

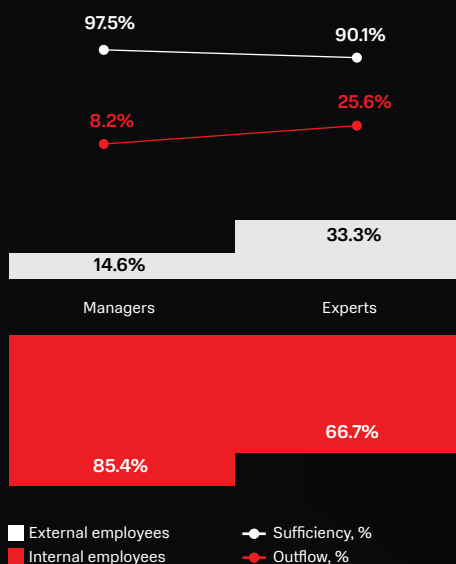
OUR EMPLOYEES²

\\ MTS pays special attention to building and developing an effective and successful team of professionals.

MTS actively uses the best practices in the field of employee programs. New approaches to staff training, improving working conditions and communication channels, promoting a healthy lifestyle, adaptation and retraining programs – these are just some of the opportunities available to employees.

>62.5
thousand people
the number of employees of MTS Group
at the end of the year.

\\ Closing of vacancies

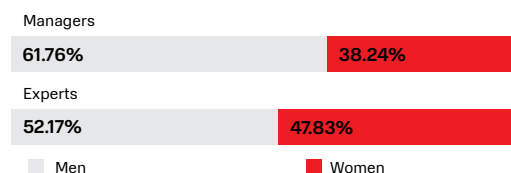


\\ Portrait of an average company employee



Gender: male
Age: 36
Work experience
in the company: 7

\\ Gender composition

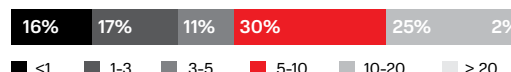


PERSONNEL STRUCTURE

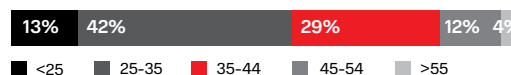
\\ by level of education



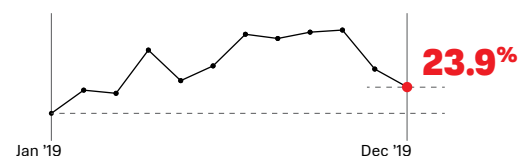
\\ by experience



\\ by age



\\ Net outflow dynamics



² More detailed information is available in the MTS Group Sustainability Report for 2019: chapter "Corporate Social Responsibility," section "Employees" (<https://moskva.mts.ru/about/mts-dlya-obshchestva/novosti-i-otcheti/otchet-ustoychivogo-razvitiya>).

8 DECENT WORK AND ECONOMIC GROWTH



REMUNERATION AND SOCIAL BENEFITS

MTS has a competitive remuneration system. According to the data for 2019, the average salary in the Company is 38% higher than in the whole country.

In addition, MTS provides its employees with a large package of compensations and benefits. Employees can take part in the "Benefit Cafeteria" program where an employee's set of benefits may be changed based on their individual decision. This approach enables us to qualitatively satisfy different employees' needs with high cost effectiveness.

All the company's employees participate annually in the performance evaluation procedure, which includes both an evaluation of fulfilment of key performance indicators and the competence development level. During the evaluation process, managers provide extended feedback based on annual work results, and, following the results of the evaluation, a plan of development measures is generated for employees.

In 2019 the work on the development and improvement of the KPI system was continued, including an increase in the number of cross-cutting team indicators to help to effectively unite teams to achieve common goals. To develop the potential of employees, additional options have appeared for obtaining assessments in competencies from colleagues.

Thanks to a properly built personnel development system, around 85% of manager's vacancies in the company are closed by means of in-house candidates. Using advanced distance learning platforms, with the preservation of quality, it has been possible to provide employees with opportunities for developing professional and personal competencies, as well as for studying new digital directions and retraining.

4 QUALITY EDUCATION



CORPORATE UNIVERSITY LLC



Starting in May 2018, MTS University has been actively gaining momentum and entering the foreign market. Last July, the beta version of the mtscu.ru site was launched, and the number of unique visitors by the end of the year reached almost 100,000. A YouTube channel with open webinars was launched, where the number of views is approximately 20,000. The number of channel subscribers, i.e. potential customers, reached 8,152.

MTS University has released 15 online courses and 24 video courses, opened an expert School for product design and held 15 open meetings. In October, MTS University held a competition – "StandUp Speakers."

Among the clients of MTS University are Okko, IVI, Domodedovo, Moscow State University, Rosbank, Lanit, Novolipetsk Metallurgical Plant, Rubius, Boxberry, Glavstroy, Olympia, Russian Product, and others.

ADVANCED TRAINING FOR STAFF

MTS has a special department – “Corporate University”, which is responsible for comprehensive staff training. The mission of the Corporate University is to create development opportunities, expanding the boundaries of people and business. Department experts develop educational programs for units, develop distance learning on a personal Virtual Academy platform, conduct face-to-face trainings and workshops and organize staff training with external providers.

In 2019, Corporate University provided the following types of training:

- > Faculty training
- > Competency Model Training
- > Virtual Academy
- > Business analysis. Beginning,
- > PowerPoint PRO Slides
- > Product Series of MTS
- > MTS STARS
- > Management club
- > New Height
- > Successor to the post of director of the region
- > ProfLab Program
- > Product Series of MTS

MTS has an Academy of Coaching Excellence, which professionally trains coaches. In 2019 45 coaches were trained. Domestic coaches held 668 events. Their total duration was 45,435 person-hours or 6.5 hours per participant.

Besides to educational programs, MTS employees have access to the Alpina Digital electronic library with popular science and business literature.

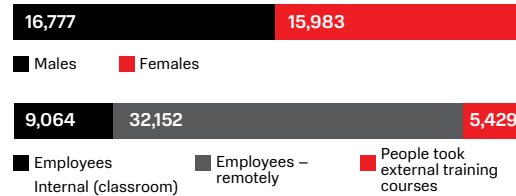


32,760

MTS employees

completed at least one training session in 2019

12% > more than in 2018



24,289

people

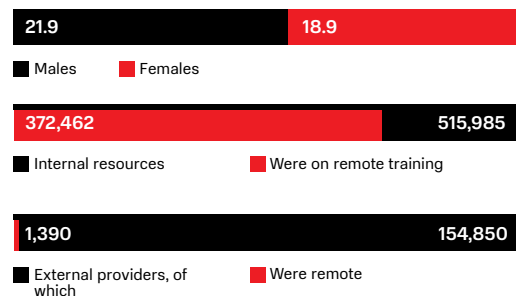
were trained in anti-corruption procedures in 2019.



757,052

hours

were spent learning in 2019,
the number of training hours per employee was:



86,217

hours

mandatory training

ADAPTATION OF NEW EMPLOYEES

The new employee is immersed in the principles of work and corporate culture through the adaptation measures of MTS.

On the first day, the new employee is told about the basic regulations that exist within MTS.

During their first week, the new employee is assigned distance learning, called the "First Course", which is a combination of different formats. The course immerses the employee in the company's strategy and business, and explains compliance, the code of business behavior and Ethics and the principles of the company's work.

During the second week, we invite our new employees to the "Welcome Day" event. In a face-to-face communication format, we talk with newcomers in detail about the strategy and corporate culture of the company, we introduce them to the buddy program, and answer all their questions. The event also involves managers from different fields and top managers of the company, who share success stories and present their areas of work.

Throughout the entire adaptation period, new employees and their managers receive push notifications with useful information and links. At different stages, we inform them about what they need to know, we remind them of the importance of setting goals and their implementation, receiving feedback, which model of competencies is adopted by the company, and why it is important to undergo mandatory training for 3 months.

as international law and local regulations on labor protection.

The Company operates a two-tier system of H&S management, focused on creating a safe working environment, prevention of occupational injuries and personnel training of safe work rules.

There are no official joint committees on health and safety in MTS PJSC. Directors of units and representatives of employees participate in monitoring and in development of annual H&S Safety Plans in branches for the next year and in the development of the List of Actions to Improve Conditions and H&S of employees, at whose workplaces special labor conditions evaluation was conducted.

Labor protection activities carried out by MTS PJSC are aimed at:

- > ensuring the priority of preserving life and health in the workplace;
- > improving the OSH management system;
- > timely training of managers and specialists on labor protection;
- > organization of preventive and periodical medical examinations of employees;
- > timely provision of employees with special clothing, footwear and other personal protective equipment;
- > organization of production control and evaluation of special conditions of employment;
- > evaluation and management of occupational risks;
- > ensuring the safety of production equipment and processes;
- > accounting and analysis of occupational injuries, organization of investigation of accidents and activities to prevent occupational injuries and diseases;
- > providing units with normative documents, communicating the laws and regulations on labor protection to the employees; and
- > promotion of occupational safety and health issues. Indicators of injuries in MTS PJSC, 2017-2019



OCCUPATIONAL HEALTH AND LABOR SAFETY

MTS PJSC pays close attention to the issue of ensuring comfortable and safe working conditions. Personnel safety is the main component of corporate social responsibility of the Company. MTS is guided in the field of occupational health and safety by the laws of the Russian Federation, as well

IN 2019:

- 19,606 employees underwent external and internal labor protection training.
- A special assessment of working conditions was carried out in relation to 100% of jobs in the Corporate Center of MTS Group and the branches of MTS PJSC (24,987 jobs).
- Preliminary and regular medical examinations were undergone by 2,800 and 8,424 employees, respectively, employed in work with harmful and (or) dangerous working conditions (according to the results of regular medical examinations 52 employees needed to be transferred to another job (corresponding changes were made to their duties), sanatorium-resort treatment was recommended to 92 employees (the possibility of treatment was provided at the expense of the Company)).

Indicator	2017	2018	2019
Accident Frequency Rate (AFR) ¹	0.22	0.27	0.17
Accident Severity Rate (ASR) ²	21.3	106.6	107.4
Accident and Lost Work Time Rate (ALWTR)	0.03	0.03	0.02
Lost Work Day Rate (LWDR)	0.48	2.18	1.47
Absentee Rate (AS)	4.27	4.36	4.31

Annually MTS PJSC cooperates with the Social Insurance Fund of the Russian Federation (SIF RF) for financial support of preventive measures to reduce accident injury rate and occupational diseases of employees and health resort treatment of employees working with hazardous and (or) dangerous production factors, as well as to obtain discounts on insurance tariff for compulsory social insurance against industrial accidents and occupational diseases. In 2019 the total amount received from this work made 6.2 M RUB (in 2018 – 6.8 M RUB, in 2017 – 2.61 M RUB).

At the expense of funds of the Social Insurance Fund of the Russian Federation:

- > medical examinations were carried out;
- > overalls, safety shoes and other personal protective equipment were purchased; and
- > a special assessment of working conditions was carried out.

In the reporting year, the representatives of MTS and subsidiaries participated in the work of the third

All-Russian Labor Protection Week in Sochi. The busy schedule of the All-Russian Labor Protection Week made it possible to participate in professional discussions, to study best practices and experience of colleagues, to learn about the main directions of labor protection law improvement, to get recommendations and answers to practical questions.

Every year, the Company assesses the effectiveness of its OSH management system based on quantitative indicators that objectively assess the degree of implementation of its labor policy. Assessment is carried out for each region. As a result of evaluating the OSH management system effectiveness, analysis is carried out, and concrete measures on improvement of labor protection are planned.

The H&S management system in MTS PJSC has been recognized at regional and district levels. In 2019 some MTS branches became prize winners of various H&S review competitions.

¹ The Accident Frequency Rate (AFR) defines the number of accidents for the reporting period per 1,000 workers.
² The Accident Severity Rate (ASR) defines the number of days of work missed due to one injury.