AURIGA®

2019 CORPORATE SOCIAL RESPONSIBILITY REPORT

25+ YEARS OF ENGINEERING LEADERSHIP

AURIGA®

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25+ YEARS OF ENGINEERING LEADERSHIP

MESSAGE FROM CEO

During almost 30 years in the IT outsourcing industry, we at Auriga have been constantly striving to focus not just on what we do but on the ways we do it and add value to the business and to society as a whole. We are honored that our efforts in the area of CSR were highly praised by an independent IAOP™ experts over the past three years.

I am proud to introduce Auriga's 2019 Corporate Social Responsibility Report, which shows in details our dedication to the customers and communities we serve, our environmental sustainability, our ways to reach out for employees and clients and show them we do care. In this report, we share our goals and challenges and represent our CSR approach and achievements.

Throughout 2019, we have focused on expanding our community engagement, improving our QA processes to enhance customer satisfaction, building a collaborative and inclusive workplace culture, and making Auriga a place where our employees can develop professionally and personally to reach their full potential.

In the following year, CSR will remain a priority for Auriga. We will continue embedding CSR initiatives in our core corporate values, encouraging our employees, partners, and customers to be socially responsible, and I am hopeful that our joint efforts will contribute to making the world a better place to live and work.

Vyacheslav Vanyulin

CEO, Auriga

INTRODUCING AURIGA

Being a 25+ years leader in full-cycle software development and testing, Auriga helps its customers to innovate, lower costs, ensure safety and reliability, and shorten development time for next-generation products in various domains.

We implement the process that will make you feel as if you just got the extension of the existing team, quickly add the skills that you currently lack in your team and expedite your internal development effort with both new product development and maintaining existing products.

AURIGA FOOTPRINT

7
locations

13+
R&D labs

500+
employees

100+
projects yearly

120+
clients

Stability: since 1990

Ownership: privately-held C-corp.

Flexibility: FP, T&M, Dedicated Center, Agile

Compliance: CMMI IV, ISO 13485, IEC 62304…

Added Value: tailored processes, ramp-up methodology

References: customers' satisfaction track record

Recognition: Global Outsourcing 100 List since 2008, Datamonitor, Gartner, IDC, Forrester and other analytic reports and ratings

A PARTNER YOU CAN TRUST

25+ YEARS OF ENGINEERING LEADERSHIP

To stay competitive, compliant and cost-effective, Auriga is the partner you can trust to develop the safest, most secure and reliable products.

Auriga was named among the Super Stars of the Global Outsourcing 100® ranking for its sustained excellence.

#1 Customer Satisfaction in enginerring services outsourcing

In Top 20 Customer Satisfaction across all outsourcing segments w/w ahead of Google, IBM, HP, Siemens, Dell and many others

AURIGA®

CSR QUICK FACTS

COMMUNITY INVOLVEMENT

>70%

employees engaged
in charitable activities

LEARNING AND GROWTH

80

courses organized
by Corporate Training Center

OUR PEOPLE

5

core values

CUSTOMER SATISFACTION

7

clients stay with us
longer than a decade

GENDER DIVERSITY

45%

women in Executive
Management Team

25+ YEARS OF ENGINEERING LEADERSHIP

25+ YEARS OF ENGINEERING LEADERSHIP

COMMUNITY INVOLVEMENT AND DEVELOPMENT

Employee volunteering is one of the most effective ways for Auriga to build relationships with communities and local partners and to strengthen our reputation as a good corporate citizen.

Employees are encouraged to include volunteering in their annual personal development plans, and they can post information about important causes that need support in a separate section called Acts of Kindness on Auriga’s intranet portal.

In every city where Auriga has locations, our employees are involved in their communities, working to make the world a better place.

HELPING CHILDREN

Private Charity

Auriga's employees devote time to helping orphanages and working with children in the Moscow, Nizhny Novgorod, and Rostov-on-Don regions. Auriga's employees donated money, clothes, toys, and books to the Otkazniki orphan charity fund and purchased medical goods and supplies for the Morozov Children's Hospital in Moscow, Russia.

A number of Auriga's employees are active fundraising group participants to aid people, mostly children, with expensive medical conditions that require urgent surgeries or special medical treatment.

Corporate Charity

Our volunteering efforts have risen to a new level since 2016, when Auriga started cooperating with the Wings of Life charity fund in Nizhny Novgorod, Russia. The fund is aimed at the socialization of children from orphanages and dysfunctional families through sport, dance, and art activities, as well as various trainings, workshops, and master classes.

The fact that Auriga is an official sponsor of the charity fund inspires the employees to dedicate more energy and attention to fundraising and volunteer work in 2019.

VOLUNTEERING

Charity Run

Annually, Auriga's employees participate in the "Run, Hero!" charity run in Nizhny Novgorod, Russia. Every year the organizers choose a new charitable purpose for the event. In 2019, they helped the "Vera" social rehabilitation center for minors. Moreover, they invested in the "Territory of Movement" project, including building a bicycle track and a sports complex and purchasing 30 bicycles, roller-skates, scooters, and other equipment. In 2018, they invested in developing sports for disabled people. In 2017, they helped the №95 boarding school buy outfit for a children's football team and organize a trip to St. Petersburg to participate in All-Russian futsal competitions.

Charity Bake Sale

Auriga's employees have started to organize regular charity bake sales since 2014. In 2014-2015, the profits from the events were used to buy essential goods for the Children without Mothers charity fund in Nizhny Novgorod.

In 2016-2019, we raised funds for Sasha Maslennikov, a 5-year-old boy with congenital CNS defects (Spina Bifida) and other health issues. Together we managed to collect the necessary sum to buy a myostimulation device and pay for Sasha's sanatorium rehabilitation.

SAVING LIVES

National Marrow Donor Program

Auriga’s employees participated in the National Marrow Donor Program in May 2015. Over 10% of Auriga’s employees in Nizhny Novgorod registered as potential donors. The event helped to raise awareness about this important issue.

In September 2018, one of the National Marrow Donor Program participants registered at Auriga in 2015 became a stem cell donor for a girl with leukemia. This case has inspired us to repeat the event and encourage even more people to register as potential donors.

Animal Protection and Care

Auriga’s employees have always been interested in helping animals left homeless, injured, hungry, and lost, and cooperating with homeless animal prevention and care funds. Some of us have spent years helping pets in need.

One-third of our employees show stable interest in animal protection and care. They support non-profit organizations in Russia raising funds for pet shelters and spreading awareness about homeless pets.

Since 2018, Auriga’s employees in Nizhny Novgorod can bring pet food and other pet care products and leave them in a special box installed in the office to support pet shelters.

CHARITY SURVEY

Who We Help

patients who need expensive treatment (48%)

pet and animal shelters (33%)

people facing hardships (18%)

orphans (18%)

HIV/cancer patients (16%)

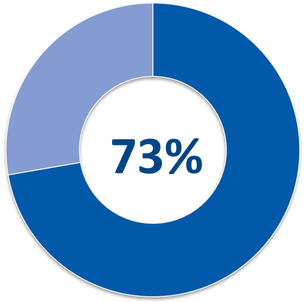
seniors (16%)

low-income families (13%)

disabled (11%)

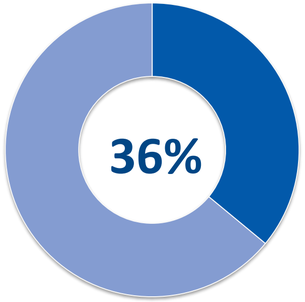
talented children (7%)

Activity



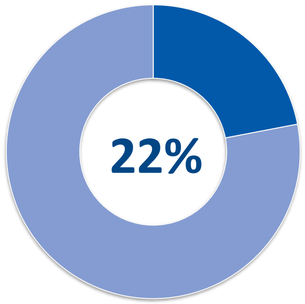
employees engaged in volunteering and charitable activities

Experience



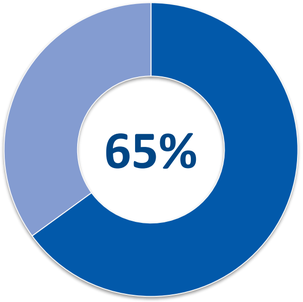
employees with 5+ years' charity or volunteering experience

Contribution



employees contributed $80 and more to charity in 2019

Plans



employees will continue or expand their charitable activities in future

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Support of Various Causes, Volunteer Work	▪ Increase employees' awareness of charity programs and volunteer work	▪ Auriga's employees raised money for orphans and sick children and personally contributed to various charity causes ▪ Auriga served as an official sponsor of the Wings of Life charity fund in Nizhny Novgorod, Russia

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Increase employees' awareness of charity programs and volunteering events providing relevant information via the intranet portal and suggesting initiatives in regions surrounding the company locations	FY 2020

EDUCATION

Auriga recognizes education as one of the key building blocks of any nation and considers it one of the priority areas for its CSR activities. We believe that support for quality education is the best investment in community economic development.

Areas in which we apply our best efforts include contributing to the enhancement of Russian IT education, adjusting national standards in accordance with the global benchmarks, improving teaching quality and enriching teachers' experiences, and improving access to technology in education.

IT EDUCATION PROMOTION

IT Education Standards Development

Auriga's representatives participate in Russian Information and Computer Industry Association (APKIT) sessions where they sit on the Education Committee.

The key objective of the Committee is the development of various projects in the IT education sphere, particularly working out the integrated professional standards in the IT area and enhancing the graduate and postgraduate educational standards in IT.

Participation in IT Educational Events

Annually, Auriga's experts take part in IT educational events, conferences and career trade fairs contributing as both speakers and attendees. This events help us share experience and promote IT education among young talent in Russia.

In 2018-2019, Auriga's engineers from different locations made presentations on their experience at Software Engineering Conference in Russia (SECR), one of the largest platforms for obtaining knowledge and networking, software testing and Agile conferences, and several other exciting IT educational events.

PROGRAMS FOR YOUNG TECHIES

Cooperation with University

Since 2015, Auriga has cooperated with Lobachevsky State University of Nizhni Novgorod (UNN), one of the largest universities in Russia, known for its strong Mathematics and Computer Science program. The cooperation is aimed at training young IT specialists, creating educational programs and internships, and offering career guidance for students.

UNN undergraduates have regular opportunities to intern at Auriga and receive valuable experience working on real-life development projects for embedded solutions, enterprise software, banking products, mobile applications, web portals, and social networks.

Co-op Internship Program for Fresh Postgrads

Auriga's Training Center aims at providing co-op opportunities for recent high-tech graduates and helping them grow into mature software development professionals with sound technical skills and experience.

The courses are conducted by experienced mentors, and the need-based training at Auriga is combined with the latest technical expertise and real-life technological challenges. The tuition is free for all participants. Graduates are able to start a full-time job on a real-life software development project and gradually blend in with the mature Auriga engineering team.

A-TRAINING INITIATIVE

In 2017, Auriga's Corporate Training Center launched a new A-training (https://vk.com/aurigatraining) educational initiative for software and test engineers, analysts, architects, project managers, and team leads. This is a unique project making our internal training available for everyone willing to learn and improve own skills.

Auriga provides its educational platform to discuss the hot topics in the field of software development and testing, explore new tools and emerging technologies, try best practices and approaches, boost personal effectiveness, and polish communication skills.

The program includes both webinars and offline trainings. Some of the webinars we have presented recently were dedicated to ARMv8, Make, Git, Hyperledger Fabric, neural networks, time management, business communications, and many other exciting topics. We have also launched a big Linux Kernel course.

The courses and workshops are usually organized by Auriga's experts from Moscow, Nizhny Novgorod, and Rostov-on-Don. Moreover, we invited 25 non-employee specialists willing to share their knowledge and experience.

The participation in our trainings is absolutely free and open for all.

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Educational Programs	▪ Participate in IT educational events ▪ Organize workshops on software development for students and postgraduates	▪ Auriga developed a new A-Training initiative and organized over 20 free and open trainings available for any student ▪ Auriga participated in several IT educational events, including SECR, etc.

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Provide more educational courses via the A-training platform ▪ Increase the number of workshops for students and postgraduates ▪ Increase participation in IT educational events	Ongoing

PROMOTING HEALTHY LIVING

One of Auriga's goals in community engagement is to encourage healthy, active lifestyles through participation in sporting events. We welcome all our employees' sports initiatives and provide them with the opportunities and facilities to realize their potential.

Year after year, Auriga supports employees' participation in various marathons and tournaments. In 2018-2019, our employees ran marathons in Moscow, Nizhny Novgorod, and Vilnius, and participated in table tennis tournaments organized for our employees in Nizhny Novgorod and Rostov-on-Don offices.

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Promotion of Healthy, Active Living	▪ Increase participation in sports activities	▪ Auriga has teams in the following sports: football (soccer), volleyball, table tennis, skeet shooting, darts, and chess ▪ More employees expressed interest in participating in team sports activities ▪ More employees from various locations took part in marathons

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Increase number of sports-related programs ▪ Increase awareness of healthy and active living providing relevant information via the intranet portal	Ongoing

OUR PEOPLE

At Auriga, we encourage our employees to contribute to the development of a more connected, safe, and transparent world. Our collective technical, creative, and professional skills create innovative solutions that alter our communities drastically. Auriga develops products and solutions for various customers: medical device manufacturers, high-tech companies, educators, and government agents. Our continued success depends on our ability to attract and retain talented and highly skilled people who have the desire to perform at their absolute best.

MAKING AURIGA A BETTER PLACE TO WORK

At Auriga, we realize that employee and customer satisfaction is fundamental to our sustainability and success. Our employees have always been the key factor for Auriga's growth and development. We put a great deal of effort into attracting highly skilled, motivated people to work at Auriga.

We offer our employees challenging and rewarding work, competitive compensation, benefits that enhance their quality of life, a safe work environment, and a variety of personal and professional growth opportunities. Throughout 2019, we have focused on helping them bring the very best of themselves to their performance each day.

Collaboration, innovation, and creativity greatly contribute to Auriga's success. We foster these qualities and skills in our employees in a number of ways, including promoting open and direct communication and creating a diverse and inclusive working environment where everyone can share their ideas.

A strong alignment between business operations and corporate values leads to higher employee satisfaction, reduced turnover, maximum self-dedication, and good financial results. To take full advantage of the benefits of this alignment, in 2018 we reformulated our core corporate values and started the implementation of a new values-based culture in the company.

OUR CORE VALUES

Focus on Client
We do all we can to understand the client's business goals and proactively help in reaching them.

Strive for Excellence
Whatever we do, we do our best to perform the task better than anybody else could.

Act with Integrity
We say what we think and do what we say.

Work as a Team
We believe that high goals can only be achieved by combining individual talents, opinions and efforts.

Love What You Do
We facilitate comfortable and flexible environment to enjoy every day of our life at work.

VALUE-BASED MANAGEMENT

Auriga is striving to strengthen organizational credibility, and thus employee engagement, by ensuring that the actions of company leaders and employees are aligned with the company's stated aspirations, and provides the employees with a credible and specific set of values that can effectively guide them in decision-making.

Our approach to values-based management is unique in many ways. Auriga actively reinforces expected behaviors by integrating its values into key HR and Training Center processes and programs. As a result, our company creates accountability for living its core values through constant, open communication with internal and external stakeholders.

Additionally, Auriga has embedded these values directly into its performance management system—all values are transferred into a set of behavioral patterns that is considered a practical manifestation of those values. These component values and associated behaviors also serve as the basis for screening and selecting potential hires.

The introduced value management system has been warmly received by current employees. The seamless integration of values, behaviors, performance standards, selection criteria, development, and reward components has been identified as a critical factor for the company's future growth, and it has already improved our overall performance and reduced employee turnover.

COMMUNICATING WITH EMPLOYEES

Open and transparent communication is critical to building trustworthy relationships within the company. At Auriga, we actively provide opportunities for the direct exchange of opinions between top management and employees.

We strongly believe it is important for top managers, project managers, and team leaders to inspire their people and promote our company's culture. To ensure the success of this process, we use a combination of collaborative tools, events, and communication programs.

We keep employees informed, engage in candid dialogue, answer questions, and treat concerns respectfully.

Top management blogs on corporate intranet portal

Top manager visits to Auriga's locations to interact with employees

Online conferences with CEO on a regular basis

Leadership programs for project managers and team leaders

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Cooperation	▪ Introduce new ways to communicate with employees, increase engagement level of employees to 80% or higher ▪ Reformulate Auriga's core values and principles to align them with how we do business and treat our clients	▪ Top management blogs, visits, and online conferences have been introduced ▪ Employee engagement level is still lower than target but increased by 10% compared to 2018 ▪ New corporate values have been introduced

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Increase engagement level of employees to 80% or higher ▪ Increase diversity awareness	Ongoing

LEARNING AND GROWTH

Learning and growth are fundamental principles at Auriga. We are devoted to the individual career development, and we provide a great number of training opportunities to assist our employees in reaching their full potential and pursuing Auriga’s business objectives.

Annually, each employee prepares an individual development plan in partnership with their manager. Our corporate Training Center in cooperation with HR Department helps employees build individual careers and select training options in accordance with their plans and available internal training programs.

HARD SKILLS TRAINING

Some tech courses in 2018-2019:

- Linux Kernel
- Neural Networks
- Git Tips & Tricks
- Virtualization
- Test Automation

80

educational courses offered by Corporate Training Center in 2019, including technical training, management programs, organizational courses, and personal efficiency workshops

We have organized internal online software development webinars for Auriga teams across different locations since 2009. Apart from bringing technical knowledge, these cross-project training programs allow our software engineers from different offices to brainstorm on new projects and to get to know each other better. This initiative proved to be very promising, and every year, we strive to increase the number of webinars available to our employees.

All webinars have been recorded and are free of charge to all employees. Since 2017, most of our internal courses have become open and available to any person via the A-training platform.

MEDICAL STANSARDS TRAINING

Three years ago, Auriga launched an integrated medical software development training program. The program includes in-house training sessions devoted to different standards in software development for the healthcare industry. Both online and offline medical training sessions are offered on a regular basis.

All new employees working on relevant projects have to complete the course and pass a test. As a result of these efforts, we can guarantee that the medical equipment Auriga works on complies with generally accepted global standards, such as FDA 21 CFR Part 820, ISO 13485, IEC 60601-1-8, and IEC 62304.

In November 2017, Auriga's quality management system was assessed and certified as meeting the requirements of ISO 13485:2016 for the software testing of medical devices. In October 2019, the certification was successfully prolonged.

On the way to this goal, 20 employees completed an additional external training "Quality management systems for the medical devices industry based on ISO 13485, ISO 14969, ISO 14971, and ISO 19011 standards". Moreover, we conducted over 10 offline internal courses on ISO 13485.

We have launched an online training on medical standards and developed a new course on the Medical QMS. We at Auriga continue working to refine the processes and develop efficient training on them.

SOFT SKILLS TRAINING

As many years of experience show, one of the essential ingredients for success in software R&D outsourcing is a well-built, transparent communication system between the client and developer. The ability to understand and pursue clients' business goals, communicate constructively on a daily basis, build teams with a focus on a proper engineering culture, take responsibility for results, and strive for perfect quality often determines a project's success or failure.

In 2018-2019, we continued to successfully implement our long-term training program with a focus on employees' effective communication skills development. As a result, we witnessed a significant increase in timely knowledge transfer, early problem solving, and intelligent decision-making.

Series of training sessions for project managers in "lesson learned" format. This program connects theory and practice by focusing on real-life case studies.

Personality, Motivation, Possibilities (PMP) training project aimed at improving employees' verbal communication, presentation skills, and ability to operate in an international business environment.

Succession pool program aimed at building up an internal pool of highly qualified candidates with relevant experience and skills for the position of architect.

LEADERSHIP DEVELOPMENT

Key Objectives of Leadership Program

We assist our employees in reaching their full potential, which ultimately results in growth for Auriga and success for our customers. The key objectives of our leadership development program are the following:

- Establish a leadership culture in the company
- Strengthen the managerial, functional, and technical competencies to enable superior performance
- Groom the best talent within the organization to build a strong group of future leaders
- Build standardized leadership competencies for all Auriga's employees

Leadership Development Activities

- Series of leadership development training sessions for project managers and team leaders.
- "SENSEItion"—a combination of mentorship and leadership programs, in which experienced employees introduce newbies to the company's values, help them adjust, and supervise their activities. Over 100 new employees have participated in the program.
- "Fresh Leads" succession pool program aimed at building a talent pool for the position of Team Leader.

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Talent Management	▪ Increase number of training programs to provide more opportunities for growth and development ▪ Introduce extensive medical standards training, especially on the ISO 13485 standard	▪ New seminars, webinars, training courses, etc. have been introduced ▪ Both offline and online training courses on ISO 13485 have been developed and launched ▪ Leadership courses and training sessions for managers and team leaders have been held

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Deliver innovative and consistent career development opportunities ▪ Encourage employees to share knowledge and experience via provided tools and opportunities	Ongoing

25+ YEARS OF ENGINEERING LEADERSHIP

HUMAN RIGHTS

Adopting fair and ethical labor practices and promoting human rights are important to Auriga's reputation and ongoing success. We require our business partners to adhere to the high standards we set for ourselves.

Employee conditions and terms of service comply with national laws and applicable industry standards. Auriga does not tolerate uncivil or degrading treatment of employees and is opposed to all forms of abuse, physical punishment, forced labor, and child labor, whether in its own operations or those of its customers or partners.

HUMAN RIGHTS PRACTICES

Healthy and safe working conditions
Providing a healthy and safe working environment in accordance with applicable laws and regulations

Reasonable wages and working hours
Complying with local legislation on minimum wages, working hours, and employee benefits

No discrimination
Not subjecting people to discrimination based on factors such as ethnicity, age, religion, or sexual orientation

No child labor
Not employing people younger than the age for completing compulsory education

No disciplinary treatment
Not subjecting people to harassment, violence, or intimidation

GENDER DIVERSITY

> We at Auriga believe in the power of balanced teams, diverse mindsets, and complementary thinking. A healthy gender mix is crucial to optimize work potential, enhance problem-solving, and encourage ideas that foster innovation and creativity. This is what gives your team a competitive edge in today's dynamic IT environment.

ELENA BARANOVA
Director of Engineering, Auriga Inc.

45%
women in Executive Management Team

25%
female software and test engineers

20%
women among senior experts

9%
female juniors making first steps in IT

25+ YEARS OF ENGINEERING LEADERSHIP

FAIR BUSINESS

Auriga conducts its business through fair competition, because we believe that we all benefit from fair, free, and open markets. Auriga employs the highest ethical standards for all processes that involve interaction with our clients and competitors, and we have high expectations for ethical conduct in every aspect of our business.

All employees are aware of the company's standards and regulations in the areas of information security, ethics in competitive environments, protection of Auriga's clients' interests, and respect in the workplace. We ensure that our employees always act in compliance with our Code of Conduct.

FAIR OPERATING PRACTICES

Intellectual Property Protection

The most important thing for clients is the protection of their intellectual property (IP). In the software business, clients have to transfer IP, including source code and patented or patentable technologies, to Auriga development teams. Most of this IP constitutes part of the client's significant competitive advantage.

Auriga's policy on IP rights is to observe the laws and regulations associated with them, to protect the IP of our clients by enforcing information security protection and ethical standards, and to respect the legitimate IP rights of third parties.

Fair Competition

- We compete strictly on the merits of our products and services.
- We do not discuss our pricing strategies with competitors.
- We do not enter into agreements with our competitors concerning prices, customers, or sales territories.
- We do not speak disparagingly about the products or services of our competitors.
- We collect competitive information through proper public or other lawful channels but do not use information that was obtained illegally or improperly by others, including through misrepresentation, invasion of property or privacy, or coercion.

SUPPLY CHAIN RESPONSIBILITY

Auriga is committed to ensuring economical, ecological and social responsibility among its suppliers.

Supply chain policy
Auriga has a policy in place that forces its suppliers to ensure social, ethical and environmental standards

Supplier self-assessment
Auriga has a supplier self-assessment process to achieve transparency about sustainability and compliance

Supplier compliance
Auriga's sourcing decision is influenced by the supplier compliance to environmental protection, human rights, safe labor, and anti-corruption

Remediation plan
Auriga has a remediation plan in the event of environmental, labor, human rights, safety or corruption concerns are identified

INFORMATION SECURITY

Information Security Measures

Auriga has been building information security policies in strict accordance with the advanced global standards in this area. After a number of external security audits, we updated the company's security policy and improved the processes related to data protection and cyber threats.

Along with standard security measures, Auriga is now also using enhanced information security procedures. Our customers and potential clients can be confident that Auriga employs the most up-to-date and reliable information security measures.

Avoiding Vulnerabilities

Auriga has several information security policies and rules, including, but not limited to, confidential data-storing, rules for data exchange with customers, internet usage rules, etc.:

- All employees sign an NDA
- All employees do annual information security training
- All resources are protected by access rules, so only authorized individuals have access to client information

Physical security provisions include security badges (for employees to access the premises), visitor sign-in sheets, and a video control system with motion-detection recording for area access and critical rooms.

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Fair Competition	▪ Increase awareness of company's Code of Conduct by organizing training sessions for 100% of employees	▪ 100% of employees participated in the training sessions focused on fair competition practices and Auriga's Code of Conduct
Information Security	▪ Promote security awareness, 100% of employees to participate in annual information security awareness program	▪ All employees take the information security test after they are hired and as a part of their appraisal process

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Increase Auriga employees' awareness of company's Code of Conduct ▪ Promote security awareness ▪ Address issues of unfair business practices on the company's intranet portal	Ongoing

ENVIRONMENTAL IMPACT

When it comes to the environment, Auriga has high standards regarding responsible environmental management. Every year, we make new efforts to achieve environmental sustainability. All employees are aware of our Workplace Safety and Environmental Protection policy and fully understand and abide by it.

This policy is applicable to contractors as well as all Auriga’s employees, and the workers are instructed to report any environmental, health, or safety concerns to the management. Should any issues arise, the managers are to react accordingly.

ENVIRONMENTAL POLICY OBJECTIVES

Workplace safety
Provide a safe
and healthy workplace
to allow all our employees
to perform their tasks
to their maximum potential

Energy efficiency
Ensure the responsible use
of energy by conserving it,
improving its efficiency,
and giving preference
to renewable over non-
renewable energy sources

Resource saving
Save natural resources
by reusing supplies
and purchasing recycled
materials

Minimal waste
Reduce waste using
environmentally friendly
processes , streamline our
office operations,
and promote responsible
waste disposal

IMPROVING ENERGY EFFICIENCY

Auriga has made substantial progress in improving energy efficiency and reducing energy costs by implementing the following measures.

Energy-efficient lighting

We replaced over 800 fluorescent (mercury) light bulbs with energy-efficient LED ones at all Auriga locations. Moreover, a smart home lighting system was launched at Auriga's office in Nizhny Novgorod. The system turns the lights off automatically after the door has remained closed for 40–50 min.

Precision air conditioning, free cooling

A precision air conditioner was installed for cooling two server rooms at our Moscow location. A free cooling system uses cold outdoor air at low ambient temperatures, thereby practically eliminating the need to use electricity for operating the air compressor during the cold season.

Automatic temperature control

We implemented an automatic temperature control system at Auriga's office in Moscow by embedding temperature sensors in the building's heating system. Moreover, all our conditioners are programmed to automatically turn off at 7 pm to no longer forget to turn them off.

ENCOURAGING SUSTAINABILITY

Despite the fact that Auriga opened a new software development center in Novosibirsk in spring 2018, our overall energy consumption stayed almost at the same level. However, we expect to reduce energy consumption by 8–10% in the coming year, which will be a great achievement considering that the number of employees (and consequently the number of workstations) has been constantly increasing.

At the same time, we have been constantly working on our environmental sustainability goals by integrating numerous highly efficient technologies and sustainable solutions.

Some of the measures we take include:

- Minimizing paper and plastic consumption
- Purchasing energy-efficient office equipment
- Adjusting air conditioner use in offices in accordance with actual needs
- Advising all employees to turn off equipment when not in use

We continue our efforts to minimize our environmental footprint by encouraging waste recycling and promoting reduced water usage at all of our facilities. We are set to use only water-efficient appliances and fixtures in our offices and advise our employees to do the same in their households.

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Responsible Environmental Management	▪ Reduce Auriga's operational energy use by 15% by 2019 ▪ Increase Auriga's employees' awareness of environmental issues	▪ The process is ongoing; we expect to reduce energy consumption by 8–10% in the coming year ▪ Relevant content has been provided to employees via the intranet portal

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Reduce Auriga's operational energy use by 15% ▪ Increase Auriga's employees' awareness of environmental issues	Ongoing

25+ YEARS OF ENGINEERING LEADERSHIP

CONSUMER ISSUES

We are passionate about our customers, and we aim to provide them with safe and reliable products, solutions, services, and systems. Our key mission is to ensure the superior quality of our solutions and services as perceived by our customers.

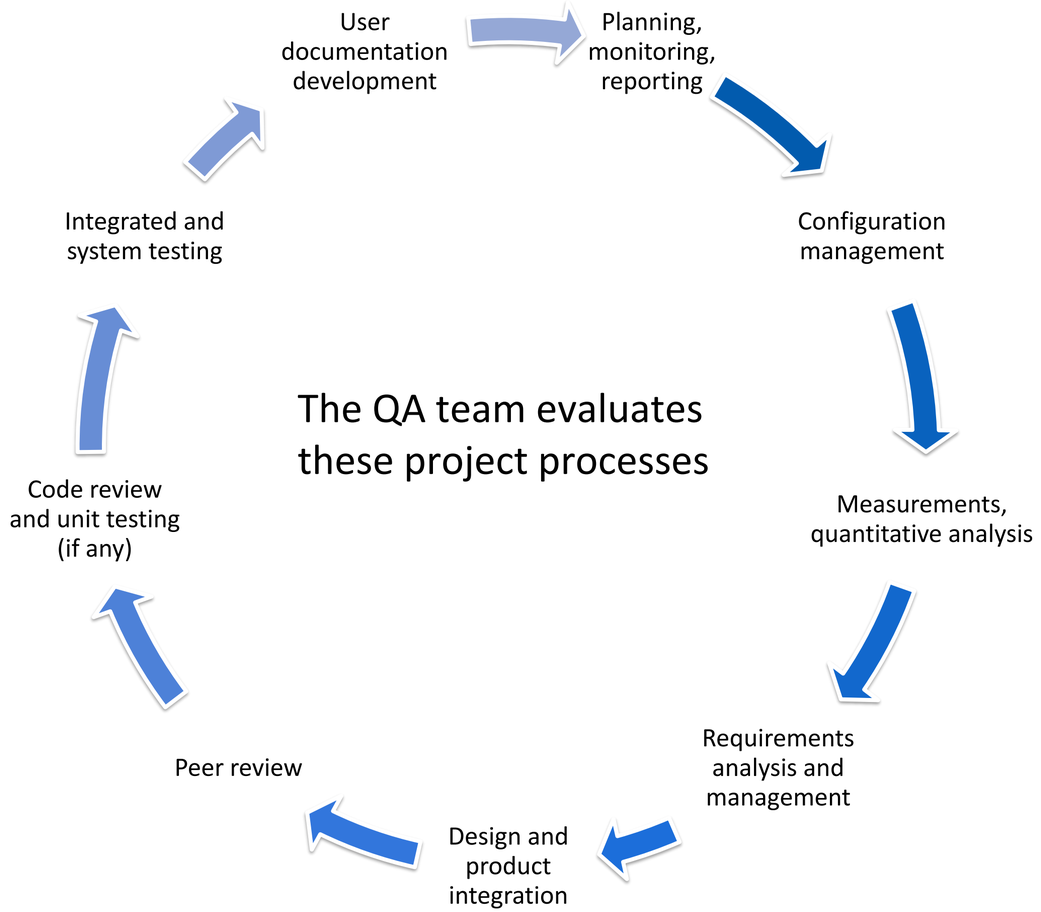
Today’s mission-critical applications employ sophisticated programming methods to produce the required results. Technologies are complex, and time frames are short. To minimize the risk of failure, Auriga employs rigorous testing, verification, and validation practices, employing proper testing processes and methodologies.

AURIGA®

QUALITY CONTROL AND ASSURANCE

The Auriga Quality Assurance (QA) team controls every phase of the product-development lifecycle: product requirement specification, design, implementation, testing, and deployment. All employees involved in QA activities are trained or skilled in QA objectives, procedures, and methods, and both quality procedures and quality policies are in place.

Process evaluations are conducted to ensure that the process defined by the company and the project plans are followed as the project progresses. These evaluations take the form of selected reviews of individual project activities to determine that each activity is conducted properly.



PRODUCT TESTING AND QA

Auriga’s hands-on experience provides customers with the unique opportunity to perform comprehensive product testing and QA. The quality of the provided services is confirmed by dozens of testing projects performed in the vertical domains where the highest quality level is a must—medical devices and avionics systems. Auriga has been working on projects that comply with the highest standards, such as ISO 13485, 21 CFR Part 820, and DO-178B Level A.

Evidence is gathered through a review of documents and work products. Any indications of a possibility of non-conformities or defects are registered in detail. Information gathered during reviews is checked by a comparison with data on the same subject received from other independent sources.

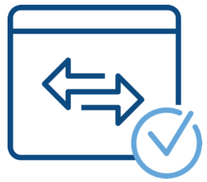
Additionally, internal Quality Audits can be conducted to verify the compliance of general corporate processes and activities with QMS procedures and to assess the efficiency of QMS in use.

These audits may be current (planned) audits or caused by the following:

- Significant changes in the company (in management, structure, policy, methods, or technology)
- Necessary consequence of corrective action implementation
- Occurrence of non-conformities
- Customer complaints (if any)

AURIGA

OUR QA APPROACH



CMMI processes
Projects are performed following Auriga's CMMI-based project management and engineering processes

Process tailoring
Auriga's Software Engineering Process Group (SEPG) assists the project team with tailoring Auriga's processes to the specifics of the project

Internal audits
QA team performs internal audits and helps ensure that compliance to the tailored process is actually achieved during process execution

Double check
Every type of product produced by Auriga is checked by the QA team, including executable code, documentation, etc.

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Quality Control/Assurance	▪ Ensure superior quality of our solutions and services	▪ In 2019, Auriga prolonged the certification of its quality management system as meeting the requirements of ISO 13485 for the software testing of medical devices.

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Expand the applicability of the medical quality management system to all software development and testing projects	FY 2020

CUSTOMER SATISFACTION ENHANCEMENT

Auriga focuses on delivering robust business and technology solutions to high-tech software and hardware product companies worldwide. In its nearly 30 years of successful performance, Auriga has effectively delivered numerous projects for countless U.S. and European clients.

CLIENT-CENTRIC POLICY

Auriga is well known for its client-centric policy: focusing on the client's business goals and providing the best value, establishing comfortable and efficient communications, and ensuring a cultural fit for Western clients and an individual approach for each client make our company unbeatable in the vendor–customer relationship area.

Auriga was named the #1 outsourcing provider worldwide in the Engineering Services category in 2010 and one of the top 15 across all possible outsourcing services categories by The Black Book of Outsourcing (based on a survey conducted by Datamonitor Group). The remarkable thing about this rating is that it was based entirely on feedback from the actual clients of various service providers.

Moreover, Auriga has been continuously given the highest rating in the Customer References category of the Global Outsourcing 100® ranking by IAOP®.

We foster long-term customer relationships by making every effort to adapt to our customers' needs by offering them innovative products and solutions for the challenges they face in their specific market niche and environment, tailoring our existing business models to their expectations, and adjusting our processes and practices to the ones in place.

The most important thing in this approach is that within the frames of Auriga's projects, we build a communication model without any missing links, and the knowledge-exchange process goes as quickly and as smoothly as possible.

CUSTOMER TESTIMONIALS

> In 13 years [..], the experience that we've had with Auriga has been excellent.

MARK OVERGAARD

President at Pigeon Point Systems

> In fact, we adopted some of the weekly update formats and delivery documents they use. And I liked it so much that I actually started doing the same things with my team.

RUBEN ECHANDY

Vice President, Engineering, at Digital Guardian

> Auriga's team has been a vital part of this project from the very beginning and has contributed greatly to its success.

LEX CROSETT

Executive Vice President of Software and Services, CSG

> We're probably going on 15-16 years working with Auriga and we couldn't be happier with the level of services we've received. It has been an excellent partnership - we view your team as our team.

DAVID BOYER

SVP, Engineering and Technical Support at BroadVision

PROGRESS ON GOALS

GOAL AREA	FY2018 GOAL	FY2019 PROGRESS
Enhancement of Customer Satisfaction	▪ Maintain at least current level of customer satisfaction	▪ Positive feedback has been received from long-term clients, and new customers have extended their initial contracts and partnered up with Auriga on new projects.

OBJECTIVES FOR 2020 AND BEYOND	TARGET DATE
▪ Ensure superior quality of our solutions and services ▪ Maintain at least current level of customer satisfaction	Ongoing

CORPORATE GOVERNANCE

Auriga is setting high standards of corporate governance based on the understanding that maximizing corporate value, fulfilling social responsibilities, enhancing management efficiency and transparency, and achieving sustainable growth and development are key to remaining a valuable company for all stakeholders—customers, business partners, executives, employees, and society.

Auriga’s management strategy has been proven by nearly 30 years of successful activities in offshore programming. Our executive management team is comprised of highly qualified professionals with a shared corporate vision and extensive industry expertise, capable of leading Auriga through future growth and expansion.

THANK YOU FOR READING OUR CSR REPORT!

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