

# Ensuring good working conditions

## HR policy and employee overview

At RusHydro, we place great emphasis on human capital, as we believe that highly skilled, responsible, and diligent employees are key to the Group’s successful development. [103-2]

The Company’s generating facilities in Russia and abroad are staffed with professionals with extensive operational experience and superior technical expertise. RusHydro’s HR policy aims to ensure ongoing improvement of labor relations and social development, create efficient and safe work environment, facilitate career growth, and ensure decent living standards and well-being for employees across the Group and its subsidiaries.

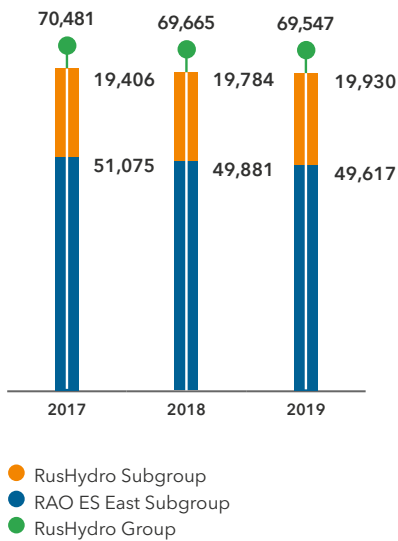
The Company’s stable performance allows it to maintain its employee headcount. As at December 31, 2019, RusHydro Group employed 69,547 people, down by 0.17% as compared to the previous reporting period.

RusHydro’s workforce structure breakdown by gender, age, and expertise reflects the nature of the industry. Men represent the majority of all employees (68.1%). In the management cohort, there are 3.5 times as many men as women; in the blue-collar category – 4.6 times as many men as women.

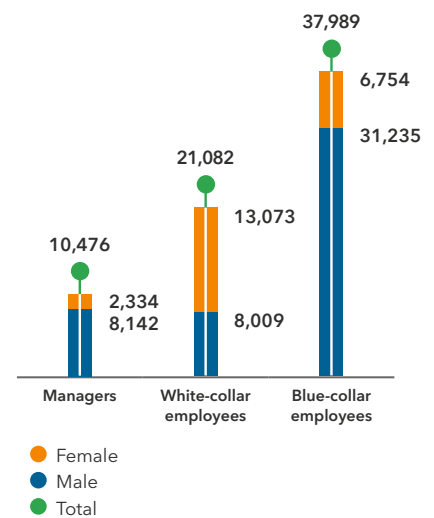
**69.5 thousand employees**

ensure the robust operation of RusHydro facilities

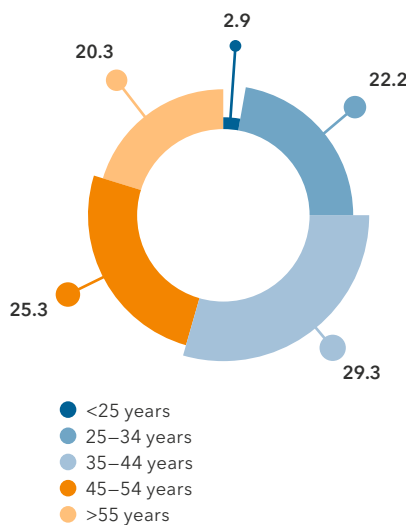
RusHydro Group – headcount, people



Headcount by gender and employee category, people (405-1)



Workforce structure by age, % (405-1)



Nonetheless, women make up 62.0% of all employees in the white-collar category. 25.1% of RusHydro Group’s employees are aged 35 or younger. One of RusHydro Group’s priority tasks the area of personnel management is attracting young talent.

Over 76% of RusHydro employees work in the Far Eastern Federal District, where the Group’s facilities account for three fourth of total power generation providing electricity and heat transmission and distribution to end users.

## Headcount by country and region in 2019 [102-7], [102-8]

Region, country	Headcount, people
<b>Russia</b>	
Central Federal District	4,001
Southern Federal District	655
North-Western Federal District	893
Far Eastern Federal District	52,961
Siberian Federal District	3,322
Volga Federal District	3,571
North Caucasian Federal District	3,712
<b>Foreign countries</b>	
Republic of Armenia <sup>1</sup>	402
Republic of Tajikistan	29
Republic of Uzbekistan	1

## Percentage of employees who will reach retirement age in the next 5 and 10 years by category<sup>2</sup> [EU15]

Indicator	5 years		10 years	
	people	%	people	%
<b>RusHydro Group, including:</b>	<b>5,481</b>	<b>7.9</b>	<b>10,356</b>	<b>14.9</b>
Management	822	1.2	1,721	2.5
White-collar employees	1,126	1.6	2,220	3.2
Blue-collar employees	3,533	5.1	6,415	9.2



### Seasonal employment

RusHydro Group hires seasonal labor. In 2019, 70 seasonal workers were hired

- to manage children's recreation camp Energetik and for the summer season at the Mukhinka training ground;
- 15 workers were hired for the heating season;
- 1 seasonal worker was hired to control water flows from Lake Sevan;
- 13 workers were hired to restore ice fields and ski trails.

Most of RusHydro employees work full-time (98.6% for RusHydro Subgroup and 99.8% for RAO ES East Subgroup) and under permanent employment contracts (88.7% for RusHydro Subgroup and 97.7% for RAO ES East Subgroup). [102-8]

### Recruitment [103-2]

RusHydro Group recruits staff, including management, on a competitive basis. This approach enables the Company to recruit motivated people who meet the qualification requirements.

Candidates regardless of gender, age and nationality compete for vacancies, where professional skills is the main selection criterion.

In 2019, RusHydro Group hired 13,173 people and created 1,569 new jobs following inauguration of additional generating capacities, increased scope of service projects, and transition to direct contracts with electricity consumers. On top of that, the Company increased electricity sales and opened single billing and payment centers in the Far East.

The employee departure rate<sup>3</sup> varies by region of operation from 3.7% in the Republic of Armenia to 25.8% in the North Caucasus Federal District.



**13.2 thousand employees**

were recruited in 2019 with **1,569** new workplaces created

<sup>1</sup> In March 2020, RusHydro Group completed the sale of its stake in CJSC MEK in Armenia.

<sup>2</sup> Age of retirement on general or special terms.

<sup>3</sup> Calculated as the number of employees who left the Company divided by the total headcount as at December 31, 2019 and then multiplied by 100.

**Total number of employees hired and dismissed at RusHydro Group in 2019, people<sup>1</sup> [401-1]**

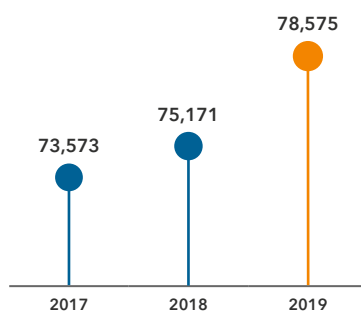
Region	<25 years		25-34 years		35-44 years		45-54 years		>55 years		Total
	M	F	M	F	M	F	M	F	M	F	
<b>Hired</b>											
Central Federal District	48	22	79	59	115	71	61	38	67	31	591
Southern Federal District	8	2	13	0	30	5	15	6	8	1	88
North-Western Federal District	7	7	8	8	5	5	8	1	6	5	60
Far Eastern Federal District	983	301	1,993	862	1,892	1,057	1,321	598	940	490	10,437
Siberian Federal District	24	21	84	79	49	78	59	43	39	35	511
Volga Federal District	68	11	142	26	106	30	50	11	21	8	473
North Caucasian Federal District	166	4	288	15	196	22	181	17	98	5	992
Republic of Armenia	0	0	3	0	4	1	6	0	2	0	16
Republic of Tajikistan	0	0	3	0	0	0	1	0	0	0	4
Republic of Uzbekistan	0	0	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>1,304</b>	<b>368</b>	<b>2,613</b>	<b>1,049</b>	<b>2,397</b>	<b>1,269</b>	<b>1,703</b>	<b>714</b>	<b>1,181</b>	<b>575</b>	<b>13,173</b>
<b>Dismissed</b>											
Central Federal District	28	16	112	72	117	92	52	33	128	78	728
Southern Federal District	4	2	17	3	34	8	21	2	21	2	114
North-Western Federal District	1	2	11	12	13	7	4	6	12	17	85
Far Eastern Federal District	531	174	1,538	818	1,662	942	1,064	632	1,544	835	9,740
Siberian Federal District	11	12	82	58	87	89	86	52	108	71	656
Volga Federal District	40	9	101	16	93	20	58	22	70	24	453
North Caucasian Federal District	114	3	269	21	175	26	133	25	169	21	956
Republic of Armenia	0	0	0	1	1	1	1	0	10	1	15
Republic of Tajikistan	0	0	2	0	2	0	2	0	0	0	6
Republic of Uzbekistan	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>729</b>	<b>218</b>	<b>2,132</b>	<b>1,001</b>	<b>2,184</b>	<b>1,185</b>	<b>1,421</b>	<b>772</b>	<b>2,062</b>	<b>1,049</b>	<b>12,753</b>

<sup>1</sup> The indicator does not include subsidiaries with headcount reduction due to reorganization in 2019, in particular: PJSC KamGEK and JSC Geoterm, because the companies (JSC Zaramagskiye HPPs, JSC Blagoveshchenskaya CHPP, and JSC Yakutskaya GRES-2) have not operated after commissioning the projects that are on their balance sheet but are used by respective region's operators. This table does not cover employee movement in the above entities, as they terminated their operations before the end of the reporting period or had no staff as at the end of the reporting period.

### Financial motivation and remuneration

RusHydro Group's motivation and remuneration policy seeks to maintain a competitive salary level.

#### Average monthly salary of employees at RusHydro Group, RUB<sup>1</sup>



The remuneration systems in RusHydro's subsidiaries are in compliance with the Russian labor legislation. They ensure increase in real wages of employees by means of annual wage indexation and financial incentives (bonuses) conditional on the company's results (key performance indicators) and employee performance (individual bonus indicators).

Depending on the region of operation, entry-level wages at RusHydro Group are equal to or 14 times higher than the statutory minimum monthly wage. [202-1]

RusHydro Group adheres to the principle of equality and non-discrimination on the basis of gender. We ensure equal base salary for all categories of male and female employees.

### Development of employee potential [103-2]

Continuous employee training and development has always been a major priority for RusHydro. Our people play an important role in strengthening the Company's internal stability and help us achieve our strategic goals.

The continuous training system is in place to develop employee competencies to meet their current job requirements and be promoted as part of the talent pool arrangement. The Company offers employees professional retraining opportunities, including in accordance with occupational standards.

## Key areas of employee training

Statutory training under the requirements of the Federal Environmental, Industrial and Nuclear Supervision Service of Russia, the Federal Service for Labor and Employment, and other controlling authorities

Technical training required for performing job duties

Management and leadership trainings

Project management training

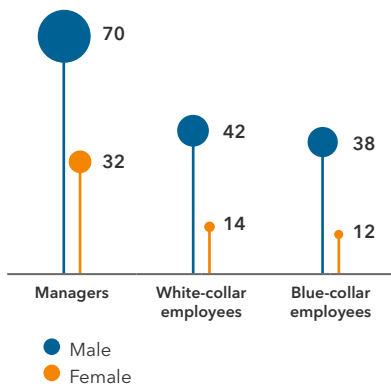
Corporate governance training

Graduate degrees

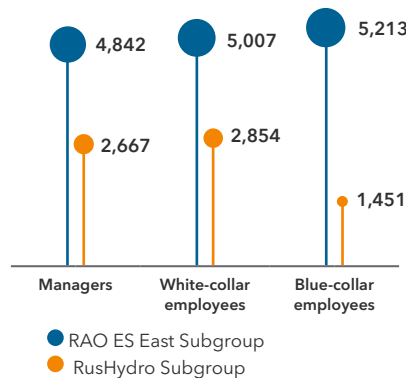
Second professional degree

<sup>1</sup> Including PJSC RusHydro.

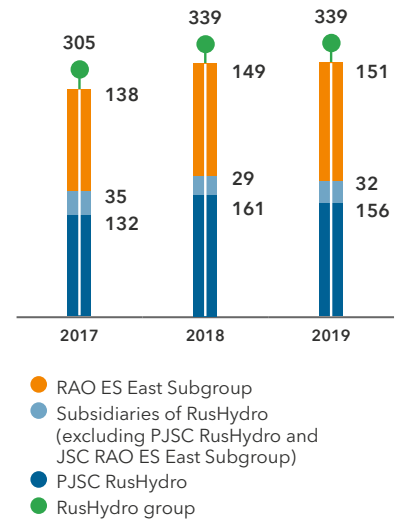
### Average hours of training per employee [404-1]



### Average training expenses, RUB/person



### RusHydro Group's personnel development costs, RUB mn



In 2019, RusHydro Group's personnel development costs amounted to RUB 339 mn. The training is provided by the Corporate Hydropower University, a branch of RusHydro, which helps ensure an extensive personnel coverage and reduce per-course costs.

A total of 3,945 RusHydro and subsidiary employees received training at 97 courses, including:

- professional retraining – 215 employees (15 courses)
- professional development based on industry standards – 615 employees (27 courses);
- professional development – 1,512 employees (11 courses);

As many as 19,559 employees attended distance-learning courses (46 courses).

In addition to training, the Corporate Hydropower University holds competitions

and professional excellence contests among RusHydro Group employees. These events are intended to facilitate best practice sharing, identify best performers, and demonstrate the latest technologies. The reporting year saw:

- the second corporate competition for operations staff at cross-connection thermal power plants, which included 40 employees (five teams comprised of eight people each) from DGK, Kamchatskenergo, Magadanenergo, Sakhalinenergo, and Chukotenergo;
- corporate professional excellence competition in maintenance and repair of protective relaying and automation equipment based on WorldSkills standards at RusHydro's branch Volzhskaya HPP and the Volga Training Center of the Corporate Hydropower University. The event involved 21 RusHydro employees and 6 students from industry-oriented universities (Novosibirsk State Technical University, Moscow Power Engineering Institute and its branch in Volzhsky);
- the first corporate engineering case championship of innovation

and work improvement proposals called Ratsenergy. Contestants included 137 employees (37 teams) from Yakutskenergo, DGK, and Far Eastern Distribution Company (DRSK).

In 2019, RusHydro Group provided a total of 56,561 training courses to its employees under corporate training programs, further professional education and occupational training programs. The increase in the number of courses compared to 2018 came on the back of large-scale introduction of distance-learning options and implementation of professional standards in RusHydro's operations. The respective action plan for introducing professional standards was developed and approved by RusHydro's Board of Directors for the 2016-2019 period in line with the Russian Government's Directive No. 5119p-P13 dated July 14, 2016. Following initiatives implemented under the action plan, by the end of 2019, 93% of employees met the professional standard requirements introduced in the Company.

**19.6 thousand employees**

passed the distant training in 46 courses

## Learning and training programs [404-2]

Form of training	Frequency
Further professional training	At least once every five years
Occupational training	As required by regulators, in case of retraining for a new career
Occupational retraining	As required for operational reasons to enable employees to do a new type of work or to receive additional qualifications as well as for talent pool training
Corporate trainings	On an as-needed basis when required to solve specific tasks
Internal training in production and technical skills	Annually
Short-term training programs (seminars, conferences, forums)	Annually, with the content depending on business needs
Distance learning	Annually, with the content depending on business needs



### The Corporate Hydropower University

The Corporate Hydropower University was founded in December 2007 as a branch of RusHydro. It is a unique institution whose purpose is to build a pool of highly skilled employees by providing educational services and comprehensive specialised training programs for energy industry professionals.

Today, the Corporate Hydropower University serves as RusHydro Group's research, information, and educational (license No. 9472-I dated December 22, 2017) center, while also providing methodological and consulting services for the Group.

Since its inception, the concept of effective knowledge management has been the key focus of the university. It serves as a link between RusHydro Group's branches, contributes to the formation and strengthening of a unified corporate culture, offers training to Company experts and uses experience sharing as an educational tool.

Training at the university unlocks career development opportunities for employees and introduces them to a wide network of industry professionals.

### Talent pool

RusHydro Group pays great attention to building a talent pool and training its management staff. Our management talent pool programs seek to:

- ensure a seamless and continuous management succession;
- improve the management recruitment and appointment process;
- encourage personnel to pursue career development;
- incentivize employees to enhance their professional skills and competence.

In 2019, the Company arranged and conducted the following talent pool training modules:

- Professional training in hydropower;
- Professional training in heat power engineering;
- Personal performance improvement;
- Safety culture and occupational safety;

Twenty-nine young professionals were included in RusHydro Group's talent pool based on the results of the Internal Source of Energy-4 competition in 2019. They will be trained under the first Project Management module.

In addition, the talent pool members took part in the 9th International Forum of Young Power Professionals and Industrialists called the Fast and the Furious 2019. The events also included a conference of RusHydro Group's young talent community, during which the project leaders presented the results of their work, formulated new ideas, formed a pool of projects for inclusion into the 2019-2020 work plan, and elected community leaders. The community operates on a voluntary basis to implement joint projects, share experience and practices, and search for new, more efficient approaches and solutions to deliver on RusHydro Group's strategic priorities. The community set the key project streams as follows: Technology Leadership, Professional Development, Health and Safety, Comfortable Environment in the Regions of Operation. Stream coordinators assessed the results of a number of federal and local projects implemented under their stream.

In addition to offering training modules for talent pool candidates, RusHydro Group arranged a number of other events for young employees in 2019, including participation in industry-wide competitions in innovation, the engineering training initiative Technological Leadership School, the Youth Days at the St. Petersburg International Economic Forum, and the 2019 Russian Energy Week International Forum.

## The programs are divided into two levels:

### Talent pool for any given position

a specially trained group of employees from the headquarters and branches who combine strong leadership competencies and professional skills commensurate with corporate requirements for a particular managerial position

### Young talent pool "Internal Source of Energy"

a group of young specialists up to 30 years old, who have been assessed and selected as potential professionals and/or leaders and receive regular targeted training to improve their qualifications



### Training of future employees [OS]

As a responsible employer, RusHydro Group is interested in developing young professionals in the regions where it operates. The Company makes every effort to generate interest in the industry among young people and create various incentives for young professionals to join the hydropower sector.

To this end, RusHydro interacts with educational institutions all across the regions.

An important part of that interaction is cooperation agreements. In 2019, the Company entered into a cooperation agreement with the Financial University under the Government of the Russian Federation to establish long-term mutually beneficial partnership to train young professionals for RusHydro and conduct methodological and research work aimed at improving educational programs and integrating innovative technologies in the educational process.

RusHydro Group offers career guidance for hydropower students to familiarize them with their future occupation by arranging practical training and helping them to take part in corporate and national competitions and events.

In 2019, 11 post-graduate students and instructors took internships at RusHydro's production facilities as part of the effort to improve the education quality at partner universities. Over 1,700 vocational school and university students (years 3-6) received practical training. In the reporting year, the Company hired 27 university graduates.

More than 50 highly qualified RusHydro staff members teach at universities and take part in the state graduation commissions for the Electrical and Heat Power Engineering discipline. RusHydro's representatives are members of the Federal educational and methodological association for the integrated group of disciplines 13.00.00 Electrical and heat power engineering.



RusHydro Group's Young Employees Community comprises around 100 people.

**Personnel assessment**

The Corporate Hydropower University and RusHydro's Qualifications Assessment Center established in 2018 conduct employee assessment to create a talent pool.

In 2019, assessment was conducted to select potential candidates for the position of RusHydro Branch Director. Four candidates were identified and included in the talent pool for the director's position, three potential candidates were identified for the position of first deputy branch director – chief engineer, two candidates for the position of deputy chief operations engineer,

and two candidates for the position of deputy chief technical engineer.

The Company's employees are tested for adequacy to the job and have their professional, business and personal qualities and achievements assessed. Managers and white-collar employees, regardless of gender, are assessed once every three years.

The Energy Sector Occupational Qualifications Council approved three tools for assessing professional qualifications to be used by RusHydro's Qualifications Assessment Center. RusHydro Group experts took part in the development of the tools.

Eighty employees from RusHydro's branches and subsidiaries were assessed by the Qualifications Assessment Center, with 63% successfully passing the test. In 2019,

the Energy Sector Occupational Qualifications Council authorized the Qualifications Assessment Center to conduct assessments at two additional sites in the Far Eastern Federal District: RusHydro's Sakhalinenergo and Magadanenergo training centers.

**Personnel management system development plans**

In 2020, the Qualifications Assessment Center will open additional assessment sites, contribute to the development of the national qualification system by establishing qualification standards in electrical and heat power engineering, provide training for experts, and conduct tests.

Talent pool and personnel development plans for 2020 include:

- the 9th All-Russia HPP Operations Staff Competition;
- professional skills competitions in the repair and maintenance of 110 kV overhead power lines;
- the 2nd Corporate Engineering Case Championship of Innovation and Work Improvement Proposals called Ratsenergy;
- the 3rd Corporate Championship WorldSkills Russia Juniors in Electrical Installations among the children from orphanages sponsored by RusHydro;
- a conference of RusHydro Group's Young Employees Community;
- Corporate Championship WorldSkills Russia Juniors in Smart Electricity Metering Systems;
- the 10th Summer Energy School for high school students interested in hydropower;
- the 11th Energy for Development national contest of students' projects.

**Percentage of RusHydro Group employees who undergo periodic performance and career development appraisal (% of total headcount across the specified category), 2019. [404-3]**

RusHydro Subgroup



RAO ES East Subgroup





## Social policy<sup>1</sup>

RusHydro's Social Policy is an important incentive for furthering the Company's social agenda, promoting social partnership practices, and making the Company a more attractive employer.

Tasks of the social policy:

- creation of an institutional environment for attracting and retaining young talent;
- maximization of employee commitment to RusHydro's goals and principles;
- improvement of occupational relations taking into account the interests of the employer, employees and shareholders, , including the government as the major one.

In its social policy, RusHydro Group follows international standards and best practices in the field of human rights, labor relations, environmental protection, anti-corruption initiatives and stakeholder relations. The Company relies on the Guidance

on Social Responsibility (ISO 26000) and the universal principles enshrined in the UNGC Guide to Corporate Sustainability in the field of human rights, labor relations, environmental protection and anti-corruption initiatives, as well as the Social Charter of the Russian Business and the Tariff Agreement for the Electrical Power Industry of the Russian Federation. [102-12]

RusHydro Group grants the following benefits to full-time employees [401-2]:

- voluntary health insurance;
- insurance against accidents and diseases;
- disability/temporary disability compensation;
- maternity/paternity leave;

- one-off financial aid;
- other payments and benefits in accordance with collective bargaining agreements and in-house rules and regulations.

### Corporate pension plans

Private pension coverage is in focus of the Company's social policy. It was introduced in 2008 to employees at RusHydro's branches by offering several pension plans designed to finance the pension savings of different employee groups.

In 2019, the Company revised its pension plan in line with changes in the Russian pension system and approved its new Regulations on Private Pension

## Social policy

Work with young people,  
training programs

Support for families and  
mothers

Healthcare and healthy  
lifestyle promotion

Pension  
coverage

Housing  
program

Social and professional  
guidance for orphans

<sup>1</sup> Approved by the Board of Directors (Minutes No. 177 dated April 1, 2013)

Plan for Employees at RusHydro's Branches by Order No. 670 of August 15, 2019.

The private pension plans include:

- The parity plan is jointly financed by an employee and the Company, with their contributions dependant on the employee's period of participation in the program. To support soon-to- retire employees in accumulating pension capital, increased parity ratio has been established.

- The corporate plan (financed by the Company) consisting of:
  - the "Supporting" option – the Company accumulates pension contributions on registered pension accounts of employees who, as a result of the reform of the state pension system, do not receive or have a limited opportunity to form the funded part of the work pension (for employees born before 1966);
  - the "Well-deserved pension" option – the Company accumulates pension savings for employees retiring in 5 years and having a track length of

service of at least 10 years in the industry and state awards, including those of the President and Government of the Russian Federation, state agencies, and corporate awards for working on energy facilities during recent 10 years;

- the "Veterans" option – the Company accumulates pension savings on the pension accounts of its former employees as a supplementary pension for retired employees.

PJSC RusHydro continues to offer its "Co-financing" option where an employee, the Company, and the government jointly finance his or her pension savings.

Private pension plans are in place at 24 subsidiaries, including Hydroremont – VCC, Transport Company RusHydro, Kolymaenergo, DGK, Far Eastern distribution company (DRSK), Far Eastern Energy company (DEK), Kamchatskenergo, etc. The parity plan is underway in 20 subsidiaries, 13 subsidiaries have corporate plan options,

predominantly the "Supporting" one, financed, while seven have elected the government's "Co-financing" option.

### Improving housing conditions for employees

RusHydro continues implementing a program to improve housing conditions for employees. The priority right to participate in the program is given to young professionals under the age of 30, who do not have their own apartment or house, relocated specialists, key and highly qualified specialists, as well as employees with many children, and single parents.

In 2019, pursuant to Regulations on Improving Employee Housing Conditions at Branches of PJSC RusHydro<sup>1</sup>, 109 employees received compensation of interest payments on mortgage loans and lease expenses. Furthermore, in 2019 employee housing programs were introduced at Yakutskenergo, Sakha Energy, and Kolymaenergo.

## Security for RusHydro Group's liabilities under pension plans<sup>2</sup> [201-3]

Indicator	Value
Net pension liabilities as at December 31, 2019, RUB mn	8,732
Estimated coverage ratio of special assets vs. liabilities under the scheme (fair value of plan assets / current value of plan liabilities), %	10.4

<sup>1</sup> Approved by RusHydro's Order No. 398 of May 13, 2019.

<sup>2</sup> Liabilities under IFRS as appraised by Actuarial and Financial Services LLC.

## Corporate culture and volunteering [OS]

RusHydro Group's corporate culture is an essential tool reflecting its values and strategic business priorities, as well as leveraging employees' initiatives to deliver on the Company's long-term goals.

RusHydro Group is focused on unlocking the creative potential and promoting strong social commitment of employees. Over 1,000 employees contributed to RusHydro Planet, a video flash mob contest held as part of celebrating the Company's 15th anniversary. As many as 22 creative videos featuring flash mobs participated in the contest to demonstrate both talent and team spirit of the Group's employees on the background of its impressive energy facilities. Awards were conferred following online voting on YouTube.

The Power of Talent, another contest held to celebrate the 15th anniversary, attracted over 160 employees who made 70 stage appearances in three nominations – singing, dancing, and performance art. Online voting determined the final six and the audience award winner, while the jury of experts – prominent art professionals, directors, and actors – chose the winners.

Another important focus is health and healthy lifestyle promotion. Employees of RusHydro Group take part in all kinds of sports events – national projects (Russian Ski Track, Cross-Country Race of the Nation, GTO physical fitness tests), regional competitions (marathons, bicycle and ski races), team sport tournaments (soccer, volleyball, basketball, ice hockey, etc.), spartakiads organized by local

trade unions, such as All-Russian Electric Trade Union.

To facilitate communication among employees and award the best athletes, corporate spartakiads were introduced in 2017. Around 1,000 employees of the Headquarters, 18 branches, and 25 subsidiaries took part in the Spartakiad 2019. The Spartakiad program included the Soccer Cup of the Chairman of the Management Board.

### Volunteering

RusHydro Group's corporate volunteering has been growing rapidly by attracting more and more engaged employees in events held across Russia. The volunteers greatly contribute to the Company's annual initiatives, such as Charity Fair, Blood Donor's Day, Suitcase of Goodness, The Brightest Christmas Tree, Get Ready for School, and oBEREGAi environmental program.



#### Suitcase of Goodness 2019

The Suitcase of Goodness is a charity project popular among volunteers from RusHydro Group. The initiative is focused on giving a helping hand to people in distress, including children with serious health conditions and lonely seniors placed in care homes or shelters.

In 2019, employees of RusHydro's Headquarters, the Company's design institutes – NIIES and Hydroproject Institutes, Hydroremont-VCC and RESK united their efforts to contribute to the Suitcase of Goodness.

The volunteers partnered the Gift of Life foundation to provide suitcases of goodness full of toys for kids battling cancer at Dmitry Rogachev National Medical Research Center of Pediatric Hematology, Oncology, and Immunology.

In the run-up to the new school year, suitcases of goodness with stationery were presented to children in need.

Employees of RusHydro Group collected gifts to cater for the basic needs of lonely elderly people from remote care homes and shelters under custody of the Joy in Old Age Foundation.

The Suitcase of Goodness initiative was acclaimed by many employees eager to help others.



PJSC RusHydro is the only company with employees volunteering to train youngsters from orphanages for the WorldSkills Junior championships.

As part of the volunteering and charitable Young Energy

program, the Group's employees facilitate social integration and provide professional guidance for children from orphanages. The volunteers mentor the kids, introducing them to power facilities and energy sector, giving them the basic knowledge of electrical installations, and offering career guidance. The Young Energy covers twelve orphanages and involves over 120 volunteers from RusHydro Group.

RusHydro's employees also arrange tours of the Group's facilities. In 2019, more than 4,000 tours were organized for students in an attempt to stir interest in engineering and energy sector professions among the youth.

Annually, RusHydro's volunteers come to schools from across the Company's footprint to give over 15,000 schoolchildren lessons about energy saving technologies and energy security.

## Employee rights, trade unions [103-2] [OS]

At RusHydro Group, employees are free to fully exercise their right to freedom of association. Most of RusHydro Group's companies have trade unions in place. In 2019, 34,239 employees of RusHydro Group (49% of the headcount) were members of trade unions. [407-1]

All of RusHydro Group's generation branches and 40 subsidiaries (96% as at 2019) have collective bargaining agreements in place. [102-41]

RusHydro and its 12 subsidiaries are members of the All-Russian Industry Association of Electrical Power Industry Employers "ERA of Russia", while one more subsidiary has joined the Industry Tariff Agreement for the Electrical Power Industry of the Russian Federation.

The Industry Tariff Agreement is crucial for establishing and developing a uniform social partnership framework in the energy sector. The Agreement provides a single standard for regulating social and labor relations in the industry and sets a minimum level of guarantees for employees. All companies

that are "ERA of Russia" members comply with the key provisions of the Industry Tariff Agreement pertaining to:

- the amount and frequency of indexation of the minimum monthly rate of pay;
- one-off payments made prior to a paid leave;
- financial assistance provided in the face of certain events (marriage, childbirth, death of close relatives);
- one-off payments to retiring employees;
- compensation to families in cases of work-related fatalities and deaths caused by common diseases or home accidents; and
- other benefits provided for by the Industry Tariff Agreement if the company is financially able to make the payments (50% discount of the regular charge for electricity and heat, compensation of childcare expenses, monthly compensation payments to employees on childcare leave, etc.).

RusHydro provides employee benefits and guarantees that are higher than those set forth in the Industry Tariff Agreement in terms of both scope and amounts paid.



For more details on the Industry Tariff Agreement, visit the website of the "Era of Russia" at: <http://www.era-rossii.ru/>

The Company complies with the Russian Labor Code specifying the minimum notice period regarding operational changes (at least two months prior to the commencement of relevant events or, where the headcount or staff reduction may result in mass dismissals, at least three month prior to the commencement of relevant events). [402-1]

In addition, under the Industry Tariff Agreement, employers must notify trade unions of the expected reorganization within 20 days after the meeting of shareholders adopts relevant resolution, and disclose the schedule of such reorganization. Under collective bargaining agreements of branches and subsidiaries, appropriate provisions of the Industry Tariff Agreement apply to reorganization, and either party may initiate mutual employment consultations.

## Occupational health and workplace injuries

### Workplace safety management framework

[103-2][403-1][403-7]

As RusHydro Group prioritizes health and safety over operating performance, its key occupational safety goals are:

- protecting the life and health of employees in the workplace;
- preventing occupational injuries and diseases;
- creating safe employee behavior patterns and hazard prevention skills;
- improving working conditions on an ongoing basis.

The key areas, directives, and commitments regarding employee safety are set forth in RusHydro Group’s Health and

Safety Policy<sup>1</sup>. The Company also has the following internal regulations in place:

- Regulations on Occupational and Fire Safety Day at RusHydro’s branches<sup>2</sup>;
- Temporary Regulations for Authorization of Building and Fitting Contractors and Seconded Staff to Operate at RusHydro’s Sites<sup>3</sup>;
- other regulations governing RusHydro’s production operations and processes<sup>4</sup>.

RusHydro Group’s occupational health and safety management framework covers management decisions on organizational, technical, sanitary and hygienic, treatment and preventive, medical and social measures aimed at ensuring safety, protection of employee capability, health and life in the workplace, monitoring of employee compliance with occupational safety, fire prevention and industrial safety requirements.



VHI forms a part of the benefits package and covers all the staff. All Group’s employees are insured against accidents and diseases. The insurance coverage applies 24/7.

### Distribution of responsibility for occupational health and safety management<sup>5</sup> [403-3]

Member of the Management Board, First Deputy General Director – Chief Engineer	Industrial and Occupational Safety Department	Health and safety functions at branches and subsidiaries
Management of health and safety activities at hydropower facilities  Setting up and ensuring oversight over health and safety activities, including preventive measures to minimize operational risks and protect employee health	Development, oversight and control of occupational health and industrial safety measures at the Company level	Development, oversight and control of occupational health and industrial safety measures directly at branches and subsidiaries

<sup>1</sup> Approved by RusHydro’s Order No. 372 of April 20, 2015.

<sup>2</sup> Approved by RusHydro’s Order No. 300 of April 25, 2016.

<sup>3</sup> Approved by RusHydro’s Order No. 736 of November 13, 2008.

<sup>4</sup> Approved by RusHydro’s Order No. 730 of September 10, 2019.

<sup>5</sup> Approved by RusHydro’s Order No. 420 of June 15, 2018.

In RusHydro Group, there are no instances of unfair treatment as a result of health condition. No health condition data (personal data) are disclosed to third parties. [403-3]

To control and monitor contractors and subcontractors operating at its facilities, RusHydro Group:

- collects data on their employees for granting access to the facilities;

- holds health and safety briefings (including fire safety and safe work practices) for contractors' employees;
- assesses the knowledge of employees authorised to issue instructions and

## Key focus areas in health and safety management

### Occupational safety training and knowledge assessment [403-5]

- Free-of-charge occupational safety training and knowledge assessment for employees and labor safety officers<sup>1</sup>
- Employee training for a new job with internship in the workplace
- Emergency and fire response drills
- Occupational health and safety briefings for in-house and contractor staff
- Special and advanced staff training
- Demonstrations for crews before work authorization
- Occupational Safety Days on a monthly basis
- Thematic events, including those aimed at:
  - preventing injuries in electrical installations, work at height, confined spaces, pressure equipment, construction work, loading and unloading operations, lifting equipment, appliances and mechanisms;
  - improving production safety culture, ensuring traffic safety, training staff for autumn and winter seasons;
  - training staff for maintenance campaigns;
- staff training in safe work methods, adequate use of tools and personal protective equipment;
- assessing training effectiveness based on tests and knowledge checks (protocols) by trainees and managers, training officers, teachers, experts and dedicated assessment teams.

### Identification of occupational hazards, assessment of occupational risks and investigation of accidents [403-2]

- Special assessment of working conditions to identify occupational hazards Assessment of workplace conditions, definition of their class (subclass)
- Operational control of compliance with sanitary rules as well as sanitation and epidemic prevention measures (laboratory tests, working environment surveys)
- Staff interviews and meetings
- Overviews of injuries in electrical installations and development of injury prevention measures [403-4]
- Workplace rounds to identify violations of occupational, industrial and fire safety rules by in-house and contractor staff
- Reviews of proposals from employees, trade unions or other employee authorized bodies aimed at improving working conditions and occupational safety [403-4]
- (Occupational) health and safety provisions in formal agreements with trade unions [403-4]

### Occupational healthcare [403-6]

- Social guarantees and compensations to employees working in hazardous (occupational hazards conditions following the special assessment (reduced hours, additional leave, hazard pay)
- Mandatory regular medical and psychiatric examinations (check-ups)
- As part of our VHI coverage:
  - organization and provision of healthcare services in line with the outpatient and inpatient care, and emergency medical aid programs;
  - outpatient care, emergency and routine inpatient treatment, emergency medical aid and foreign travel insurance;
  - preventive measures (employee vaccination and examinations) to reduce threats to human life or health.

<sup>1</sup> Note: except for part-timers and probationary employees.

requests, manage and supervise operations; prepares regulatory documents for them;

- develops and implements corrective actions based on the monitoring of contractors' operations. [OS]

### Plans to improve the H&S management framework

The 2020 calendar plan provides for the following initiatives:

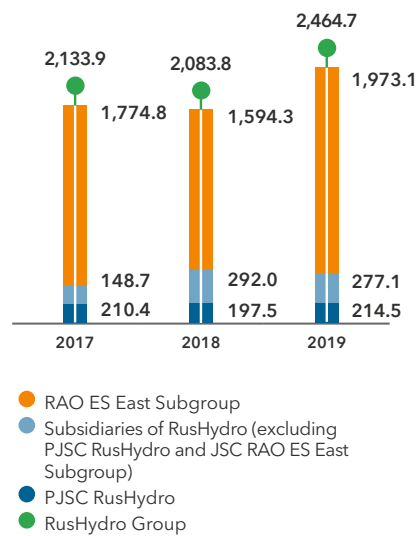
- update the Health and Safety Policy in line with the risk-based approach;
- actively engage employees in occupational health and safety improvements to boost performance and reduce occupational diseases and workplace accidents;
- maintain strong employee competencies, leverage innovative health and safety practices, ensure collaboration and exchange of information between health and safety experts and employees;
- develop and implement effective initiatives to identify, eliminate or limit hazards and risks and preserve employee life and health throughout the employment period.

### Health and safety expenses

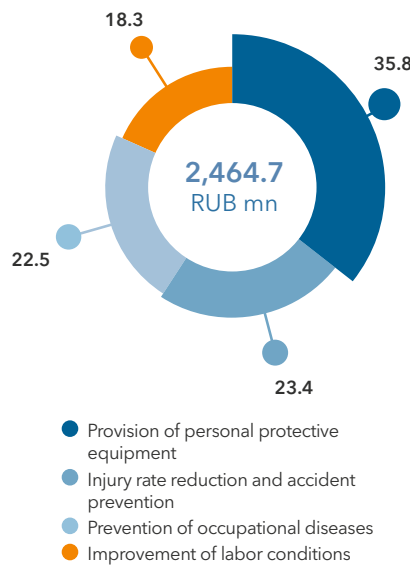
The Company consistently provides funding for health and safety and workplace injury prevention initiatives, including RUB 2,464.7 mn invested during the reporting period.

Higher health and safety expenses are due to an increased supply of personal protective

### Health and safety expenses, RUB mn



### Health and safety expenses in 2019, %



equipment for employees and measures to improve labor conditions and prevent occupational diseases and workplace accidents.

### Health and safety measures

In 2019, RusHydro Group's health and safety measures included:

- on-site control of occupational hazards to reduce their impact on employees;
- ensuring compliance with health and safety requirements by contractors' teams engaged by the Company's branches;
- drafting RusHydro Group's accident response guidelines to prevent injuries;
- monthly and quarterly group-wide occupational safety (including fire safety) days with progress reviews;
- measures to prevent occupational injuries;
- mandatory medical examinations of employees working in hazardous and harmful conditions, and implementation of measures recommended in post-examination reports;
- mandatory psychiatric examination of employees engaged in certain activities, including high-hazard operations (with exposure to harmful substances and occupational hazards), or working in a high-risk environment;
- purchasing and restocking first-aid kits;
- potable water supply to employees;
- infectious disease prevention;
- personnel preventive vaccination;



### Employee training in occupational health and safety [403-5]

In 2019, the Company conducted two 40-hour on-site and off-site training programs:

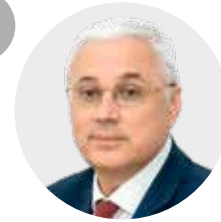
1. occupational health and safety for managers and specialists (28 hours of theory and 12 hours of practice);
2. safe practice of high-altitude operations (18 hours of theory and 22 hours of practice).

The first program is intended for employees responsible for health and safety measures, while the second one is for those in charge of organizing safe high-altitude operations, holding briefings, and drafting the plan for employee evacuation and rescue in case of emergency.

The above programs covered a total of 6,731 people, including 634 employees trained at the Corporate Hydropower University, a branch of RusHydro. The knowledge absorption was assessed as 9.47 and 9.55 out of 10 for each of the programs respectively.

The training is free for employees of the Group's branches and Headquarters. On-site training is conducted during office hours, while for off-site training the employees can choose some working time within a specified period at their convenience.

- health and safety briefings;
- inspections of workplaces;
- setting health and safety rooms and areas across the Company, purchasing stands, equipment and simulators, visual aids, learning software;
- buying technical standards documents, including their electronic versions;
- holding health and safety trainings and employee knowledge checks;
- training employees on first aid to the injured using robot simulators and distance learning;
- overviews of injuries in the Russian electric power industry;
- arranging for employee visits to sports facilities and swimming pools;
- centralized procurement of protective clothing and footwear in the uniform corporate style for the Company's subsidiaries;



Hydropower and electricity generation from renewable sources are key components of the technological core of the future of the business. That means that RusHydro's role in Russia's energy production will only expand. With RusHydro's support, the Institute of Hydropower and Renewable Energy Sources was established at the National Research University Moscow Power Engineering Institute (MPEI). RusHydro's strong ties with our university in training personnel for responsible production activities strengthen the position of Russia's leading energy holding. Many MPEI graduates have gone on to enjoy successful careers at RusHydro Group, working in electricity generation, networks, and engineering centers.

#### **Nikolay Rogalev,**

*Dean of National Research University Moscow Power Engineering Institute*



- providing employees with protective clothing, footwear and personal protective equipment (PPE);
- organizing PPE storage, care, repair and replacement;
- providing employees with detergents and decontaminants;
- providing milk or equivalent products to employees working in hazardous conditions;
- disinsection and deratization measures;
- assessment of working conditions and implementation of follow-up action plans to provide better and healthier working conditions.

### Assessment of workplace conditions and identification of occupational hazards

One of the Company's priorities is to make sure that workplaces comply with statutory health and safety requirements. The assessment of 100% workplaces takes place as scheduled.

According to the special assessment of working conditions in 2019, 29,846 employees of RusHydro Group had workplaces with occupational hazards exceeding the regulatory (hygienic) threshold.

In 2019, RusHydro Group recorded three occupational diseases affecting one skilled specialist (a man) and two workers (a man and a woman). Occupational diseases (hazards) are caused by noise and labor severity. [403-10]

In each case, the Company issued a relevant report followed by stricter control over medical examinations to enable early diagnosis and minimize the risks of developing chronic diseases.

No occupational diseases were recorded by RusHydro's contractors in the reporting period.

### Number of casualties

Year	Indicator	PJSC RusHydro	RusHydro (excluding JSC RAO ES East Subgroup)	RAO ES East Subgroup	Total
2017	Number of injuries, employees	0	12	21	33
	incl. fatalities	0	1	3	4
	Rate of recordable work-related injuries	0.00	0.96	0.43	0.49
2018	Number of injuries, employees	5	12	24	41
	incl. fatalities	0	2	4	6
	Rate of recordable work-related injuries	1.07	0.89	0.52	0.64
2019	Number of injuries, employees	3	5	20	28
	incl. fatalities	0	0	1	1
	Rate of recordable work-related injuries	0.039	0.065	0.263	0.368

<sup>1</sup> In accordance with Article 14 of Federal Law No. 426-FZ On the Special Assessment of Working Conditions dated December 28, 2013

### Injuries and occupational diseases [OS]

In 2019, RusHydro Group had 26 accidents to their own staff that resulted in 28 injuries, including one fatality. The accidents caused injuries to two managers (men), six skilled specialists (women), and 20 workers (men). [403-9]

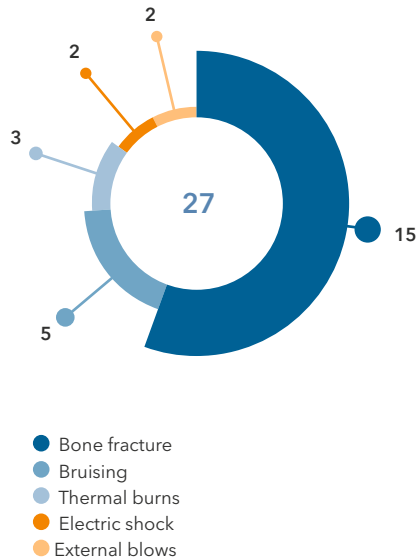
Injuries mainly occurred due to breaches of work management requirements by persons in charge. Each accident was investigated, with urgent preventive measures put in place.

In 2019, the hazards that resulted in severe injuries included:

- mechanical hazards (four severe injuries);
- electrical hazards (two severe injuries);
- thermal hazards (two severe injuries).

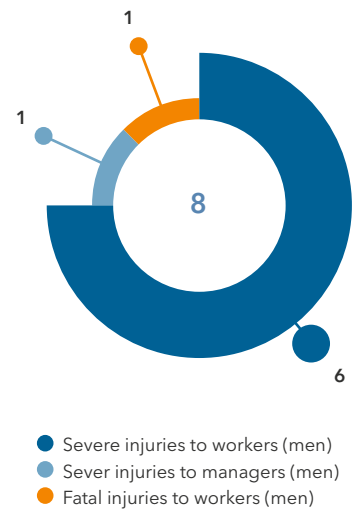
In 2019, five injuries (bruising and bone fractures) were

### Number and types of injuries in 2019



recorded among workers (men) of Contractors operating at RusHydro Group's facilities where the Company is responsible for ensuring safe working conditions.

### Categories of employees with fatal and severe injuries in 2019



In connection with all the accidents, the Company took urgent measures and developed an action plan to eliminate the impact on others.