

COMMUNITIES



The overarching strategic goal of our social activity is the comprehensive development of the regions in which we operate. For us, this means improving quality of life for our employees, their families and local people and communities.

Priorities:

- Revitalise local communities;
- Expand and diversify our social programmes;
 - Promote employment;
- Expand the range of local social welfare services; and
- Introduce innovative technologies and approaches within the social sphere.

Our approach and focus areas

Our social strategy is closely linked to our business strategy, and all community programmes and activities we initiate align with and support our business objectives. One of our core focus areas is capacity building, which enables the further development of local infrastructure and knowledge. We are guided in this area by our firm belief that the development of human capital is the basic pre-condition for the sustainable development of regions and territories. Furthermore, by engaging local people in initiatives designed to improve their local communities and environments, we believe we can deliver positive change by helping to develop social resilience and independence.

To this end, cooperating and consulting with community stakeholders to assess their needs and aspirations forms a core part of our social strategy and programmes. This not only helps us to connect the needs of our stakeholders to our business priorities, but also maximises opportunities for local community development.

To ensure we make a meaningful impact on local communities in the regions where we operate, we focus on the following key areas of social activity:

- Environment;
- Education;
- Sport and healthy lifestyle;
- Healthcare;
- Improving and developing infrastructure;
- Leisure, culture and unlocking creative potential;
- Improving local self-government;
- Developing local social and business activity, increasing personal fulfilment opportunities;
- Affordable housing, services and utilities.

The primary tool for the implementation of our social policy is a non-profit charity fund called 'SUEK to the Regions'. Covering all our territories of operation, the fund develops and implements its own programmes, taking into account specific local needs and priorities.

Major projects in 2015

Despite the challenging economic environment, in 2015 we continued to implement our social initiatives as planned, in accordance with our strategy. We continued our focus on long-term projects and initiated new programmes aimed at creating favourable social conditions and addressing key development issues.

Education

During the year we conducted a number of educational projects, including:

- The 'Talent Pool Development Project', aimed at providing vocational guidance for young people and facilitating real-time communication between the labour market and education. Targeting employees of educational institutions and representatives of the municipal education departments, the project also helps us to identify potential future talent among student bodies.
- 'Modernising the Municipal Labour Force Training System', aimed at improving the municipal education system and developing the coal industry's talent pool, in compliance with all current requirements. Already underway in the Kemerovo region, this project targets teaching personnel from regional universities and colleges, HR managers within Kuzbass companies and students at technical universities. Project participants have been trained in creating an integrated educational environment for workers and engineers.
- The 'Golden Candidates Pool Project', an inter-regional student competition designed to identify promising ideas for the development of the coal industry, and find and support creative young professionals for the innovation economy. Students from a range of target universities participate, with category winners receiving a diploma and scholarship.

- Financial support to local schools, including the purchase of textbooks and interactive whiteboards and the financing of repair and restoration work. This project aims to encourage the best graduates and reward the best teachers, while also assisting in the organisation of school holidays and providing support to other educational charity funds.

Sports and a healthy lifestyle

In 2015, we provided support for a number of youth sport programmes and events. We also financed the repair and construction of various sports institutions, and purchased sports equipment and inventory. In the Krasnoyarsk region, we built a winter sports complex and purchased gymnastic equipment for the Training Centre for Gymnasts in Kuzbass. Among other projects, we also provided financial support for:

- A regional girls' volleyball tournament, called 'Spring Drops';
- A sports festival called 'Eyes on the Victory';
- An Athlete of the Year competition in Kemerovo;
- A children's open rugby tournament;
- A regional chess tournament; and
- A municipal basketball competition in Krasnoyarsk.

In 2015, we also held the SUEK Olympic Games for children – an event aimed at promoting sports and healthy living among teenagers in the Krasnoyarsk region. The Games were attended by 130 young athletes who competed in futsal, volleyball, basketball, chess and other sports.

Healthcare

We carried out a range of healthcare initiatives during the year, including:

- A treatment and rehabilitation project for children in the regions where we operate, implemented in partnership with the Department for Presidential Affairs of the Russian Federation. As part of this project, each year over 150 children, including children from orphanages and socially disadvantaged families, are treated in a rehabilitation centre in the Moscow region. Thanks to the most advanced equipment and innovative techniques, the centre offers quick and thorough diagnosis, enabling the development of effective treatment and rehabilitation programmes.
- Co-financing partnerships with charitable funds for the treatment of seriously ill children, and financial support for the purchase of modern medical equipment. Project partners include the following charity funds: Rusfond, 'Gift of Life', 'Happiness to Children', 'Let there Always Be Me', 'Mercy' and others. In 2015, we purchased medical equipment for the Krasnoyarsk Regional Hospital of War Veterans and fitness equipment for a rehabilitation centre in Kuzbass.
- Financial support for the treatment of mining veterans. Covering treatment and procedures at the health centre of the Department for Presidential Affairs of the Russian Federation, this project enables miners to gain access to qualified medical examinations and receive special procedures and recommendations. Over 40 mining veterans visit the centre each year.

Improving and developing infrastructure

In 2015, we implemented several infrastructure and development projects, including:

- A competition called 'Comfortable Living Environment', which takes place in all the Russian regions in which we operate. The competition aims to identify, distribute and support the best ideas for the development of the natural environment. During the regional and inter-regional phases, winners receive financial support to implement their plans and proposals. In 2015, 15 winning projects received funding exceeding \$46,000. They included initiatives designed to improve memorials dedicated to the Great Patriotic War.
- A competition called 'Best Yard: Turn the Dream into Reality', held in the Krasnoyarsk region, aimed at developing the local community of Borodino. Local citizens who want to improve the quality of life in their town and, in particular, the grounds of their buildings, are invited to put their ideas forward. The winning groups are awarded with the installation of children's playgrounds in their yards.

Leisure, culture and unlocking creative potential

As part of our commitment to supporting leisure and culture, in 2015 we:

- Supported initiatives designed to preserve national cultures, programmes and activities and promote the spiritual development of people. For example, we provide assistance to a programme focused on 'Historical and Cultural Heritage as a Resource for Social and Cultural Development', and financial support to the International Eco-Ethnic Festival of Puppet Theatres, 'Chir Chayaan', in Khakasia, and a Buryat wrestling competition in Buryatia.

Youth Entrepreneurship Project

SUEK's Youth Entrepreneurship Project works to promote small businesses and engages students in entrepreneurial activities. The participants learn about entrepreneurship and take their first steps towards launching their own business ventures or enterprises.

In 2015, we created municipal teams made up of educational department employees, schoolteachers, entrepreneurs and representatives of municipal organisations. These teams were then deployed in Primorye, Khabarovsk and Khakasia to provide support to small businesses and help students learn about entrepreneurship. This was followed by workshops and training for the municipal teams on setting up and solving problems relating to student entrepreneurship, as well as activities to engage students with small business issues through surveys, games and training.

The project led to the development of 87 fully supported student business projects. In October, the best projects were put forward as part of the inter-regional Youth Entrepreneurship Competition in Moscow.

- Provided support for cultural institutions and events, including:
 - Reconstruction of the museum-estate of the national Buryat writer Isay Kalashnikov;
 - Renovation of a cinema in Chegdomyn village;
 - Organisation of a city-wide festival called 'Farewell bell' in Kuzbass;
 - Sponsorship of children taking part in a charity event called 'We help children together';
 - Staging of a New Year's Eve performance for orphans, children with disabilities, children from large families and at-risk children in Krasnoyarsk;
 - Financing of a festival for disabled children called 'From Heart to Heart';
 - Enabling the participation of children with disabilities, and children from low-income and large families from the Khabarovsk region, in a charity gala concert at the International House of Music in Moscow;
- Helped to finance the construction and reconstruction of religious and ethno-cultural facilities.

Improving local self-government

In Khabarovsk region in 2015, we launched the SUEK Public Debate Club, the aim of which is to share our problem-solving knowledge and capabilities with local communities, identify and develop public initiatives and promote our social projects. The project includes a series of round tables, during which representatives of local communities, administrations, governments, NGOs and the 'SUEK to the Regions' fund share their experiences of solving social problems. In 2015, these meetings included:

- A round table dedicated to exploring social entrepreneurship opportunities as part of the development of Vanino village and district in the Khabarovsk region;
- Round tables in Khabarovsk focused on 'Social Entrepreneurship as an Effective Mechanism for Solving Social Problems'.

Developing local social and business activity, increasing personal fulfilment opportunities

In 2015, our social and business activity development initiatives comprised:

- Ongoing efforts as part of our 'Work Teams' programme, which aims to engage young people aged 14 to 18 in the socio-economic development of their regions, promote socialisation, provide vocational guidance, and improve the image of mining.
- Implementation of the 'Youth Entrepreneurship Project' in Khakasia, Primorye and Khabarovsk. Participation in such projects contributes to social adaptation and increases options for vocational guidance. The target audience includes employees of municipal institutions and local entrepreneurs, thereby ensuring consistent regional support for young people. In 2015, students developed 87 business projects. The programme led to the establishment of the 'School of Social Entrepreneurship Coaches' in the Kemerovo region.
- Establishment of resource centres for the development of social entrepreneurship in Kemerovo, Krasnoyarsk, Khakasia and Buryatia. The project aims to develop problem-solving capacity within local communities. The centres are established to provide support for small businesses or public organisations through targeted training of their future executives.
- The launch of the 'Future of the Territory – Future of SUEK' project, which aims to encourage social entrepreneurship among young people. The project covers Buryatia, Primorye and Kemerovo. During the year, participants attended workshops and took part in competitions dedicated to social initiatives, with the winners receiving money for their projects. Overall, 18 projects were implemented in support of mothers and children, education and youth development.



Public recognition of SUEK Group's social activities

During 2015, we received a number of awards and commendations for our social activities:

- Winner of the 'Contribution to the Solution of Social Problems' category in the 'Leaders of Russian Business: Trends and Responsibility for 2014' competition;
- Prize winner in the 'Social Partner' category for 'SUEK's Work Teams', and winner in the 'Start-up' category for 'Youth Entrepreneurship' at the Second All-Russian Competition for the best employment practices in the development of human capital;
- Prize winner at the All-Russian Competition of Student and Corporate Communication projects, at the 'Eventiade Awards 2015', in the 'Best Project for Young People' category for 'SUEK's Little Stars' festival;
- 'SUEK's Little Stars' project was also included in the 'Best Social Projects of Russia' national programme;
- Prize winner in the 'Basis of Growth' competition for supporting small and medium-sized business in the 'Regional Programme of the Year' category;
- SUEK ranked 18th out of 65 among the companies that participated in the 'Corporate Charity Leaders 2015' competition;
- SUEK Group's social programmes were included in the Donors' Forum collection of best projects under the 'Company Practices in Charity and Social Investment' category, as well as in the RSPP's Library of Corporate Practices and the Business to the Regions collection.