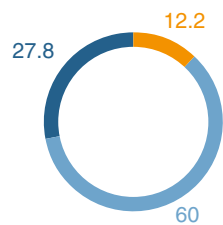


STAFF STRUCTURE AND MANAGEMENT OF STAFF MOVEMENT

Overall staff structure [GRI 102-7, 102-8, GRI 405-1]

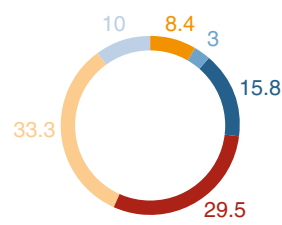
The Group had 48,689¹ employees as of December 31, 2019. More than 72.2% of the Group's staff are under the age of 50. Even though the gender breakdown in the power industry traditionally favors male employees, the proportion of women in the Company's staff structure is relatively high at 42.6%. Indefinite employment contracts have been concluded with 94.3% of all workers, and 97.5% of employees work full-time. Both indicators have continued to see positive trends in recent years.

Staff structure by age [GRI 405-1] %



■ under 30 years old
■ 30-50 years old
■ over 50 years old

Staff structure by gender and age [GRI 405-1] %



■ Managers (m)
■ Managers (f)
■ Specialists (m)
■ Specialists (f)
■ Workers (m)
■ Workers (f)

¹ The indicator includes 82 Inter RAO enterprises. Twenty-three of the Group's enterprises that did not fall within the scope of personnel indicators are special purpose vehicles (SPV).

Staff structure by category, gender, and age group [GRI 405-1]

	Managers		Specialists and employees		Workers	
	M	F	M	F	M	F
< 30 years old	110	41	1,117	1,926	2,422	347
30-50 years old	2,719	1,057	4,782	9,727	8,330	2,589
> 50 years old	1,250	370	1,791	2,739	5,447	1,925
TOTAL	4,079	1,468	7,690	14,392	16,199	4,861

Staff numbers with a breakdown by country, employment type, and employment contract as of December 31, 2019 [GRI 102-8]

	Country	Gender	Full-time employment	Part-time employment	Indefinite contract	Temporary contract
Russian Federation		M	24,666	124	23,941	849
		F	19,104	650	18,143	1,611
		Total	43,770	774	42,084	2,460
Georgia		M	1,270	367	1,449	188
		F	455	59	448	66
		Total	1,725	426	1,897	254
Moldavia		M	1,541	0	1,520	21
		F	453	0	437	16
		Total	1,994	0	1,957	37
Total		M	27,477	491	26,910	1,058
		F	20,012	709	19,028	1,693
	Total	Total	47,489	1,200	45,938	2,751

SUSTAINABLE DEVELOPMENT REPORT

Staff turnover [GRI 401-1]

An effective HR policy and the wide range of recruitment methods traditionally used at the Inter RAO Group make it possible to keep the staffing level at a high rate of 92%. The staff turnover rate for dismissed employees amounted to 11.0 in 2019.

When hiring staff, the Group fully adheres to approaches that preclude any kind of discrimination in accordance with the law. The Group's internal regulatory documents reflect the provisions on not permitting any forms of discrimination or harassment at the Group's companies for any reason, including based on nationality, gender, or age. Special gender targeting policies were not used in the reporting year.

Total number of employees hired and dismissed in 2019 with a breakdown by age group, gender, and region [GRI 401-1]

Region	<30 years old		30-50 years old		>50 years old		Total
	M	F	M	F	M	F	
Hired							
Russian Federation	1,341	995	2,206	2,620	674	713	8,549
Georgia	10	4	7	17	4	6	48
Moldavia	49	6	43	18	49	11	176
Total	1,400	1,005	2,256	2,655	727	730	8,773
Staff hiring rate¹, %	38%	43%	14%	20%	9%	15%	18.0%
Dismissed							
Russian Federation	783	621	1,971	1,810	1,163	1,179	7,527
Georgia	5	1	18	16	23	39	102
Moldavia	37	3	85	57	132	51	365
Total	825	625	2,074	1,883	1,318	1,269	7,994
Staff retirement rate², %	22.6%	27.0%	13.1%	14.1%	15.5%	25.2%	16.4%
Dismissed on their own volition or for violating labor discipline							
Russian Federation	660	529	1,442	1,293	582	651	5,157
Georgia	5	1	18	16	23	39	102
Moldavia	33	2	50	9	19	2	115
Total	698	532	1,510	1,318	624	692	5,374
Staff turnover rate³, %	19%	23%	10%	10%	7%	14%	11.0%

¹ The staff hiring rate is calculated as the ratio of employees who were employed in 2019 versus the payroll number of employees at the end of the reporting period.

² The staff retirement rate is calculated as the ratio of dismissed workers in 2019 versus the payroll number of employees at the end of the reporting period.

³ The staff turnover rate is calculated as the ratio of employees dismissed on their own volition and for violation of labor discipline in 2019 versus the payroll number of employees at the end of the reporting period.

Talent management

The Group plans to develop internal hiring and rotations as part of a horizontally oriented career path for employees due to industry specifics: in conditions where people work with complex equipment and the majority of employees have unique knowledge.

In 2019, Inter RAO prepared a Concept for Training the Talent Pool that regulates the following aspects:

- A nomination campaign and an improved selection procedure for the talent pool
- A collective decision-making format on the inclusion of employees in the talent pool and on measures to increase the security of positions held by the talent pool
- The statuses of readiness of talent pool members for appointment
- A systematic approach to the training of talent pool members for targeted positions, including the development of individual development plans, training in a corporate format, mentoring, and the regular monitoring of development to track dynamics

In 2019, a number of subsidiaries implemented the ROST project (Development and Improvement of Existing Technologies), which is designed to improve key end-to-end business processes at companies.

Stages of the ROST project:

- **Training for project participants** (project management, lean manufacturing, and the business game 'Modeling Project Activities in Changing Conditions')
- **Rotation of project participants.** The rotation program included an audit of business processes and the creation of a portfolio of projects that aim to improve the Company's operational efficiency
- **Development and implementation of a roadmap** for the implementation of projects and to obtain the desired effect.

In 2020, the ROST project will be expanded and implemented at the Group's other subsidiaries.

Improving organizational structure efficiency

The main goal of work in ensuring organizational structure efficiency in 2019 is to increase labor productivity, with an emphasis on the redistribution of staff and the outsourcing of service functions.

For workers who are transferred, the usual conditions of financial and non-financial incentives remained in place. Various conditions of employment were also developed for downsized personnel: options were proposed at other companies of the Group and negotiations were held with energy companies outside the Group on further job opportunities for staff who had been dismissed.