

Assessment of working conditions ^[403-3]

A special assessment of working conditions / attestation of working places on working conditions was carried out at all workplaces of the Group enterprises. RusHydro Group does not have dangerous class 4 workplaces (employees engaged in professional activities involving high injuries or high risk of occupational diseases).

Activities in the field of occupational health and safety

The requirements for work with personnel in the organisations of the electrical power industry are established in the Rules approved by Decree No. 49 of the Ministry of Energy of Russia of February 19, 2000.

In 2017, the following activities were carried out with workers in the field of labor protection:

- training of workers in giving first aid to victims;
- training of employees for a new post with internship and training at the workplace;
- verification of knowledge of workers' labor protection rules, rules of technical operation, fire safety rules, industrial safety rules;
- anti-damage and fire-fighting and training;
- all types of safety briefings for own personnel and contractor personnel;
- special training and professional development of employees;
- rounds and inspections of the personnel workplaces in order to identify violations and deviations from the requirements of existing rules, norms, instructions, standards;
- conducting competitions for professional skills among staff;
- organisation of visual prompts;
- conducting days of labor protection.

In RusHydro Group, the number of employees of contractors and subcontractors that was trained in the field of labor protection is not taken into account, in addition to the briefings conducted for contractors - introductory and primary in the workplace.

Plans for the improvement of occupational health and safety in 2018

- Development of a draft Policy for RusHydro Group undertaking a risk-oriented approach;
- involvement of employees in improvement of occupational health and safety;
- maintenance of the qualifications of employees at a high professional level, cooperation and information exchange between specialists in the field of labor protection and workers, development and implementation of effective measures to identify, eliminate or limit hazards and risks that contribute to the preservation of life and health throughout the whole work period.

SOCIAL POLICY

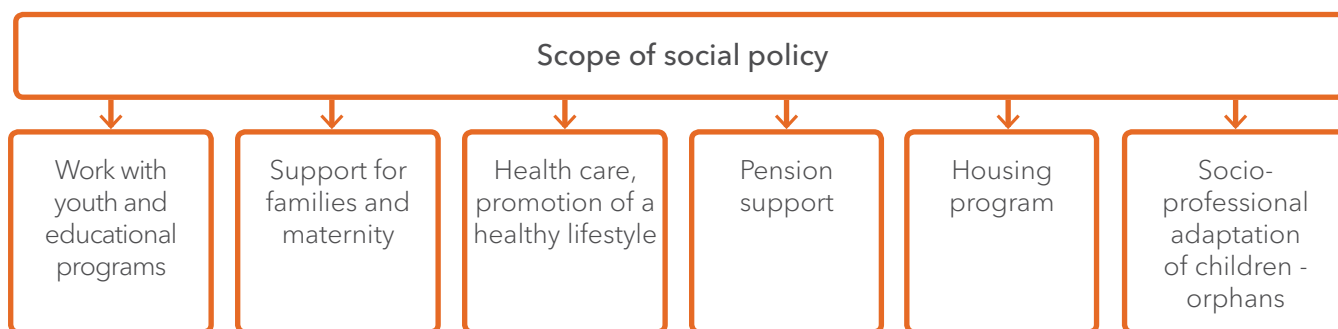
In order to implement the socially responsible position of PJSC RusHydro in 2013, the Company's Social Policy was approved. The document established the main principles, goals and objectives for the social development of PJSC RusHydro and its controlled companies in the regions of its presence.

Objectives of the Social Policy:

- development of national projects and the implementation of the Company's socially responsible attitude;
- development of the practice of mutual responsibility and social partnership;
- increasing the attractiveness of PJSC RusHydro as an employer to attract and retain the best staff.

The tasks of Social Policy:

- creating an institutional environment for attracting and retaining young staff;
- formation of a high degree of commitment among employees to the goals and principles of PJSC RusHydro;
- improvement of occupational health and safety taking into account the interests of the employer, employees, shareholders, and the state.



In social policy, PJSC RusHydro follows international standards and the best practices in the field of human rights, labor relations, environmental protection, combating corruption and interaction with stakeholders. The Company is directed by the Guide to Social Responsibility (ISO 26000) and the universal principles of the UNGC Corporate Sustainability in the field of human rights, labor relations, environmental protection and combating corruption. [102-12]

RusHydro Group grants benefits to full-time employees:

- voluntary medical insurance;
- insurance against accidents and diseases;
- disability compensation;
- maternity / paternity leave. [401-2]

Voluntary health insurance

Voluntary health insurance is part of the social package of employees and covers 100% of employees (excluding part-time workers and employees on probation). Within the framework of Voluntary medical insurance, services are provided for outpatient care, emergency and planned in-patient treatment, emergency medical care, and insurance for people travelling abroad. The list of polyclinics is updated annually. On a yearly basis, workers undergo vaccinations against a number of diseases, have an option to undergo medical examinations and preventive examinations.

All employees of the Company are insured against accidents and diseases. Insurance coverage is valid 24 hours a day.

Non-state pension provision

Non-state pension provision (hereinafter - NPP) of employees of branches of PJSC RusHydro in 2017 included several pension plans designed to finance the pension savings of different target groups of employees.

The structure of the NPP includes:

- The individual plan (financed by the employee) consists of:
 - programme "Individual" (the employee independently finances his/her pension savings);
 - programme "Close People" (the employee independently finances pension savings for the benefit of third parties).
- The parity plan (financed on the basis of equal participation by an employee and the Company or an employee, the Company and the state) consists of:
 - "5 + 5" programme (the employee and the Company jointly fund the pension savings of the employee);
 - programme "Co-financing" (an employee, the Company and the state jointly finance the employee's pension savings).
- The corporate plan (financed by the Company) consists of:
 - "Supporting" programme (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 at all or have a limited opportunity to form a funded part of the labor pension (for employees born before 1966);
 - "Veteranskaya" programme (the Company forms pension savings on pension accounts of former employees of the Company for the purpose of additional pension provision for former employees of the Company).

Similar programmes operate in some controlled organisations, for example, in JSC HydroRemont-VKK, JSC Transport Company RusHydro, PJSC Kolymaenergo, JSC DGK, JSC DRSK, PJSC DEK, PJSC Kamchatskenergo etc.

Security of the Group's liabilities related to pension plans with established benefits¹ [201-3]

Net pension liabilities as of December 31, 2017, million rubles	8,634
The degree to which (according to estimates) the liabilities under the scheme are met by special assets allocated for this purpose (Fair value of plan assets / Present value of plan liabilities)	11.40 %

Improvement of housing conditions for employees

PJSC RusHydro continues implementing a programme to improve housing conditions for employees. The priority right to participate in the programme is provided to young professionals under the age of 30 who do not have a separate housing ownership, specialists invited to work in the branch and moved in this connection from other areas, key and highly qualified specialists, as well as employees who have many children, and single parents.

In 2017, on the basis of the Regulation on improving the housing conditions of employees of branches of PJSC RusHydro, 57 employees of the branches received interest-free loans for improving housing conditions and 227 employees of branches received interest payments on mortgage loans. Financing of the programme in 2017 amounted to more than 100 million rubles.

PJSC Kolymaenergo is implementing the Housing Improvement Programme with the aim of securing employees who arrived on call for work at the enterprise, as well as highly qualified and young professionals employed and without housing in the village of Sinegorye. In 2017, the cost of implementing the programme amounted to 570 thousand rubles. Three highly qualified employees who arrived on call were compensated for the cost of purchased apartments.

In PJSC Yakutskenergo there is the Regulation on corporate assistance and support in improving the housing conditions of employees of PJSC Yakutskenergo, approved by the Board of Directors of PJSC Yakutskenergo. In 2017 corporate support was provided to 293 employees of PJSC Yakutskenergo, including:

- granting of interest-free loan - 91 people called for work at Yakutskaya GRES-2 in the amount of 383,712 thousand rubles;

- compensation for expenses incurred in terms of interest paid on a mortgage - 200 people. in the amount of 10,710 thousand rubles;
- compensation for the costs incurred to pay the initial mortgage loan to young professionals - 2 people, in the amount of 746 thousand rubles;
- compensation for housing expenses - 88 people, in the amount of 7,769.7 thousand rubles, including 27 people called for work at the Yakutskaya GRES-2, in the amount of 2,693.4 thousand rubles.

Collective agreements ^[102-41]

The collective agreement regulates social and labor relations in the Company and takes into account the mutual interests of employees and the employer.

In all RusHydro Group's branches there are Collective agreements concluded for 2017-2019. Almost all the Group's employees were covered by Collective agreements.

PJSC RusHydro and a number of controlled organisations are members of the All-Russian Industry Association of Electrical Power Industry Employers, which adopted the Industry Tariff Agreement, which forms a single industry standard for regulating social and labor relations in the industry and sets a minimum level of guarantees for employees. The existence of such a standard further facilitates the dialogue between the parties of social partnership at the level of the companies of the industry and the Group, allows us to compare and assess the level of guarantees provided to employees.

To support young families, the Group provides them with one-off payments in connection with the registration of marriage, the birth of a child, childcare allowance for up to three years, compensation of expenses for the maintenance of children in pre-school educational institutions.

¹ Assessment of liabilities under IFRS, assessment conducted by LLC Actuarial and Financial Services.

Granting maternity and paternity leave in RusHydro Group ^[401-3]

Indicator	2015		2016		2017	
	m	w	m	w	m	w
Number of employees eligible for leave	3,861	2,168	4,049	2,388	4,937	2,547
Number of employees taking leave	41	1,099	46	1,152	70	1,146
Number of employees who returned to work at the actual end of leave	19	564	19	580	30	587
The total number of employees who were supposed to return to work after the leave	35	842	51	913	47	735
Return to work ratio	54,3	67,0	37,3	63,5	63,8	79,9

The Company creates conditions for the formation of professional dynasties and tries to increase the prestige of engineering professions. To attract young qualified specialists to the industry, there are stipulated payments to children of workers who receive As and Bs in profile specialties, as well as encouragement of employees for mentoring. ^{[103-2], [103-3]}

The Company also provides its employees with privileges wishing to adopt a child, become foster parents or guardians - this is compensation for expenses for medical services, visits to sports clubs, interest clubs, etc. Employees-adoptive parents also receive monthly incentive payments.

As part of the programme to maintain health and promote healthy lifestyles, compensation is provided for season tickets to sports clubs and classes at a rate of 50% for employees and their children, as well as compensation for health resort treatment and recreation for workers and their children.

In 2017, the Regulation on the development and approval of draft collective agreements (amendments to them) of the controlled organisations of PJSC RusHydro was introduced. During the workshop, the main approaches to the structure and content of the standard collective agreement of the subsidiaries and the procedure for the approval of collective agreements, including the procedure for obtaining the preliminary approval of the collective agreements by the management bodies, were presented to the heads of the personnel management services of the branches and subsidiaries. Transfer of subsidiaries to the standard for of collective agreement is in the plans for 2018.

Human rights

The main approach of RusHydro Group in the field of observance of human rights is the fulfilment of all legislative requirements of the Russian Federation. The Group does not operate or enter into investment agreements in regions where the risk of human rights violations is high. RusHydro guarantees employees the observance of their right to work, rest, and the right to material security in old age and in case of loss of efficiency - they are implemented in accordance with the requirements of the Labor Code of the Russian Federation. ^{[412-3] [103-2], [103-3]} Employees of RusHydro Group companies have the opportunity to fully implement their right to freedom of association. Most enterprises of RusHydro Group have established and freely operate trade unions. ^{[407-1], [103-2], [103-3]}