

# STAFF MANAGEMENT AND CORPORATE CULTURE

The Inter RAO Group has a balanced staff in terms of structure, experience, and professional skills, which makes it possible to effectively resolve operational and strategic tasks. The Group develops its staff policy based on a unified management system in which corporate values comprise the core. The Inter RAO Group is guided in its activities by the international conventions of the International Labour Organization (ILO) that have been ratified by the Russian Federation.

## Staff development goals taking into account strategic priorities

The modernization of the technological and organizational environment dictates new requirements for the professional skills of employees. In particular, the implementation of the CDA-2 program – the largest modernization in recent decades with roughly 40 GW of thermal power plants – over the next 10 years will require the advanced training of personnel in the 'Generation' and 'Engineering and Services' segments as well as the hiring of staff that are capable of building and maintaining plants with modern, more high-tech, and innovative equipment.

In the 'Supply' segment, the introduction of intelligent metering systems, the development of additional paid services as well as the development of functions at unified settlement centers on the basis of guaranteed suppliers will determine the main areas of work with staff by 2019, including training and development in matters concerning regulatory support and customer service standards.

In connection with the launch of the Group's General Service Center (GSC) in Ivanovo in 2019, there will be changes in the expertise in the financial, economic, and HR functions in the near future. Preparations for the project began in 2018.

The project is designed to be implemented in the medium term.

## Goals and objectives of the HR policy

The main goals in human capital management during the reporting year involved increasing work productivity, creating conditions to attract highly trained specialists, changing the approach to developing training programs, improving the professional level of the Group's employees, developing a corporate culture and internal corporate communications, and changing work methods concerning staff's job satisfaction. The most important objectives of the HR services were to train staff for facilities that have been commissioned within the structure of the Group in the Generation segment and rapidly integrate the standards of the new asset in the Supply segment into the corporate culture.

## PRIORITIES IN THE DEVELOPMENT OF HR MANAGEMENT

### 2018

- boosting labor productivity
- enhancing the efficiency of organizational structures
- improving the HR evaluation system
- a new method of measuring staff satisfaction
- work with professional standards
- implementing the HR-evolution internal training project for HR services

### 2019

- developing social programs
- shifting some HR functions to the General Service Center
- conducting a HR audit
- automating HR processes
- implementing end-to-end corporate competencies
- fundamentally changing the approach to the succession pipeline
- updating competency profiles of key business positions
- implementing an effective youth policy
- developing a corporate volunteering system

## Results of 2018

- staff turnover decreased from 14.3% to 12.5% (new calculation method is applied)
- professional standards were developed and introduced at the Group's subsidiaries
- work was carried out to simplify internal reporting, which will reduce the reporting of subsidiaries to the Corporate Center by 10% in 2019
- the Employee Satisfaction Index (ESI), a summary index for measuring the level of employees' satisfaction with their jobs, was developed and introduced
- the Corporate Center improved its business process for staff recruitment
- new approaches started being developed for the succession pipeline: the selection procedure for the talent pool was improved and additional evaluation stages of selection were introduced to improve the quality and mobility of the Group's talent pool
- the decision was made to revise the corporate competence model
- the Group's operating companies switched to the unified HR recordkeeping platform "1C: Salary and HR management"
- in the 'Generation' and 'Engineering and Services' segments, integrated personnel training and development projects were implemented – the 'Chief Engineer School' at JSC Inter RAO – Electric Power Plants and the 'Technical Manager School' at the QUARTZ Group
- the business process of creating and maintaining up-to-date staff protection cards was improved and potential staff trajectories were designed for all senior positions
- staff training and the introduction of lean production principles and methods into work processes was continued in the supply and service segments

## Infrastructure projects that affected staff structure

In 2018, the key events of the year for the Group were the launch of three new plants in several regions of the Russian Federation – the Mayakovskaya TPP and Talakhovskaya TPP in the Kaliningrad Region and the Zatonskaya TPP in the Republic of Bashkortostan. Implementing these crucial and complex technological projects ahead of schedule required the mobilization and proper rotation of staff in the 'Generation' and 'Engineering and Services' segments. About 800 jobs were created, the requisite staff training was conducted, all the new plants

were fully staffed with highly trained specialists, including through internal transfers, and the employees are successfully performing their assigned tasks.

A new power supply company – LLC Energobyt Volga – was integrated into the Inter RAO Group during the reporting period. All the Group's HR policies and corporate standards were successfully introduced over four months.

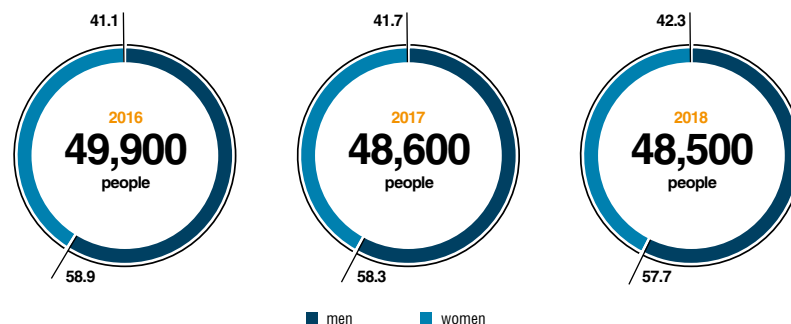
## Overall staff structure

The Group had 48,450 employees as of the end of the reporting period. The average age of the Group's employees is 42.7 years. More than 73% of the Group's staff are under the age of 50. Even though the gender breakdown in the power industry traditionally favors male employees, the proportion of women in the Company's staff structure is relatively high at 42%. Indefinite employment contracts have been

concluded with 95% of all workers, and 98% of employees work full-time. Both indicators have continued to see positive trends in recent years.

**GENDER BREAKDOWN OF STAFF**

thousand people

**GENDER BREAKDOWN OF SENIOR MANAGEMENT AT PJSC INTER RAO, %**

Indicator	2016	2017	2018	Change vs. 2017. %
Managers overall	8.4	8.2	8.8	7.4
men	71.6	69.7	69.7	0.0
women	28.4	30.3	30.3	-0.1
Senior executives (based on the CEO category and categories classified as administrative)	1.1	1.2	1.1	-4.8
men	72.4	73.3	72.2	-1.5
women	27.6	26.7	27.8	4.1
Managers of functional units (not included in the previous category)	7.3	7.0	7.6	9.4
men	71.5	69.1	69.4	0.4
women	28.5	30.9	30.6	-0.9
Senior executives of PJSC Inter RAO (based on the CEO category and categories classified as administrative)				
Total	97.0	96.0	187.0	94.8
Managers overall (% of total number):	18.7	17.8	33.5	88.2
men	69.1	66.7	63.1	-5.3
women	30.9	33.3	36.9	10.7

**Improving the efficiency of organizational structures**

The main goal of this work in 2018 was to boost labor productivity, with an emphasis on the redistribution of personnel and the outsourcing of service functions.

Standard financial and non-financial incentive terms were kept in place for transferable workers. Different employment conditions were also formulated for downsized staff: jobs were offered at other companies of the Group and negotiations were held with energy industry companies outside the Group about further work opportunities for downsized staff.

A project was implemented in the 'Engineering and Services' segment in 2018 to consolidate branches in order to optimize organizational structures and administrative and management staff numbers on account of managerial positions and the employees of support and service units. As part of the outsourcing of repair staff, algorithms were determined in advance for the business processes being transferred, and their labor intensity was reduced, which made it possible to increase labor productivity in the segment as a whole.

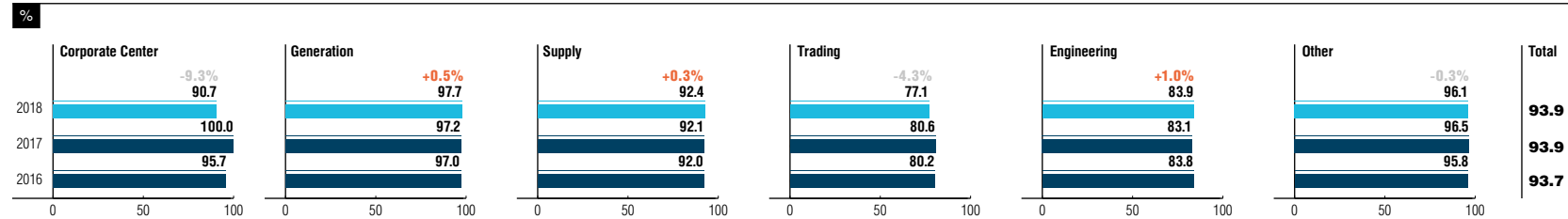
LLC Quartz Group took on about 430 people as a result of the transfer of repair staff from the branches of JSC Inter RAO – Electric Power Plants, as opposed to the plan of 656 people. The transferred staff members are expected to carry out 100% of the work in 2019 due to higher labor productivity.

**Recruitment**

An effective HR policy and the wide range of recruitment methods traditionally used at the Inter RAO Group make it possible to keep the staffing level at a high level of 94.1%.

In the reporting period, as part of the implementation of the objectives assigned to the Group, internal hiring and appointments from the talent pool as part of a horizontal-oriented career path proved to be an effective technology for recruitment and filling vacancies, which is due to the specifics of the industry: permanent external hiring is only possible for low-level positions given the work conditions with complex equipment and the fact that most of the workers have unique knowledge. In 2019, the use of technology involving internal hiring and work with the talent pool will continue.

**STAFFING BY SEGMENT**



## COMPLIANCE WITH GENDER POLICIES

WHEN HIRING STAFF, THE GROUP FULLY ADHERES TO APPROACHES THAT PRECLUDE ANY KIND OF DISCRIMINATION IN ACCORDANCE WITH THE LAW. THE GROUP'S INTERNAL REGULATORY DOCUMENTS REFLECT THE PROVISIONS ON NOT PERMITTING ANY FORMS OF DISCRIMINATION OR HARASSMENT AT THE GROUP'S COMPANIES FOR ANY REASON, INCLUDING BASED ON NATIONALITY, GENDER, OR AGE. SPECIAL GENDER TARGETING POLICIES WERE NOT USED IN THE REPORTING YEAR.

## Adaptation and mentoring

The management of the Inter RAO Group is interested in recruiting both highly skilled personnel and young professionals. The Company devotes considerable attention to the advanced training and professional growth of young professionals and the development of production-based initiatives. The Group's enterprises have a mentoring system and special adaptation programs in place. The Mentorship Regulation governs the mentoring procedure for university graduates as well as young professionals with basic and secondary vocational education who are hired by the companies of the Group. Mentoring reduces the job adaptation period and helps employees assimilate and adopt the existing standards and rules at the Group. This all combines to create an atmosphere of trust in the workforce. In the reporting year, the programs that were developed for staff adaptation after the induction period began to work more efficiently, which reduced turnover among young professionals.

## Staff assessment and development

The Group has a staff assessment system based on a combination of key performance indicators (KPIs) and skills, which is a good motivational factor for employees since it allows them to not only focus on improving their work efficiency, but also on developing key professional skills that help to achieve the required results.

Key goals of the assessment:

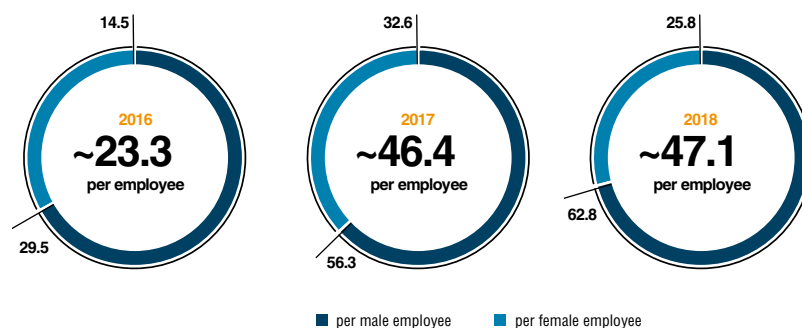
- identification of the needs for the professional training and personal development of employees
- identification of efficient and highly efficient employees
- the revision of worker salaries within the approved budget
- overall monitoring of the efficiency of staff performance

In order to assess the effectiveness of management teams, the Company introduced the AZIMUT 2.0 Business Sociometry innovative personnel assessment system, which evaluates the quality of interaction within company departments and calculates indices concerning impact, corporate integration, demand, overall efficiency, and the availability of employees. Information is collected based on the responses of employees and managers about day-to-day interaction with each other and its intensity, the effectiveness and availability of colleagues, and their mutual relevance. Based on the assessment results, a list of recommendations is created to strengthen team members.

## Training

In 2018, the share of employees who underwent mandatory training was 68% on average for the Group, an increase of 5.4 p.p. versus the 2017 level.

### AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE PER YEAR



In 2018, the Group provided staff training and development (in addition to the mandatory programs) in the following areas:

- additional vocational training (improving and maintaining the professional expertise of employees)
- simulator training for operational staff
- training under talent pool training programs (developing the management skills of talent pool members)
- adaptation courses and training for new employees
- training for the development of soft-skills (project management, planning, time management, situational leadership)

Staff training is conducted in various forms, including full-time training, on-the-job training, and internships. Remote formats such as webinars, online courses, and microteaching are also actively used. Internal training is gaining popularity.

In 2018, the Group's HR specialists launched and implemented the HR Evolution internal educational project. Over the course of the year, teams of HR specialists worked on various professional issues while teaching and learning from each other.

As part of the 'Chief Engineer School' project, six training program modules were introduced for talent pool members at JSC Inter RAO – Electric Power Plants, and seven appointments were made for targeted positions.

During the implementation of the 'Technical Leadership School' project at LLC QUARTZ Group, ten employees were transferred to new positions based on training results, and 17 managers were replaced as part of practical position training.

### Working with talent

The Group is paying increasing attention to the creation of a talent pool. Vacant positions are primarily filled with candidates from the Group's pool as well as subsidiaries. The system of organizational and training measures helps to identify the most promising candidates from among employees. Over the course of 2018, employees from the Group's talent pool filled 156 managerial vacancies.

Individual development plans (IDP) for employees and career maps are compiled as part of work with talent and the creation of a talent pool at the Group and its subsidiaries. Based on the IDP, employees receive continuing education and training to develop additional skills. Once a year, employees are evaluated and their career development is reviewed. The assessment encompasses more than 75% of the Group's employees.

LLC Energy Retail Company of Bashkortostan implemented one of the projects related to work with the talent pool in 2018. The 'I Want to Join the Talent Pool' initiative aims to create a talent pool for line and middle management positions and allows employees to make a name for themselves, fill vacancies in a timely manner, and prepare the basis for talent management work. Two appointments have already been made to senior positions.

## Corporate culture and social support

The corporate culture at the Inter RAO Group is based on the principles of prioritizing the overall result, mutual assistance, and mutual respect for employees regardless of position, gender, or any other attributes.

The Company is committed to forming a common space of values among its employees and creating an atmosphere of honesty and openness as well as a pleasant psychological climate, which helps the Group achieve its strategic goals and enhances the efficiency of its operations.

### CORE VALUES OF THE INTER RAO GROUP:

SAFETY    OPENNESS    RESPONSIBILITY

### Social programs

Social benefits and guarantees are an important tool in the Inter RAO Group's HR policy.

The corporate standards of the Inter RAO Group require that items on the creation of a social package for employees be included in the Regulation on Remuneration at all subsidiaries of the Group. In 2018, the Group's expenses on social packages for employees amounted to RUB 12.5 billion compared with RUB 10.87 billion a year earlier.

#### Key aspects of the social programs:

- work safety of employees
- health and activeness of employees
- support for young professionals
- career development
- support for the best employees and work with the talent pool
- assistance to young families
- improving the welfare of workers
- support for retirees
- maintaining a high level of production culture

The Group's companies provide comprehensive support to employees in different life situations and pay serious attention to the treatment and wellness of staff and the provision of high-quality medical care and health resort treatment for employees. The Company takes care of its employees' children by providing material assistance to large and single-parent families, orphans, and children with disabilities. In addition, each year children vacation at children's health centers, participate in corporate festive and sporting events, and take tours of the Group's facilities.

In the 'Generation' and 'Engineering and Services' segments, the Group's enterprises build partnerships with employees under the terms and conditions of collective bargaining agreements that are based on a unified approach and a specific procedure for providing benefits, guarantees, and compensation. These agreements are valid through the medium term. All the obligations assumed by the employer and enshrined in the collective bargaining agreements of the Inter RAO Group were fully implemented in 2018.

### 'Benefits Cafeteria'

In 2018, the 'Benefits Cafeteria' was launched at the power supply companies LLC Energy Retail Company of Bashkortostan and OJSC Tomskenergosbyt. The 'Benefits Cafeteria' includes voluntary health insurance, the payment of trip vouchers, health resort treatment, the training of staff and education of children, and reimbursement for gym fees, among other things. The benefit system is tied to the Company's existing payroll system. This makes it possible to select benefits online from a suggested list on corporate Internet portals based on limits that are determined by points in accordance with an employee's grade.

## Incentive programs

### Financial incentive

In 2018, the 'Supply' segment continued measures to improve the financial incentive system for staff: remuneration for employees of PJSC Mosenergosbyt and JSC St. Petersburg Power Supply Company (approximately 5,500 people) were increased to the 75th percentile of the corresponding labor market, which means there should be a higher level of staff satisfaction with the wage system and a decrease in the staff turnover that is traditionally higher in this segment.

In the remaining segments, remuneration is higher than the median of the market in all categories, which makes the Group a competitive employer in most of the regions where it operates.

The main priority of HR in terms of remuneration for the next reporting period is to develop social programs for non-financial incentive.

### Professional contests and competitions

Employees of the Group's companies annually take part in internal professional skill contests. In 2018, the following competitions were held:

- open competitions among operational inter-disciplinary teams from plants with combined steam-gas and steam-power units
- corporate competitions among the operational staff of thermal power plants
- corporate competitions for the staff of heat grid companies

## Volunteer programs

During the reporting year, the companies of the Group organized several high-priority charitable social events to raise funds for people in need, including employees experiencing hardships. Total donations amounted to RUB 8.46 million (versus roughly RUB 2 million in 2017).

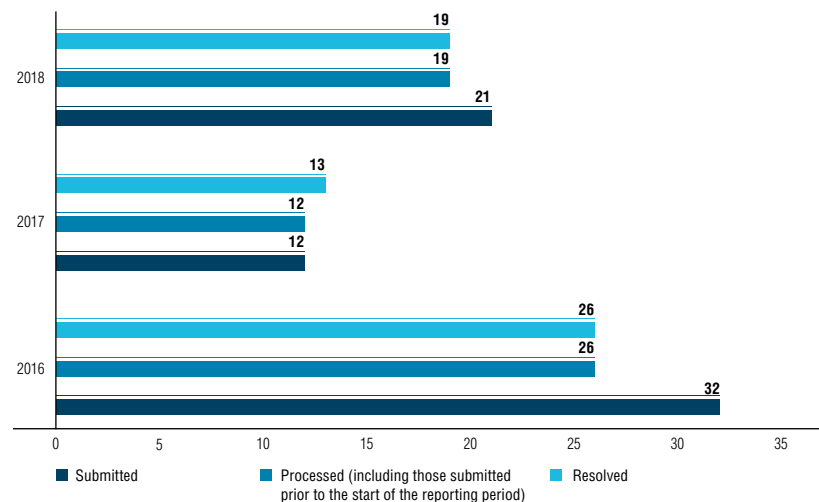
Employees from the Group's companies serve as volunteers at various social organizations and charitable foundations, participate in volunteer events, and organize special environmental days and trips to orphanages and nursing

homes. In particular, a volunteer campaign was organized for the first time at the Corporate Center in the run-up to the New Year's holidays to raise funds for gifts and other necessities for elderly people at nursing homes in the Yaroslavl Region. More than RUB 300,000 were raised as part of this campaign. In 2019, such events are planned on an ongoing basis as part of the activities of the Young Active Members of the Group.

## Monitoring the observance of human rights

The Group successfully employs a system to collect information about human rights violations – the Unified Hot Line of PJSC Inter RAO. The Internal Audit Unit handles the monitoring and processing of information received using the information resource. The information received is verified and, if necessary, an internal investigation is conducted by the Economic and In-House Security Unit, other units of PJSC Inter RAO, or the security services and other units of subsidiaries.

**NUMBER OF COMPLAINTS ABOUT VIOLATIONS OF THE LABOR CODE OF THE RUSSIAN FEDERATION AND THE CORPORATE ETHICS CODE OF PJSC INTER RAO**



The Hot Line of PJSC Inter RAO received 211 reports from citizens and organizations in 2018, including:

- 34 reports contained requests for advice or clarification regarding services provided by the Group's companies (billing, debt settlement, schedule for shutting off hot water, etc.) based on which the applicant was informed about the need to directly contact a subsidiary;

## Charitable activities

### Concept of charitable activities

The key focuses of the Group's charitable activities in 2018 were to enhance the efficiency of the projects being implemented and continue replicating best practices at the Group's companies in order to solve social problems in specific regions.

When determining social policy priorities, two key aspects are taken into account: the relevance of the issues for a local community and the themes specified

- 56 reports were received from organizations that received proposals from PJSC Inter RAO to participate in a procurement tender (all the appeals were submitted to the Economic and In-House Security Unit, which established that conmen were acting in the Company's name to sell certificates that were supposedly required to participate in the Group's procurements)
- 17 reports related to possible fraud and corruption on the part of employees of subsidiaries. An examination did not reveal any instances of fraud or corruption

Employees of PJSC Inter RAO did not report any possible instances of corruption or violations of the Labor Code of the Russian Federation on the Hot Line in 2018.

### Activities of trade union organizations

Primary trade union organizations predominantly represent the interests of employees in the 'Generation' segment. Over the course of the year, trade unions, along with the leaders of branches as part of standing committees and branch committees, took part in discussions of issues that are of particular concern to workers, such as payment for work on weekends and overtime, and also in meetings of the HR Committee and considered candidates for the provision of health resort treatment paid for by voluntary health insurance.

Young specialists are trained on various professional topics at regional trade unions, and young employees are actively involved in socially important events at the Group.

in the decrees of the President of the Russian Federation, the instructions of the Government of the Russian Federation, and other state programs. This ensures social investments are as targeted and effective as possible. The charitable focuses are correlated with the Group's strategic priorities in order to achieve a synergistic effect at the concept development stage.



### VOLUME OF SOCIALLY-ORIENTED INVESTMENTS

Indicators	2016	2017	2018	Change vs. 2017, %
Budget of charity programs, RUB bln	0.6	1.1	0.8	-27.3
Number of charity projects implemented	376	400	305	-23.8
Number of beneficiaries	996,095	1,169,317	1,149,134	-1.7

The annual volume of charitable projects may vary depending on the number and relevance of applications. PJSC Inter RAO traditionally spends funds on projects in seven areas:

- support for industry veterans, war veterans, and disabled veterans
- support for vulnerable social groups
- support for educational institutions, health facilities as well as grassroots and youth sports
- support for environmental organizations and nature reserves
- assistance to cultural figures
- support for cultural events
- funding for sites with historical and cultural value

During the reporting year, the largest number of requests were to support cultural events, educational institutions, healthcare facilities as well as grassroots and youth sports.

Improving the mechanisms used to monitor the implementation of charitable projects has enhanced the effectiveness of charitable activities and sponsorship as well as the transparency of expenses. In addition to working with legal and accounting reporting documents as well as video and photographic materials, representatives of the Group's companies also personally monitor project implementation, travel to event venues, interact with beneficiaries, collect information from third parties, verify beneficiaries with internal security staff, and monitor the information field and the media. The PJSC Inter RAO Board of Directors considers the use of charitable funds by the Company as well as its subsidiaries and affiliates when reviewing reports on the implementation of the business plan.

#### Long-term socially-oriented projects

In 2018, the Inter RAO Group continued working closely with the authorities and public organizations in the regions where its subsidiaries operate based

on the principles of openness, dialogue, and partnership. This collaboration is based on cooperation agreements that establish the general framework and principles for joint activities. The specific steps and forms of the Group's participation in the socioeconomic development of regions are recorded in roadmaps.

Areas of cooperation:

- the progressive socioeconomic development of the regions, enhancing their investment appeal, developing and utilizing their industrial potential as well as creating new jobs and conditions for the receipt of additional taxes to regional budgets
- supporting and implementing measures to improve the reliability of electric and thermal power supplies to consumers and prevent further shortages of heat and electricity
- implementing comprehensive energy conservation and energy efficiency measures at enterprises, budgetary institutions, and housing and utility facilities, including by participating in the working groups of the regional authorities on energy and engineering as well as increasing the availability of regional energy infrastructure by organizing and conducting practical exercises on the fundamentals of energy conservation for students at schools and universities and company employees
- setting tariffs and reducing receivables
- training at regional universities, including continuing education for employees, and cooperation with the scientific and technical community of the regions
- interacting with the regional authorities and local governments on ways to solve environmental problems and create conditions for improving the quality of life of the population, including participating in the work of regional coordination councils on environmental protection and the sustainable use of natural resources, among other things

In 2018, PJSC Inter RAO concluded cooperation agreements with the governments of the Ivanovo, Yaroslavl, and Tomsk Regions. In particular, the agreement with the administration of the Ivanovo Region calls for joint work to launch a new project to centralize a number of service functions in Ivanovo for the Inter RAO Group's enterprises in the format of a General Service Center. This center would combine three major segments of the Group's companies in one place: accounting, tax accounting, and reporting functions, the treasury-based execution of payment transactions, and HR management. The General Service Center is expected to open in the summer of 2019. As Governor of the Ivanovo Region Stanislav Voskresensky noted, the transfer by a major energy holding of some of its units to Ivanovo will help diversify the regional economy as well as establish and develop the service economy. In addition to infrastructure projects, the Company plans to develop scientific and technical cooperation jointly with universities in Ivanovo.

The cooperation agreements with the Tomsk and Yaroslavl Regions entail the use of the region's products and technologies for the needs of the Inter RAO Group. This will stimulate the development of local industries and contribute to the socioeconomic growth of the regions.

Dealing with receivables is an essential and integral part of work to stabilize payment discipline and is impossible without effective interaction with the regional authorities and the territorial representative offices of the federal executive authorities (the Federal Bailiffs Service). Such work helps to maintain the level of tax revenue to regional budgets. Each of the Group's supply companies has a Receivables Management Committee, and the relevant regulatory documents have been adopted.

The Company also collaborates with the business community using the platforms of state and public organizations and institutions that have been established to protect the rights of entrepreneurs (the regional ombudsmen for the protection of the rights of entrepreneurs, chambers of commerce, and branches of OPORA RUSSIA, among others).

## Support for the initiatives of regional non-profit organizations

Companies that are part of the Inter RAO Group support the socially-oriented initiatives of public organizations based on the Regulation on Charity and Sponsorship approved by Resolution No. 160 of the Board of Directors dated January 29, 2016. The budgets of specific projects are endorsed within the approved regional limits with management companies and the Information Policy Unit of PJSC Inter RAO. Any public organization working with priority target groups for the Group in the region where a subsidiary operates may apply for support. For communication with applicants, the Company uses a hotline or press secretaries who collect all the necessary documents and submit an application for an expert evaluation. Based on the evaluation of the relevance of the project, a decision is made and sent to the applicant.

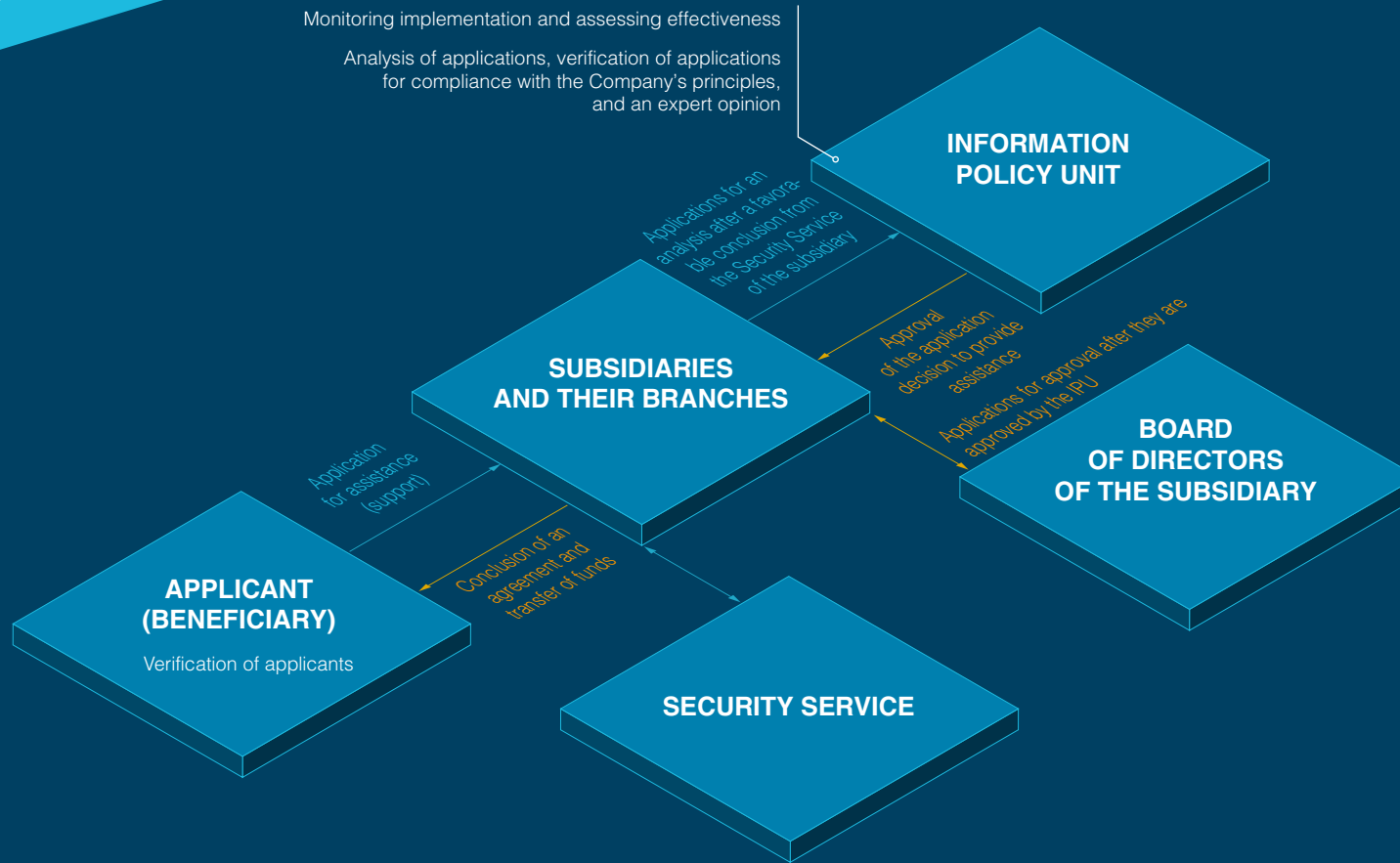
Given the specific nature of the activities, the Group has identified four main target audiences:

- vulnerable social groups in the areas where the Company operates in Russia and around the world
- nature conservation and environmental organizations
- public and non-profit organizations and communities, including at the international level
- industry veterans, war veterans, and disabled veterans

The main principles used to select local projects for the charitable activities of the Inter RAO Group are:

- **targeted nature** – the allocation of monetary and other funds to an individual or legal entity for specific purposes with the subsequent monitoring of their targeted spending
- **effectiveness** – the achievement of a specific result, including the impact on the core business (supporting corporate values, promoting the implementation of a strategy, etc.)
- **objectivity** – the evaluation of programs and projects in terms of their social efficiency and compliance with the goals, priorities, and principles of charitable and sponsorship activities
- **efficiency** – the achievement of the desired results using the least amount of funds
- **territoriality** – the implementation of charitable and sponsorship projects in the territories where the Company has production, commercial, or other interests related to business development
- **viability** – investments in the future of regions that the Company views as promising in terms of business development
- **accessibility and transparency** – ensuring a transparent and effective system for monitoring the targeted spending of funds

# Flowchart for interaction with the applicant



## Major regional initiatives of 2018

### Focus – support for industry veterans, war veterans, and disabled war veterans

#### ‘Energy of Remembrance and Kindness’ project

This project aims to support veterans of World War II, the survivors of the Leningrad siege, workers on labor fronts, and prisoners of concentration camps. In 2018, the project was widely used and implemented by 18 of the Group’s companies. More than 5,000 employees of the Group took part in municipal and regional events and celebrations dedicated to Victory Day and the International Day for Older Persons. Projects were implemented to restore and improve memorials and monuments to soldiers of World War II. Veterans in the regions where the Group operates were provided with targeted financial assistance, household appliances, foods, and basic necessities such as canes, bedding, electric kettles and thermo pots, medicines, and vitamins.

### Focus – support for vulnerable social groups

#### ‘The Brightest Christmas Tree’ project

This charitable event for orphans and children experiencing hardship has become a heart-warming tradition for the Group’s employees. On New Year’s Eve, employees from the Group’s companies organized and held festive events with an entertainment program (a performance by Santa Claus and Snow Maiden, contests, and a master class on how to make New Year’s cards) at 28 orphanages, boarding schools, and specialized medical institutions. Clothes, stationery, and sweets were purchased and given to the children.

### Focus – support for educational institutions, health facilities, and grassroots and youth sports

#### ‘The Energy of Sport’ project

The project aims to promote a healthy lifestyle in the regions where the Group’s companies operate. As part of the project, companies purchase sports gear and equipment for youth sports schools, provide facilities for sports, and organize sports tournaments involving local residents. The company does not just create conditions for children’s sports in provincial towns and remote areas; it also spends funds on organizing training processes and participation in international tournaments. In particular, support from LLC Federation of Russian Tennis enabled young athletes to perform at an international wheelchair tennis tournament – the BNP Paribas World Team Cup junior team world championship. The Russian athletes won the championship for the second time in the country’s history. The project also provided the opportunity for children to participate in the World Championships in the Netherlands and in two major competitions: the ITF in the Czech Republic and the ITF in France.

### Focus – support for cultural events

#### ‘Heart to Heart’ project

The project provides assistance in organizing and holding the festival ‘St. Petersburg Seasons in Ufa’ and ‘Heart to Heart’ concerts of young performers. Both projects were implemented through the Spivakov International Charitable Foundation in the Republic of Bashkortostan. The ‘Seasons’ festival was held in Ufa with the Company’s support for the second year in a row. ‘Heart to Heart’ is a traditional project in which talented young people from the republic perform for health workers, in particular at hospitals in Ufa and Sterlitamak.