

INDUSTRIAL AND OCCUPATIONAL SAFETY

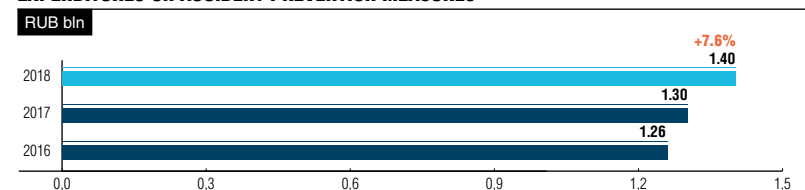
Main challenges faced by management in developing industrial and occupational safety within the context of strategic priorities

- Strengthening control over the activities of enterprises in matters concerning occupational, industrial, fire, and environmental safety. Management of occupational, industrial, fire, and environmental safety.
- Improving the management system for occupational, industrial, fire, and environmental safety.

Reporting indicator name	2016	2017	2018	Change vs. 2017, %
Number of Occupational Safety Committees	32	37	40	8,1
Number of employees (their representatives) participating in the work of the Occupational Safety Committee	432	531	623	17,3

The Inter RAO Group's long-term goals in occupational and industrial safety until 2020 include reducing the target injury frequency rate as well as having zero accidents at hazardous production facilities.

EXPENDITURES ON ACCIDENT PREVENTION MEASURES



In an effort to maintain a high level of safety in occupational and production activities, the Group continuously increases the amount of investment in enhancing occupational and industrial safety. In 2018, investments in these areas increased by 8% compared with 2017 and amounted to RUB 28,920 per employee. For 2019, the Company plans to increase the amount of occupational safety funding by 6% to RUB 1.48 billion.

Reducing injuries and emergency situations

The Group has Occupational Safety Committees whose job is to improve safe work methods and verify workplace conditions. The Committees include 623 employees of the Group.

The companies of the Group implemented the following digitalization projects in industrial safety in 2018.

‘Video Recording’ project

The goal is to install stationary and mobile video cameras when initial clearance is given to perform high-risk work and during switching operations at electrical plants.

The project envisages the mandatory video recording of the work task set by the shift supervisor (both high-risk work and during switching operations at electrical plants). The whole process is recorded from the time the task is assigned until it is executed, which ensures that the responsible parties can monitor safe clearance for work based on job orders and during switching operations at electrical plants and helps to prevent workplace injuries.

‘Briefings Automation’ project

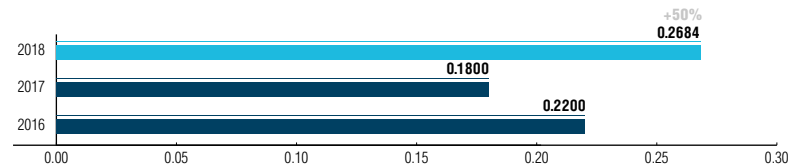
In order to systematize fragmented data, briefings were organized for specially designed programs with mandatory video recording of the employee being briefed, which is recorded in the final report. Each session ends with a survey that shows the degree of assimilation of the material.

In order to minimize injuries:

- targeted, comprehensive, scheduled, and unscheduled inspections of safety techniques in production activities are conducted
- the effectiveness of measures taken to prevent accidents, occupational disease, and emergencies is evaluated
- corrective and preventive measures are taken, including those that aim to enhance the level of safety and reliability

Thanks to the measures taken in the reporting year, the total injury rate among the Group’s employees did not exceed the target value (≤ 0.3560)¹ and amounted to 0.2684.

INJURY FREQUENCY RATE²



Indicator	2016	2017	2018	Change vs. 2017, %	Comments
Number of people injured in accidents	11	9	14	55.6	The total number of people injured in accidents in 2018 compared with 2017 increased from 9 to 14, while the severity of accidents declined.
Number of fatalities	3	1	0	-100.0	A positive trend can be seen in the decrease in the number of fatal accidents from three in 2016 to one in 2017 and to zero fatal accidents in 2018.

Accidents involving injury are registered in accordance with the requirements of the Labor Code of the Russian Federation and Resolution No. 73 of the Ministry of Labor and Social Development of the Russian Federation dated October 24, 2002 “On Approval of the Forms of Documents Required to Investigate and Record Workplace Accidents, and Regulations on Special Aspects of Investigations into Workplace Accidents at Individual Industries and Organizations.”

To reduce injuries, a risk-based approach is taken when planning and conducting extraordinary technical inspections. Mandatory monitoring of occupational, fire, industrial, and environmental safety management systems is conducted. Based on an assessment of the causes of accidents, adjustments are made to the video recording systems used for primary clearance of high-risk work and during switching operations at electrical plants, and training programs are also adjusted for staff who undergo on-the-job training, briefings, and tests of their knowledge.

An internal analysis of the causes of accidents is submitted to the heads of the relevant segments of the Inter RAO Group. After the accidents are investigated, measures are developed to prevent similar incidents in the future.

Special comprehensive programs are developed at each subsidiary company and their branches to improve working conditions and prevent injuries based on the working conditions applicable to each facility.

¹ The Injury Frequency Rate target value was established by the Business Strategy for Electricity Production and Reliability and Safety Management (approved by the JSC Inter RAO Management Board, Minutes No. 421 dated January 25, 2013) and since 2013 it has decreased from 0.39 to 0.37 in 2015 and is projected to decline to 0.35 in 2020. The target value of the rate for 2019 is 0.3530, as established by the Methodological Guidelines for Assessing the Degree of Fulfillment of the Plan for Implementing the Strategy of the Inter RAO Group (approved by Order No. IRAO/689 of PJSC Inter RAO dated December 27, 2018).

² Injury Frequency Rate = $N * 1000/A$ (N is the number of workplace accidents in the reporting period with disability for one or more days and A is the average number of employees)