The core focus of our social policy is to make all-round improvements in living standards for company employees, members of their families, residents of mining towns and villages. We take a systematic approach to community investments to ensure they are highly effective.

Our approach
Our strategy of promoting regional development is primarily aimed at building the capacity of local communities. Through the development of infrastructure and knowledge, we enable communities to solve actual problems and attract the resources they need. The involvement of local residents in creating positive change helps to develop the economy and improve the living standards of the regional population.

We develop and implement social programmes in cooperation with stakeholders: regional and city administrations, non-governmental organisations and local residents. Partnerships under these agreements are determined by the objectives of our territorial social development and by the strategic goals of our Corporate Social Policy.

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).

Overview
SUEK’s social and charitable programmes can be divided into the following categories:
- Education;
- Sports and healthy lifestyle;
- Medical care;
- Urban land and infrastructure development;
- Leisure, culture and fulfilment of creative potential;
- Development of local community members’ social and business skills;
- Affordable housing and public utilities;
- Improving local self-governance;
- Environment;
- Charity and assistance to vulnerable social groups.

SUEK implements community development programmes at all its key facilities. Overall, in 2017 SUEK implemented 150 social and charitable projects. The amount spent on community investment totalled $22m.

Planning and assessment of social programmes
The main tool for implementing our social policy in the regions is a non-profit organisation called ‘SUEK to the Regions’, established in 2007. The fund’s activities cover all areas of SUEK’s operations.

The planning of our community programmes is based on social environment monitoring. 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.

Most of the fund’s social projects are interrelated, aimed at solving various sustainable development problems. These projects are long term and networked, meaning they are replicated after testing in one of the regions and delivered to other territories where the company operates.
OUR PRIORITIES

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

Improve the quality of life of people residing in mining towns and villages

Together with regional governments, improve housing conditions and promote the development of education, sport, healthcare and culture

Increase awareness among young people of coal mining as a career opportunity

Improve the efficiency of the company’s community investments by implementing modern technologies in the social sphere and coordinating activities with regional administrations, non-governmental organisations and business representatives

Sports, medical care and healthy lifestyle.
Assessment of community investment efficiency

Quantitative:
- Events held, participants;
- Beneficiaries;
- Funds raised for the implementation of the company’s community development programmes;
- Partners involved;
- Growth points created as a result of the company’s community involvement;
- Media coverage.

Qualitative:
- 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.

In 2017, 13 programmes were assessed for efficiency.

### Key programmes in 2017

**Urban land improvement and infrastructure development**

Our inter-regional urban land development competition, ‘Comfortable Living Environment’, includes five categories: ‘Cosy courtyard, cosy home’, ‘Beauty around us’, ‘Clean city – healthy future’, ‘Health zone’ and ‘Discovering Russia’. Competition outputs included improving children’s playgrounds and parks in the territories where SUEK operates, cleaning coastal areas in Murmansk, creating more sporting opportunities both for children and adults, holding activities aimed at preserving historical and cultural values, and delivering moral and patriotic education for young people.

**Development of social and business skills and activities**

The system of entrepreneurial training in sustainable projects, both at beginner level and during project implementation, is an important element of entrepreneurship support.

1. Beneficiaries are residents of the territories that benefit from the results of implemented community, entrepreneurial and social-entrepreneurial projects (taking into account ongoing projects implemented in previous years).

2. The growth point is an organisation set up as a result of implementation of a social project enhancing living standards in a particular district or town (maternity support centre, music workshop, mini-cinema etc.).

Assessment of community investment efficiency

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of programmes assessed for efficiency</th>
<th>Average number of beneficiaries</th>
<th>Growth points created</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>9</td>
<td>25,000</td>
<td>35</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
<td>33,000</td>
<td>56</td>
</tr>
<tr>
<td>2016</td>
<td>12</td>
<td>45,000</td>
<td>66</td>
</tr>
<tr>
<td>2017</td>
<td>13</td>
<td>48,000</td>
<td>71</td>
</tr>
</tbody>
</table>

In 2017, we continued to roll out our ‘School of Social Entrepreneurship’ programme. During the year, graduates of the School created more than 50 new businesses in their regions. Graduates also benefited from our training programme, ‘Workshop of Successful Practices: Online Space for Exchanging Experiences’. Participants developed mechanisms for replicating their own projects and implementing advanced projects created by colleagues in their territories.

In order to develop the entrepreneurial skills of high school students, we have also launched a number of additional programmes:

- ‘Younger Generation: Path of Success’
- ‘SUEK’s Work Teams’ programmes.
- ‘Workshop of Successful Practices: Online Space for Exchanging Experiences’.
- ‘Space for Exchanging Experiences’.

**Social investment performance indicators**

- **Growth points** compared to 2016: 8% compared to 2016.
- **Average number of beneficiaries** compared to 2016: 7% compared to 2016.

Families. The marathons attracted 2,000 children from 17 general education and pre-school institutions.

We also ran our ‘Success Territory’ economic camp for pupils. The project involves intensive training for young people in entrepreneurial knowledge and skills to promote the future development of small and medium-sized businesses in mono-industry regions.

Our interregional competition for students’ projects, ‘Golden Talent Pool’, allows SUEK to identify and support creative young people who are able to work in an innovative economic environment. The participants are students of SUEK’s target universities: Siberian Federal University, Kuzbass State Technical University, Khakasia State University, Buryatia State University, Far Eastern Federal University and Pacific State University. In 2017, prize winners in each category received diplomas and scholarships.

**Sports, medical care and healthy lifestyle**

In 2017 we further developed ‘Chess to Mining Regions’, a children’s chess programme initiated in 2016 to promote chess in mining towns. New chess classes were opened in ten schools. The second corporate tournament brought together players from the eight regions in which SUEK operates.