

# OCCUPATIONAL SAFETY AND PREVENTING OCCUPATIONAL DISEASES

## OCCUPATIONAL SAFETY AND HEALTH POLICY AND SYSTEM

### Health and safety policy and requirements [GRI 103, 403-9, EU25]

One of Inter RAO's top priorities is managing occupational, industrial, fire, and environmental safety in the course of production activities by the Group's energy companies.

The main goals in the organization of occupational, industrial, fire, and environmental safety are:

- Preventing injuries and occupational diseases among employees of the Group's companies during all stages of production processes
- Minimizing the negative impact on humans and the environment as a result of the production and business activities of the Group's companies
- Preventing accidents, fires, and process disruptions during the operation of the technological equipment, buildings, and structures of energy facilities
- Ensuring the compilation and use of uniform requirements to organize the industrial monitoring of compliance with the requirements and training of workers in occupational, industrial, fire, and environmental safety

The fundamental document that lays out the principles of occupational safety at the workplaces of Inter RAO is the Regulation on the Management System for the Occupational, Industrial, Fire, and Environmental Safety of Production Activities of the Inter RAO Group<sup>1</sup> (hereinafter the Regulation). Industrial relations in the management system for occupational, industrial, fire, and environmental safety are governed by the principle that human safety and the environment take priority over the criteria of economic efficiency.

### Safe working conditions are the key to success

Risk appetite: Inter RAO regularly and appropriately funds measures to improve working conditions and occupational safety.

The Regulation specifies the conditions for multi-level control over compliance with production safety requirements at Inter RAO and applies to:

- The technological processes involving the production, transportation, and distribution of energy and the equipment, buildings, and structures of the Group's energy facilities
- Employees of the Group's companies and contracting organizations who work within the area of responsibility of the Group's companies
- Production processes for the construction of the Group's new energy facilities and the reconstruction and expansion of existing facilities as regards monitoring compliance with requirements for occupational safety, technical operation as well as industrial, fire, and environmental safety

The Group's long-term goals in occupational safety through 2020 include not having any fatal accidents or group accidents involving Inter RAO employees due to the employer's fault and reducing the target value of the injury frequency rate. The target value of the injury frequency rate is set in the Business Strategy for Electricity Production and Reliability and Safety Management<sup>2</sup> and has steadily edged down from 0.39 in 2013 to 0.35 in 2020. As a result of the measures taken in 2019, the overall injury frequency rate among the Group's employees did not exceed the target value ( $\leq 0.3530$ )<sup>2</sup> and came to 0.1031. There were no instances of third parties being injured from interaction with the Company's assets. [EU25]

<sup>1</sup> Order No. IRAO/102 dated February 22, 2013

<sup>2</sup> Approved by the JSC Inter RAO Management Board (Minutes No. 421 dated January 25, 2013)

**Results of the implementation of occupational safety goals in 2019**

The actual value of the injury frequency rate was 0.1031 in 2019, down by 61% from the 2018 indicator.<sup>1</sup>

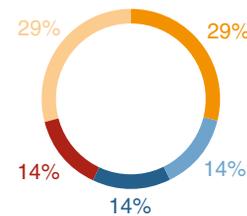
**Changes in the injury frequency rate**



**Breakdown of accidents by severity and type of injury in 2019**



- Minor accidents
- Severe accidents
- Fatal accidents



- Fall or collage of object, materials, or ground
- Impact of extreme temperatures
- Falling from height
- Falling on a slippery surface
- Transport incidents

Inter RAO recorded a total of five accidents in which workers were at fault and two accidents in which no fault was found. All the types of incidents that resulted in injuries to employees of the Group's companies can be broken down as follows:

- **Transport incidents** – 29% (two minor incidents as a result of a traffic accident: one minor accident that occurred when a private vehicle collided with an employee walking along a road, and one minor accident that occurred when a private vehicle collided with a bus carrying the plant's shift workers)
- **Falling or collapse of objects or materials** – 29% (one severe accident as a result of the unsatisfactory organization of work, the absence of safety measures in the Labor Code and a work permit ensuring the stability of equipment components following its dismantling, violation by the victims of occupational safety requirements, and one minor accident as a result of the victim not being trained in safety measures during the installation of thermal insulation on a boiler, and the absence in the work permit, design project, and occupational safety instructions of safety measures for installing thermal insulation on the boiler)
- **Exposure to extreme temperatures** – 14% (one fatal accident occurred as a result of work to remove heating networks for repair without the issuance of a work permit as well as the employee's failure to perform a task given by his immediate supervisor – the duty service dispatcher (to only inspect the accident site))
- **Falling from height** – 14% (one severe accident occurred as a result of the unsatisfactory organization of work and the victim's negligence)
- **Falling on a slippery surface** – 14% (one minor incident occurred as a result of the unsatisfactory maintenance of a territory (absence of anti-icing reagent being applied to an icy surface and a lack of monitoring of the territory))

<sup>1</sup> The Guidelines for Assessing the Degree of Fulfillment of the Inter RAO Group's Strategy Implementation Plan state that the injury frequency rate = the number of accidents in which investigation reports established the fault of the employer and/or the Company's employees x 1,000 / average number of employees.

<sup>2</sup> The target value of the BP 'Injury frequency rate' is set by the Business Strategy for Electricity Production and Reliability and Safety Management (approved by the OJSC Inter RAO Management Board (Minutes No. 421 dated January 25, 2013)) and has decreased from 0.39 in 2013 to 0.37 in 2015 and to 0.35 in 2020. The target value of the 'Injury frequency rate' for 2019 is 0.3530, as established by the Methodological Guidelines for Assessing the Degree of Implementation of the Inter RAO Group's Strategy Implementation Plan' approved by PJSC Inter RAO Order No. IRAO/689 dated December 27, 2018.

## Occupational health and safety management system [GRI 403-1, 403-8]

In accordance with the targets of the Inter RAO Technical Policy<sup>1</sup> corporate standard, the Group has introduced and is employing the Occupational, Industrial, Fire, and Environmental Safety Management System<sup>2</sup> (OIFESMS). The OIFESMS prescribes a uniform procedure for all the Group's companies to organize and conduct work in matters concerning occupational, industrial, fire, and environmental safety.

The OIFESMS applies to all technological processes involving the production, transportation, and distribution of energy, the equipment, buildings, and structures of the Group's energy facilities, company employees, and production processes involving the construction of the Group's new energy facilities and the reconstruction and expansion of existing facilities.

Ensuring multi-level monitoring of compliance with production safety requirements at Inter RAO's energy facilities is a strategic task for which the Group has drafted the corporate standard 'Methodology for the Internal Control and Analysis of the Occupational, Industrial, Fire, and Environmental Safety Management System in the Inter RAO Group's Production Activities'. The methodology establishes the requirements for the internal control and analysis of the functioning of the OIFESMS at the Group's companies.

The responsibilities and powers of the employees of the Inter RAO Group's companies as regards ensuring and observing occupational, industrial, fire, and environmental safety requirements are determined by job descriptions, regulations on structural divisions, in-house rules and policies, and the corporate standards of the Company and the Inter RAO Group's companies.

All of the Inter RAO Group's employees (full-time and non-staff) with an average headcount of 48,502 people were covered by the occupational safety and professional health system in 2019. The occupational safety system has an internal audit procedure. The OIFESMS does not provide for an external certification/audit procedure.

### Plans to improve occupational safety in 2020

In 2020, the Group plans to develop and implement special comprehensive programs to improve working conditions and prevent injuries in accordance with working conditions at each facility based on the results of the internal control of the OIFESMS as well as the requirements of existing regulatory documents concerning occupational safety.

Inter RAO also plans to develop uniform standards to ensure the safe operation of vehicles and work on equipment at the branches of JSC Inter RAO – Electric Power Generation, the performance of high-risk work at the thermal power plants of JSC TomskRTS, and the introduction of video recording systems for routine switching within electrical installations and at the thermal power plants of generating and heating network companies.

The target injury frequency rate has been set at 0.35<sup>3</sup>.

<sup>1</sup> Order No. IRAO/453 dated September 14, 2018 (updated version)

<sup>2</sup> Order No. IRAO/102 dated February 22, 2013

<sup>3</sup> Established by the Guidelines for Assessing the Degree of Fulfillment of the Inter RAO Group's Strategy Implementation Plan (Order No. IRAO/727 dated December 31, 2019).