

Expanded dialogue

Effective stakeholder engagement is an important part of how SUEK operates. Our stakeholder relationships are built on the basis of open dialogue and mutual trust. This enables us to understand and respond to the interests and expectations of key stakeholders.

We determine our key stakeholders by assessing the impact that different groups have, or might have, on our performance, as well as the impact that the company has on their well-being. When building stakeholder relationships, the basic principles we adhere to are defined in SUEK's Code of Corporate Ethics and Information Policy.

They include the following:

- Regulation of stakeholder relations by law in Russia and other countries where SUEK operates
- Respect for the interests of all stakeholders, and the promotion of active cooperation based on honesty, transparency and mutual respect
- Informational transparency
- Compliance with ethical standards relating to business conduct

When interacting with stakeholders regarding material matters, we use a comprehensive communications system. This system helps ensure the completeness, timeliness, objectivity, reliability and consistency of information,

as well as providing open access to this information. In 2018, in addition to traditional channels, SUEK significantly expanded its communications with employees, residents of SUEK's operating regions and thermal energy consumers via social networks.

In 2018, to ensure feedback is as objective as possible, the company held opinion polls in the regions where SUEK operates. The polls covered 11 regions of the Russian Federation, and over 17,500 people participated.

Following the consolidation of SGC, our stakeholders now also include consumers of heat and electricity, as well as employees and residents in the regions where SGC supplies energy.



The company's stakeholders	Relevant material issues ¹	Channels and formats of engagement
<p>Customers</p> <p>We focus on providing high-quality service, which means ensuring seamless, uninterrupted and timely delivery of coal shipments. We are constantly improving our product quality and we strive to personalise our approach with each and every one of our customers. We develop new customer services when working with consumers of heat, and build direct relationships with them.</p>	<p>M1 M2</p> <p>M4 M6</p>	<ul style="list-style-type: none"> – Cooperation agreements – Conferences and exhibitions – Business meetings – Claims resolution and accounting systems – Corporate reporting – Corporate media system – Online coal purchase form on the corporate website – Personal account on the company's website and mobile application for heat consumers – Centres for consumers of heat – Hotline on issues of heat supply
<p>Shareholders</p> <p>We seek to ensure sustainable growth for the company and increase its long-term value for the benefit of our shareholders. We always respect shareholders' rights and provide full access to the required company data.</p>	<p>M1 M2</p> <p>M3 M4</p> <p>M5 M6</p>	<ul style="list-style-type: none"> – General Meeting of Shareholders – Corporate reporting – Corporate media
<p>Financial stakeholders and potential investors</p> <p>Our financial stakeholder and potential investor relations are focused improving the company's investment case through the development of our corporate governance and financial profile.</p> <p>We aim for maximum disclosure of relevant information in this area, including information regarding the company's strategy and operational and financial performance.</p>	<p>M1 M2</p> <p>M4 M5</p>	<ul style="list-style-type: none"> – Meetings with banks and potential investors – Corporate reporting – Corporate website, press releases and investor presentations – Site visits
<p>Employees</p> <p>We offer fair remuneration, fulfil our social commitments and offer professional and personal development and training to our staff. We also aim to improve labour efficiency and safety, protect the health of our employees and implement social programmes to raise living standards for them and their families. SUEK is actively engaged in the development of the regions where it operates.</p>	<p>M1 M3</p> <p>M6</p>	<ul style="list-style-type: none"> – Staff training and development – Meetings between management and employees – Corporate media – Staff opinion surveys – Agreements with trade unions and collective arrangements – Social programmes and corporate medical programmes – Multi-channel hotline
<p>Suppliers and business partners</p> <p>In our supplier and business partner relations, we aim to create and develop long-term and constructive partnerships. Our cooperation is based on the observance of business ethics and the fulfilment of contractual obligations, as well as responsible supply chain management. We also include health, safety, social and environmental issues in our arrangements with contractors.</p>	<p>M4 M5</p> <p>M6</p>	<ul style="list-style-type: none"> – Cooperation agreements – Business meetings – Conferences and exhibitions – Open tenders – Participation in professional Russian and international unions and organisations – Section of website www.SUEK.ru that is dedicated to suppliers – Publications in the media

1. For 2018 material issues review, see pages 34-37.

The company's stakeholders	Relevant material issues ¹	Channels and formats of engagement
<p>State authorities</p> <p>Our key objectives in cooperating with state authorities include the following: the development of close cooperations and partnerships to improve the competitiveness of the national and regional economies; the promotion of social development throughout the regions; and the creation of solutions to environmental problems. The company's interaction with the state is based on strict adherence to all applicable laws and requirements. Government agencies also call upon our industry expertise to help with strategic decision making on Russian fuel and energy issues and purpose-oriented programmes.</p>	<p>M1 M3 M4 M5</p>	<ul style="list-style-type: none"> – Social and economic partnership agreements – Joint working groups – Committees and conferences – Round tables and meetings – Corporate reporting – Publications on SUEK website
<p>Local communities in the regions where we operate</p> <p>In our interaction with local communities, we aim to jointly develop social infrastructure, create human capital, implement social activities and deliver projects focused on environmental protection. We implement social and charitable projects in healthcare, education, housing improvement and development. We also provide communal services, culture, sport and business development initiatives, as well as support to disadvantaged social groups. In addition, we actively encourage and enable local communities to get involved in solving urgent social problems, which is a prerequisite for sustainable development.</p>	<p>M3 M4 M6</p>	<ul style="list-style-type: none"> – Employment of local population – Social, charity and environmental projects – Public hearings and round tables – Seminars and conferences – Corporate reporting – Our corporate media system – Publications in the media – Publications on SUEK website – Excursions for representatives of the local community to the company's mining, washing and generating facilities
<p>Expert organisations and NGOs</p> <p>Engagement with expert and public organisations allows us to receive feedback on how to deliver better business, social and environmental outcomes. We engage specialist organisations and NGOs in the study, evaluation and implementation of social projects and programmes in the field of environmental management. Our relations with such organisations rely on open dialogues, transparency and parity.</p>	<p>M3 M4 M6</p>	<ul style="list-style-type: none"> – Joint implementation of social projects – Seminars and conferences – Round tables and working groups – Corporate reporting – Publications on SUEK website

1. For 2018 material issues review, see pages 34-37.