

Bigger scale, increased engagement

The primary goal of our social policy is to take a comprehensive approach to improving living standards for employees, their families and local residents in the regions where we operate. We work carefully to ensure our community investments are highly effective.





Our priorities

Create a favourable and stable social environment in the regions where we operate

Improve housing conditions and promote the development of education, sport and healthcare and culture, in partnership with regional governments

Increase awareness amongst young people about career opportunities within the coal mining and power industries

Bolster Russia's economic and social development through supporting the next generation's development in the regions where we operate

Improve the efficiency of the company's community investments by introducing new technologies into social projects and coordinating activities with regional administrations and NGOs



ISO 26000

Our approach

We aim to promote regional development through increasing opportunities for local communities. By developing infrastructure and fostering education, we enable communities to solve their own problems and attract the resources they need. Our programmes help to stimulate economic development and improve the living standards of the regional population by involving the local communities in our projects and ensuring they benefit directly from them.

We develop and implement social programmes in close cooperation with stakeholders: regional and city administrations, non-governmental organisations and local residents. These partnerships are based on a shared desire to encourage regional social development and achieve SUEK's strategic goals.

Most of our social projects are focused on solving various sustainable development problems. These long-term projects are trialled in one region before being replicated across all of the territories where we operate.

Our Corporate Social Policy is based on international standards including the UN Global Compact, the Social Charter of Russian Business, the ISO 26000 Social Responsibility Standard and the recommendations of the Global Reporting Initiative (GRI).

SUEK's strategic priorities are linked to the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. Within the framework of the UN SDGs, protecting the interests of our stakeholders is a critical focus both for SUEK and the wider industry. By supporting the sustainable social and economic development of the territories where SUEK operates, we are contributing to Russia's sustainable development and the delivery of the SDGs.

The integration of our energy business in 2018 scaled up our business and expanded our operations to new regions such as the Novosibirsk and Altai regions, and the Republic of Tyva, to include new stakeholders within the company's increased regions of activity (now 11 regions of Russia).

SUEK is one of the largest employers and taxpayers in the regions where it operates. In 2018, SUEK paid \$633m in taxes in Russia.

To ensure we remain social responsibility and corporate charity leaders we continually monitor and implement the best global practices in our engagement with communities.

Overview

Areas of SUEK's social and charitable activities:

- Development of urban areas and infrastructure in the regions where we operate
- Education and science
- Supporting local residents in developing their social and business skills
- Sports and promoting a healthy lifestyle
- Medical care
- Leisure, culture and fulfilment of creative potential
- Care for veterans, children, ethical and patriotic education for young people
- Environment
- Charity and support for vulnerable social groups

SUEK implements social and charitable development programmes at all its key facilities. In 2018 we implemented over 220 projects in 11 regions of Russia, with a total financial investment of \$38m.

Planning and assessment of social programmes

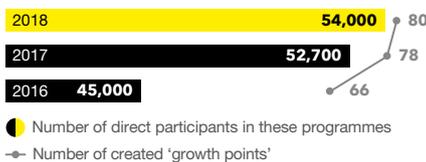
We implement and fund our social policy through ‘SUEK to the Regions’ and ‘SGC – Warming Hearts’. The funds’ activities cover all areas of SUEK’s operations.

We monitor the social environment to help shape our community programmes. Our ongoing progress and outcomes are assessed by independent and corporate experts. Regional and local community development is monitored using integrated social research, cluster polls and feedback on activity outcomes.

We assess the efficiency of our social investments through continuous monitoring of our projects, the evaluation of individual activities and final appraisals of programme results. This analysis allows us to ensure the results of our social investments are in line with our strategic and tactical goals. Continual analysis also means we can quickly respond to changes and identify areas where we can improve.

Growth points and beneficiaries

(units)



Assessment tools include:

- Task meetings of project expert panels
- Focus groups with representatives of local and regional administrations, public associations and non-governmental organisations
- Expert surveys
- Analysis of participant surveys
- Discussion of programme results at public events with stakeholders

Quantitative parameters:

- Events held, participants
- Beneficiaries¹
- Funds raised for the company’s community development programmes
- Partners involved
- Growth points² created as a result of the company’s community involvement
- Media coverage

Qualitative parameters:

- Increased efficiency of public-private partnerships, closer interaction between commercial and non-profit sector companies in solving social problems
- Sustainability of previously implemented social projects
- Favourable conditions for interaction with state authorities and the public
- Enhancement of SUEK’s reputation as a socially responsible and sustainable company

Assessment of community investment efficiency

	2016	2017	2018
Number of beneficiaries ³ of our community programmes	1,000+	1,300+	1,350+
Total number of beneficiaries	45,000	52,700	54,000
Growth points created	66	78	80



SUEK supported a master plan in the town of Chegdomyn.

The town residents benefitted from significant projects, such as the renovation of the heat supply system, repairs to the main road, the installation of new street lights, reconstruction of the central square, overhauling and landscaping of courtyards, the constructing and commissioning of a swimming pool, and improvements to various surrounding grounds. We were heavily involved in these projects initiated by non-governmental organisations and the territorial-public government. In 2018, we invested a total of \$8.7m in the town.

The contribution of the ‘SUEK to the Regions’ fund was highly appreciated by the local residents.

1. Beneficiaries are residents of the territories that benefit from the results of our community, entrepreneurial and social-entrepreneurial projects.
 2. Growth points are organisations set up as a result of social projects aimed at enhancing living standards in a particular district or town (maternity support centre, music workshop, mini-cinema etc.).
 3. Direct participants in activities (workshops, training courses, work placement) offered by ‘SUEK to the Regions’ and ‘SGC – Warming Hearts’ charitable foundations, along with the recipients of grants and donations.

Developing urban areas and infrastructure

SUEK works carefully with local administrations to ensure industrial mono-towns in its regions of operation are sympathetically developed. Together, we create plans which focus on the modernisation of infrastructure, the creation of new jobs, and the provision of additional services and goods to local residents. These strategies stimulate funding for the development of the towns at a federal level, which enables the towns to solve various development issues more efficiently and on a larger scale.

SUEK supports similar programmes in Chegdomyn, Chernogorsk, Borodino, Kemerovo and Barnaul. All of these are aimed at modernising urban and social infrastructure, developing cultural facilities and stimulating environmental development.

Education

In 2018, we developed a system of projects that promotes entrepreneurial and innovative thinking, fostering children's curiosity in learning with a view to nurturing future leaders.

Our priority projects in 2018 were:

- Inter regional Interactive Physics and Mathematics Competition with the participation of more than 1,800 pupils
- 'Children's Science Parks by SUEK. Digital World': a study of digital technologies as the basis for the development of industries and economy
- Summer School of Science: study of the fundamentals of scientific work, conducting research
- 'Scientists of the Future' in Krasnoyarsk: research work in equipped laboratories and workshops under the guidance of professors and graduate students of leading Siberian universities
- 'Energy Classes': an opportunity for 10th and 11th grade pupils to deepen their knowledge based on a special programme including a dedicated course called 'Power Energy Basics'

\$38m

INVESTED IN SOCIAL PROGRAMMES IN 2018

In addition, the company provides ongoing support to schools and specialised educational institutions; in 2018, the company provided financial support to three universities, seven colleges and 27 schools.

Sports and healthy lifestyle

We pay special attention to the development of sports and the promotion of healthy lifestyles among our employees and the residents of the regions where we operate.

In 2018, we focused on the following projects:

- 'Chess to Mining Regions': new chess classes were opened in 16 educational institutions, and the total number of chess programme participants reached 3,500 pupils
- Master classes by professional CSKA coaches for promising young footballers, the 'Spring Drops' volleyball tournament and the 'Eyes on the Prize!' children's sports festival
- Support for boxing championships and tournaments in the Krasnoyarsk region

Additionally, SUEK participates in the construction and reconstruction of sports facilities and children's sports grounds.

\$633m

PAID IN TAXES IN RUSSIA IN 2018

Medical care

Caring for the health of our employees, their families and the populations in the regions where we operate is an integral part of our social policy.

Our main medical care projects in 2018 included:

- A joint project with the Department for Presidential Affairs of the Russian Federation: more than 160 children were offered treatment and rehabilitation, alongside 45 coal industry veterans
- Medical staff training: doctors from the cities where the company operates were trained in outpatient work
- Innovation in the rehabilitation of children with cerebral palsy: a joint project with the 'Dream Ski' programme and 'Gift to the Angel' foundation, rehabilitating over 80 children through special sports activities
- A joint project with the Russian charitable foundations Rusfond and Gift of Life: dozens of children received the recommended advanced treatments
- The World Children's Winners Games: sports activities for children who have fought cancer

In addition, the company participated in the reconstruction of the outpatient clinic in the village of Sagan-Nur and in the purchase of ophthalmic equipment for a kindergarten in the city of Belovo. We held a festival 'From Heart to Heart' involving around 400 children and providing them with opportunities for recreation and social adaptation.

Leisure, culture and fulfilling creative potential

The company develops the cultural and creative potential of the regions where it operates.

In 2018, SUEK supported the following projects:

- Tours for Moscow’s leading theatre groups to the Krasnoyarsk, Kemerovo and Murmansk regions, attended by over 2,500 people
- ‘Live Sound’ performance and master classes by actors Pavel Levkin and Sergey Garmash
- ‘Little Stars of SUEK’ interregional competition with the participation of over 10,000 young talents
- ‘Cultural Seasons’ in Barnaul: open lectures in art, master classes and meetings with artists
- Sponsoring exemplary brass band ‘RHYTHM BAND’ to attend a music competition in France
- Support for the Kuzbass Musical Theatre choir and dance group

Environment

We have a consistent focus on environmental education and projects.

In the reporting year, the company implemented a number of important social environmental projects:

- **The ‘Zubochistka’ environmental marathon:** over a hundred participants participated in a 34 km hike along various routes to pick up rubbish left by tourists
- **Landscaping the Miners’ Glory Alley:** volunteers planted more than 200 young trees and shrubs in the city of Nazarovo
- **Support for the ‘Water of Russia’ Federal Environmental Campaign:** teams of employees cleared river banks and beds in the Krasnoyarsk region from debris and tree branches

- **‘SUEK’s Green Squad’:** eco-marathons, tree planting, litter picking, and waste paper and waste battery collection for recycling were organised in all of the cities where the company operates

- **‘Eco Camp’:** thematic classes for children from Krasnoyarsk: master classes, games, practical classes, volunteering

Development of local communities

In 2018, SUEK executed the following projects:

- **‘School of Social Entrepreneurship’:** more than 250 people were employed by the newly established organisations, over 50,000 residents in the regions where SUEK operates benefited from these projects and were able to use the services provided by the School’s graduates
- **Work Teams:** over 3,000 adolescents were offered summer employment: they were engaged in landscaping and helping veterans and disabled people
- **SGC’s heat projects:** various initiatives by Kemerovo residents to improve the urban environment
- **IT platform for adapting territorial development programmes:** we developed a programme to collect prompt feedback from all stakeholders
- **Community initiatives:** social technology training for local groups from the regions where we operate

Charity and support for vulnerable social groups, child protection

Since 2013, SUEK has been working to support the treatment and rehabilitation of children with serious diseases. The company cooperates with the Russian charitable foundations Rusfond, Gift of Life, the Union of Charitable Organisations of Russia, the Vera Hospice Assistance Fund, Shield and Happy Childhood charitable funds, among others.

The company also supported the 15 Inva-KVN games and delivered the project ‘Accompanied educational and training accommodation for young people with mental disabilities, autism spectrum disorder’.

In addition, the company implemented the following projects for children:

- ‘Support a Child’, ‘Gifted Children of Altai’, ‘No to Childhood Tuberculosis!’, ‘Gift of Santa Claus’ in the Altai region
- ‘Sledge hockey’ for disabled children in partnership with the ‘Open Hearts’ non-governmental organisation

The company also repaired and equipped a sports hall for orphans and children left without parental care in the Kansk orphanage, created a photography school for special needs children in Kemerovo and delivered other projects aimed at improving the lives of children.

SUEK also runs a number of programmes to support veterans and the disabled, sponsors cultural institutions, participates in the construction and reconstruction of ethnic cultural and religious buildings and supports regional culture preservation initiatives.