE

On December 14, 2021 the XIV Annual Migration Conference organized by the AEB Migration Committee "Prospects of migration policy development. Practical application of the existing regulations" took place. The conference was attended by representatives of the General Directorate for Migration of the Ministry of Internal Affairs, representatives of the Ministry of Labor and Social Protection, and AEB members.



AEB ANNUAL TAXATION CONFERENCE

On December 16, 2021 the AEB Taxation Committee held its traditional annual conference. The event was attended by over 170 participants and highlighted developments of the international taxation as well as the recent and upcoming amendments to the Russian taxation legislation. AEB experts discussed tax benefits and investments, new requirements to the localization of accounting databases in Russia, and the issues of tax control outside of tax audits.



OPERATIONS ACTIVITIES



After a long period of preparation, in 2017, AEB developed and introduced a quality management system (QMS), which has been working successfully to this day. In 2020, in the course of recertification, the Association passed the QMS compliance check with the criteria set by the international standard and its own quality requirements. The scope of the AEB Quality Management System includes the representation of AEB members' interests in the communication with the government and other business partners, as well as the information exchange between AEB members.

Following the principles of the new methodology for building a quality management system, the risk-oriented thinking has come to the forefront at AEB. This has minimized the negative impact of external factors.

AEB continuously monitors customer satisfaction. One of the quality objectives for the reporting period was to improve methods of monitoring information relating to consumer perceptions of the organization's compliance with its requirements.

AEB applies PDCA methodology for each of the 5 business processes defined (and in the organization as a whole):

- › AEB membership retention and development;
- › Event management;
- › Migration support;
- › Committee activities;
- › Publications.

Documented Procedures regulating the activities of processes/units have been developed and approved for each process. Process performance indicators have been defined in the relevant Documented Procedures. All employees responsible for processes regularly review the Documented Procedures and instructions for suitability.

During the compliance audit held in August 2021, no discrepancies were found, AEB once again confirmed that its quality management system was ISO 9001 compliant.

AEB's quality objectives are set for the calendar year following the Annual Strategy Session, so that the opinion of AEB members could be taken into account.





CERTIFICATE

Management system as per
ISO 9001 : 2015

The Certification Body TÜV NORD CERT GmbH hereby confirms as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that the organization

Association of European Businesses
127055 Moscow
Butyrsky Val street 68/70, bld. 1,
Russian Federation



Association
of European
Businesses

operates a management system in accordance with the requirements of ISO 9001 : 2015 and will be assessed for conformity within the 3 year term of validity of the certificate.

Scope

Representation of the AEB members interests in the communication with the government and other business partners and providing information exchange between the AEB members

Certificate Registration No. 44 100 201663
Audit Report No. 3527 8522

Valid from: 2020-10-18
Valid until: 2023-10-17


 Certification Body
at TÜV NORD CERT GmbH

Essen, 2021-10-27

Validity can be verified at <https://www.tuev-nord.de/de/unternehmen/zertifizierung/zertifikatsdatenbank>.

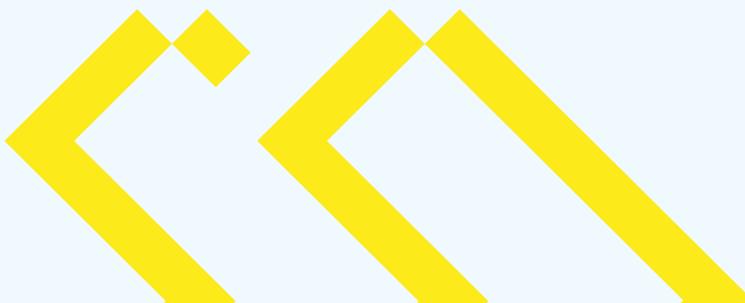
TÜV NORD CERT GmbH

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AEB

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