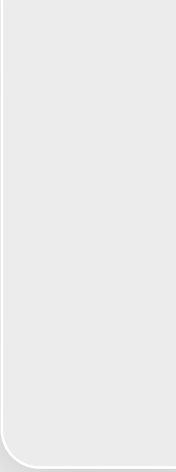



SUSTAINABILITY



198 Approach towards Sustainability and ESG



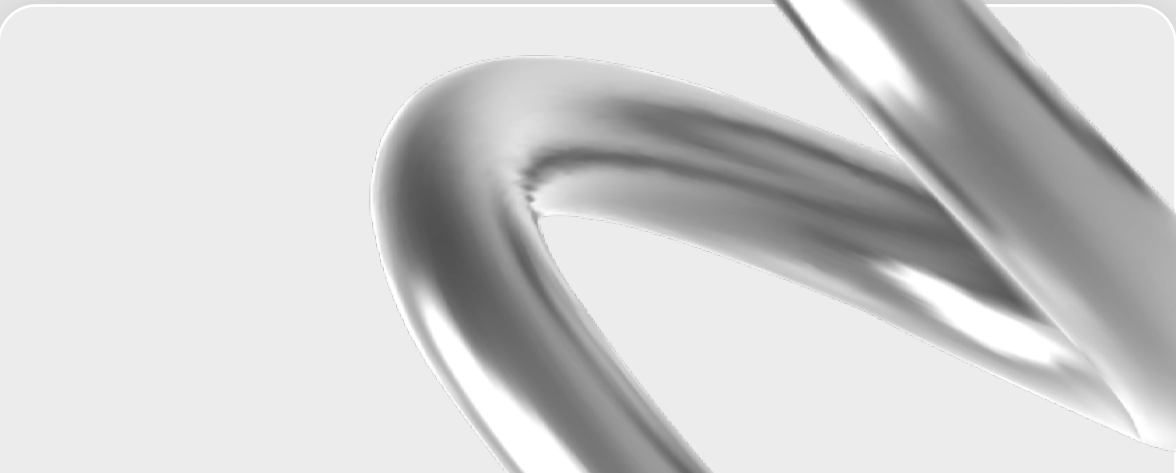
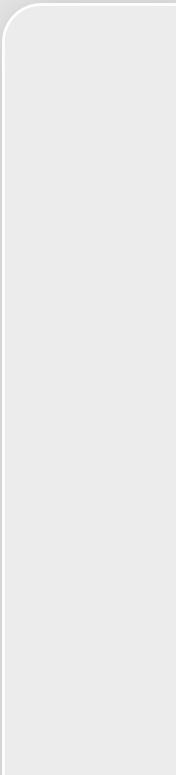
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242 Environmental protection

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APPROACH TOWARDS SUSTAINABILITY AND ESG

MTS is distinguished by a long-term strategic approach to the implementation of social and environment-oriented projects, the Company is also mainstreaming responsible business practices into its business processes.

The sustainability¹ of the Company is also reflected in terms of provision of confidentiality and security of clients' personal data, building a sustainable supply chain, providing social safeguards to employees, controlling the impact on the environment, and the positive impact of MTS Group's products and services on reducing the carbon footprint, as well as careful consumption of resources, support for volunteer, environmental, educational, inclusive programs and local communities, preservation of cultural heritage and development of areas of presence, etc.

The development of the social and economic sphere of the regions of presence, the improvement of the investment climate and the quality of life of the population by providing a wide range of innovations and digital services and facilities in the field of healthcare, education, ecology, urban infrastructure and others is also one of the priority tasks of the Company within the framework of sustainability.

Moving towards a stronger and higher potential in the area of sustainability and ESG, MTS demonstrates its commitment to achieve the objectives, which are critical for all our stakeholders. The Company timely introduces the relevant principles into the corporate culture and communicates them to stakeholders using accessible and convenient communication channels.

In March 2021, an ESG Committee of the Board of Directors of MTS was set up, which function is to control the introduction and implementation of principles of sustainability, as well as to assist the management bodies of MTS in the development of a common strategy regarding corporate governance, environmental and social responsibility. Independent director Regina von Flemming has been appointed the chair of the ESG Committee.

In 2021, the Company carried out a comprehensive analysis and systematization of ESG initiatives to be implemented and approved, at the meeting of the Board of Directors in December, an integrated ESG strategy of MTS, where it identified focus areas in the context of optimizing the Company's business processes and launching initiatives which facilitate the Company's sustainability. The integration of ESG principles into business processes allows not only to successfully complete strategic tasks but also to ensure proper consideration of interests and responsible behavior towards all MTS stakeholders.

The Strategy includes principal provisions, both those developing included in the similar strategy of the previous cycle and those that replaced them. The approaches to be improved until 2025 cover the three areas:

- > **organize** — remove gaps and use “what was underused”;
- > **multiply** — continue what has been started successfully;
- > **test** — check future opportunities.

For the purposes of efficient management of ESG activities, MTS ESG Center was established in February 2022.

The main tasks of which are:

- > development of business initiatives taking into account their impact on the Company's ESG agenda;

¹ Detailed information on MTS activities in the area of sustainability is published in the annual reports on sustainability of MTS Group on the Company's website at: <https://moskva.mts.ru/about/mts-dlya-obshchestva/novosti-i-otcheti/otchet-ustoychivogo-razvitiya>.

/ MTS ESG STRATEGY

Environmental care

- Energy efficiency management
- Carbon footprint monitoring
- Development of circular economy
- Ecological education

Development of digital society

- Providing everyone with affordable products and services
- Digital skills training
- Development of skilled IT professionals
- Development of digital infrastructure

Providing an inclusive environment

- Observance of human rights, decent working conditions, inclusion and diversity
- Providing everyone with accessible environment
- Volunteering
- Support of development of regions and communities

Responsible Business Management

- Ethical business conduct
- Information security
- Efficient ESG agenda management
- ESG agenda development at the local and global level

■ Environmental sphere ■ Social sphere ■ Corporate governance



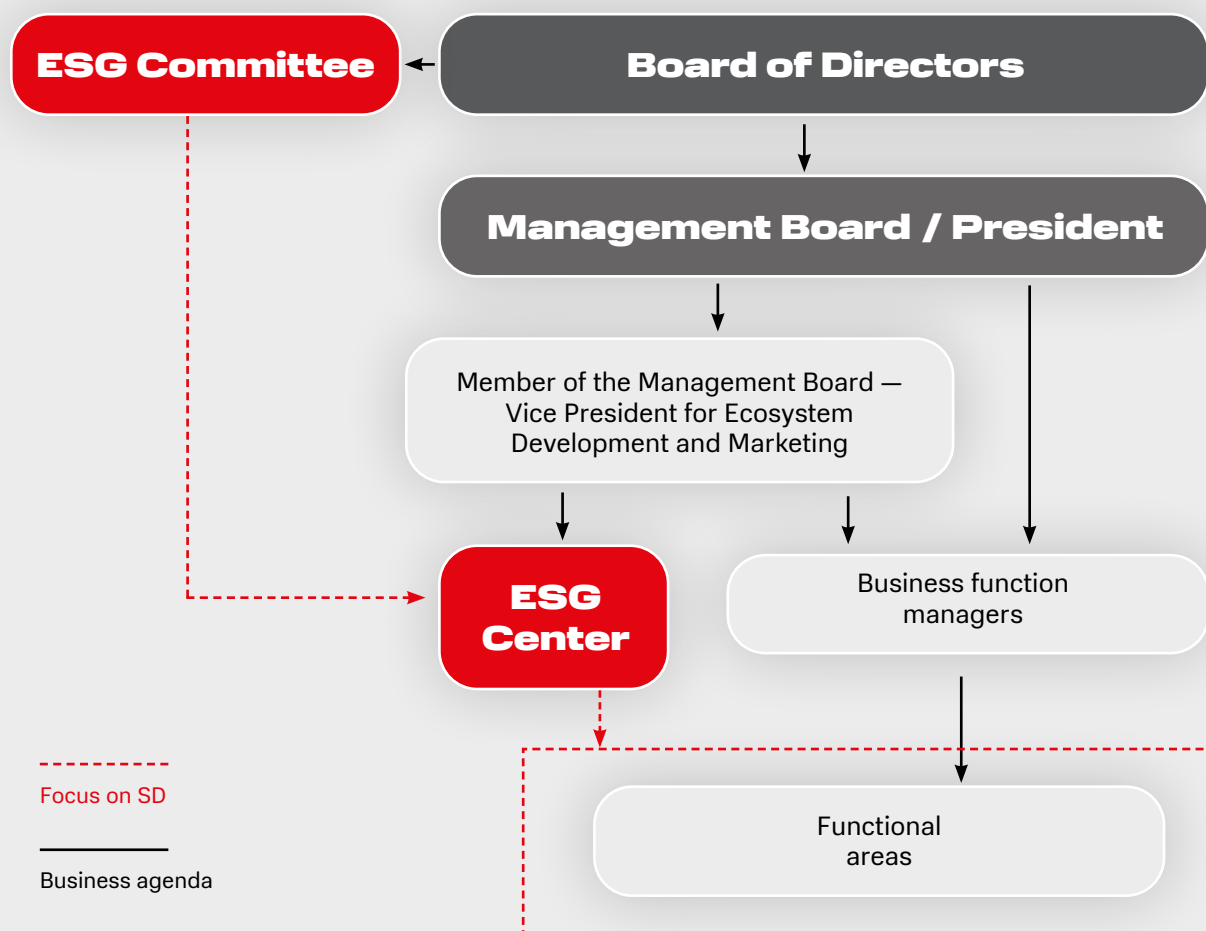
Thanks to the creation of the ESG Center, we plan to focus in a "single window" the work on tasks related to both the implementation of the MTS strategy for sustainability and systemic implementation of ESG initiatives to optimize the Company's business processes, and the expansion of the MTS product portfolio through innovative products and solutions aimed at increasing the sustainability of our partners and clients.

I am sure that it is the ability of technology companies to resolve challenging issues on the social and environmental agenda by launching and developing innovative IT solutions that will in many ways encourage the dialogue between society and business in Russia in the years to come.



Olga Ziborova,
Vice President for Ecosystem Development and Marketing

ESG Center in MTS structure



- > integrated support of current socially-important and environment-oriented projects of MTS Group;
- > development and implementation of new ESG initiatives;
- > provision of internal consulting services in the area of ESG to business verticals of the MTS ecosystem;
- > replication of the best ESG practices in the MTS ecosystem;
- > regular assessment of the maturity level of ESG initiatives, monitoring and control, development of remedial measures;

- > interaction with external and internal stakeholders within the framework of the ESG agenda, reporting to the ESG Committee and other governing bodies.

The creation of the ESG Center completed the building of an efficient system to manage the implementation of the ESG strategy at MTS under the authority of the ESG Committee of MTS Board of Directors : together with the ESG Center, the Company has also in place a Social and Charity Program Center responsible for the implementation of the charity and social strategies of MTS, and the Center for Social Responsibility, Diversity and Inclusion, which is responsible for the implementation of the Company's strategy in the field of equality and inclusion.

MTS Annual Conference “Sustainability and ESG. The Social Aspect”

At the end of 2021, MTS annual open online conference “Sustainability and ESG. The Social Aspect” took place with over 1700 participants throughout Russia. The role of the ESG strategy in the activities of companies, new approaches to creating affordable products and services, building efficient communications with all stakeholder groups, building a diverse and inclusive environment was discussed by ESG experts from Russian and international companies.



[Responsible business.
\(mts.ru\)](https://responsible.business.mts.ru)

ESG Results

- > In March 2021, MTS placed **social impact bonds amounting to RUB 4.5 billion** with a coupon rate of 6.5 % per annum fixed for the entire maturity period. Proceeds from the issue will be applied to finance a project for the connection of almost 5,000 socially significant facilities in Russia to the fixed-line Internet.
- > **The President of MTS Vyacheslav Nikolaev has been elected to the GSMA Board for 2021–2023.** The Board of the Association consists of 25 representatives of the largest global operator groups and representatives of regional operators.
- > In October 2021, MTS signed the **Code of Ethics for Artificial Intelligence**. The document confirms the basic AI implementation principles: transparency, truthfulness, responsibility, reliability, inclusion, impartiality, security and confidentiality. The principles are transboundary and supranational.
- > In November 2021, **MTS joined the international association of telecom operators 5G Future Forum (5GFF)**, whose task is to develop specifications and introduce advanced solutions on the basis of 5G and edge computing (Multi-access Edge Computing — MEC) technologies. The 5GFF association was established in January 2020 by América Móvil, KT Corporation, Rogers, Telstra, Verizon, and Vodafone to develop common specifications, share best practices, manage intellectual property and participate in R&D projects aimed at implementing and globally scaling commercial solutions based on 5G and MEC technologies.
- > In November 2021, **MTS joined the Digital Ethics of Childhood Charter**. The document was created by the Alliance for the Protection of Children in the Digital Environment, and MTS is one of the founders of the alliance, along with the largest Internet and IT companies in the country. The principles laid down in the Charter will allow to increase the level of digital literacy and protect children from potential threats on the Internet.
- > In December 2021, **Expert RA rating agency confirmed the credit rating of MTS at ruAAA** in the company's review for 2021. Expert RA noted the high level of predicted liquidity, in particular, that the operating flow, together with cash assets, is sufficient to cover any interest expenses. The Agency also made special mention of the high quality of the organization of risk management, strategic planning and the high level of the Company's information transparency.
- > In December 2021, MTS was awarded the **highest category A+ of the Leaders in Corporate Charity rating**, which is annually issued by the Association of Grant-Giving Organizations “Forum of Donors” in order to identify the best practices of corporate social investment and charity and promote them in the business environment and society.
- > In December 2021, **MTS announced it had received a B Management rating from CDP**, an international non-profit organization that runs the leading global disclosure platform to manage environmental impacts. The Company started reporting through the CDP platform in 2019 within the GSMA initiative to develop a roadmap for the

Reporting rating ESG — 2021



**83.8
points**

SAKHALIN ENERGY

The highest level of information disclosure regarding sustainability in reports



**81.8
points**

ROSSETI NORTH WEST

The highest level of information disclosure regarding sustainability in reports



**80.6
points**

NLMK

The highest level of information disclosure regarding sustainability in reports



**80.2
points**

EVRAZ

The highest level of information disclosure regarding sustainability in reports



**83.6
points**

GAZPROM NEFT

The highest level of information disclosure regarding sustainability in reports



**81.0
points**

MTS

The highest level of information disclosure regarding sustainability in reports



**80.2
points**

INTER RAO

The highest level of information disclosure regarding sustainability in reports

telecom industry to achieve zero greenhouse gas emissions by 2050. In accordance with the Paris Agreement, MTS discloses a wide range of environmentally important data about its operations, including resource consumption and direct and indirect greenhouse gas emissions.

- > In January 2022, the Russian rating agency **NCR (National Credit Ratings)** confirmed the

AAA.ru credit rating of MTS with a stable forecast. In the report, the NCR noted a number of key factors in MTS activities that impacted the rating confirmation: low systematic risk of MTS operations; moderate debt load, high debt service margin, significant operating profitability, as well as a sufficient business liquidity level; positive quality assessment of management and strategic planning.

ESG Awards

MTS demonstrates high return of social investment and is one of the leaders in this area, which is confirmed by the following achievements of the Company.

- > The project “Day of MTS in Regional Job Centers of the Russian Federation” was recognized as “The Best Social Project” — 2021 in the “Corporate Projects” nomination. The project “Day of MTS in Regional Job Centers of the Russian Federation” is aimed at the socialization and employment of citizens with disabilities. As a result of the program implementation, more than 400 citizens with disabilities and applicants of 40+ and 50+ categories were socialized.
 - > MTS received the national award “Runet Prize 2021” for the project to support entrepreneurs “We Know Personally” in the nomination “For the Development of Small and Medium-Sized Businesses in the Runet”. “We Know Personally” is an interactive map of Russia, with the help of which entrepreneurs can tell a new audience about themselves, and clients can support local establishments: coffee houses, hairdressing saloons, non-chain cafes, car repair shops or beauty salons. Information is placed on the map free of charge, businessmen can leave a request on the website to add their contacts to the online service.
 - > MTS was the winner in the nomination “IoT Company of the Year in Russia” of the Awards 2021, a professional award in the field of IoT and related IoT technologies.
 - > MTS President Vyacheslav Nikolaev was the winner of “Top Managers of the National Business Communications Award” of the Association of Communications Agencies of Russia (ACAR) in the special nomination “Sustainable Success”. The award in the nomination is given out for building a system of highly efficient communications with customers, partners and investors in the company.
 - > MTS federal social and educational program of MTS “Urban Legends” won the Grand Prix of the international PROBA Awards 2021 for the most creative communication project. Creative Grand Prix is awarded to companies and communication programs with a bright idea and a unique creative solution that bring together a large number of participants and are highly-publicized. The “Urban Legends” project also won in the “Promotion of Territories” nomination, which recognizes efficient and original practices to properly represent regions and cities of the country.
 - > In 2021, the United Nations (UN) recognized the MTS “Generation M” charity program to develop the creative potential of children as one of the best global sustainability practices and included the project in the global practices recognized by the UN as advanced in achieving sustainability goals.
 - > The comprehensive project “MTS Life Cycle Laboratory” was awarded a special Green Award in the “Brands” category. The award is organized by the Russian Environmental Operator to evaluate the activities of regions, regional operators in the field of municipal solid waste (MSW) management, as well as those of brands, cultural figures, public organizations, private initiatives and educational institutions in the field of conscious consumption and proper waste management.
 - > MTS won the “Best B2B Corporate Customer Experience. Telecommunication Services” CX World Awards 2021 with a case study on improving CJM and EJM during the pandemic.
 - > Regina von Flemming, an independent director on MTS Board of Directors, became the winner of the XV national award “Director of the Year” in the category “Independent Director”. The award recognizes achievements of directors of Russian companies in implementing high corporate governance standards.
- The remarkable thing is that MTS activities in the area of Sustainability in 2021 were carried out on the basis of the UN Sustainable Development Goals until 2030 (SDGs), recommendations of the international Standard ISO 26000 (Guidance on Corporate Social Responsibility), best Russian and global practices.

RESPONSIBLE BUSINESS MANAGEMENT



Code of Business Conduct and Ethics of MTS PJSC

The Code of Business Conduct and Ethics of MTS PJSC¹ (hereinafter referred to as the “Code”) includes key principles, a set of standards and requirements accepted at the Company with the purpose of maintaining fair and ethical business of MTS PJSC and preventing abuse. The Company complies with the legislation and generally accepted standards of business ethics and does not accept any other ways of doing business which are contrary to these rules.

The Code contains information about all compliance programs of the MTS PJSC Unified Compliance System. Due to the relaunch of the Code of Business Conduct and Ethics, a large-scale communication campaign was conducted in 2021 using an interactive material and a specially created platform. Supporting communications in the compliance community on the corporate portal were released as

interactive materials, including case studies; activities were created on the platform where employees could check their compliance karma and dispel myths through tests, spin the wheel of compliance balance and get acquainted with each section of the Code through infographics, comics, videos. Over 1,200 employees took part in the campaign.

The Board of Directors members, managers and employees of the Company are personally responsible for compliance with the Code.

All employees get acquainted with the Code when being hired at the Company and go through regular training. In 2021, more than 25,500 employees of MTS PJSC completed e-training in the Code of Business Conduct and Ethics.

Code of Business Conduct of MTS PJSC Counterparty

In 2021, the Company updated the Code of Business Conduct of MTS PJSC Counterparty² (hereinafter referred to as the “Code”) in accordance with the best global practices, having updated the minimum standards that MTS counterparties are expected to comply with. The provisions of the Code apply to all counterparties of MTS, as well as any third parties involved by a counterparty to act on behalf and/or for the benefit of MTS Group. Familiarization with the Code and acceptance of its commitments are an integral part of the contractual relationship with the Company.

In order to provide timely training of counterparties, MTS implements and supports a risk-based training program through a specially developed training system. Since 2021, an e-training program for counterparties has been launched. Over 1,800 counterparties completed training in various formats during 2021.

Furthermore, an illustrated version of the Code of Business Conduct and Ethics was published on the external website of MTS and MTS Procurement to enhance the apperception of the information contained in the document.

¹ <https://spb.mts.ru/about/komplaens-i-delovaya-etika>.

² <https://spb.mts.ru/about/komplaens-i-delovaya-etika>.

MTS PJSC Unified Compliance System

Since 2016, the Company has been actively developing the Unified Compliance System on the basis of the norms of the applicable law, recommendations of regulatory authorities, the specific nature of the industry and best practices in this sphere.

These compliance areas are supervised by the relevant functional units, each of which implements its compliance program and risk minimization system. Coordination of implementation and operation of the Unified Compliance System is entrusted to the Department of Business Ethics and Compliance of MTS PJSC.

In 2021, a scheduled work was carried out to reassess risks with the subsequent adaptation of compliance programs, including ecosystem and outsourcing risks. The risks of compliance programs are taken into account in the general risk management system of the Company. This makes it possible for the management and management bodies of the Company to gain a structured understanding of the existing compliance risks and to take these factors

into account when making management decisions, which positively affects the Company's overall performance.

In 2021, much attention was paid to measures to inform employees about the Unified Compliance System and compliance programs training. On the platform of MTS Corporate University, the list of training courses of the programs of the Unified Compliance System was updated. The Blog of the Unified Compliance System on the corporate portal regularly published announcements on all compliance programs of the Unified Compliance System according to the schedule. A survey of MTS employees was conducted on the compliance culture at the Company.

MTS PJSC Unified Compliance System

Anti-Corruption Compliance

Inside Compliance

Personal data processing organization

Antitrust Compliance

Health and Safety Management System

Observance of human rights at the workplace

Environment

Combatting laundering of criminal proceeds, financing of terrorism and financing of the spread of weapons of mass destruction (CML/FT/MDWSF)

A risk management system in the field of intellectual property / IP compliance has been

Information on violations of business ethics and compliance standards by MTS employees can be reported to the Unified Hotline¹. All requests received are checked in accordance with the local regulation that determines the procedure for addressing such requests.

The Unified Hotline of MTS Group of Companies is a safe, confidential and accessible method of informing the Audit Committee of the Board of Directors and the Internal Audit Block about violations of the law, internal procedures, the Code of Business Con-

¹ <https://hotline.mts.ru>.

duct and Ethics of MTS PJSC by any of its employees and (or) any member of a management body or authority supervising the financial and economic activities of MTS PJSC.

Proposals for improvement of anti-corruption procedures and other internal control procedures are received at the hotline addressed to the Audit Committee of the Board of Directors and the Internal Control Block. A person who has submitted relevant information is protected from any forms of pressure (including from dismissal, persecution, any forms of discrimination).

In 2021, the processing of reports received at the Unified Hotline (hereinafter referred to as the "UH") was carried out in accordance with the Regulations on Processing of Reports Received at the Unified Hotline of MTS Group. Conclusions and responses to messages' authors were prepared in a timely manner. Press releases on UH were posted on the corporate MTS information portal on a monthly basis in order to inform MTS Group employees about the UH operational results.

All situations of conflict of interest, violation of the provisions of the Code of Business Conduct and Ethics, anti-corruption legislation were settled in accordance with the Code of Business Conduct and Ethics, the Conflict of Interest Management Policy and the Anti-Corruption Law Compliance Policy approved by the Company. The employees who committed violations of the internal regulations of the Company, were informed of the necessity to eliminate the conflicts and prevent the repetition of similar situations in the future. Recommendations to address the identified defects were given.

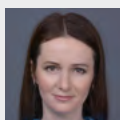
Number of messages received at the Unified Hotline of MTS Group

MTS Group companies	2021
MTS PJSC	647
RTC JSC	534
MGTS PJSC	38
Mobile TeleSystems JLLC	16
MTS Digital LLC	15
MTS Armenia CJSC	14
MTS Bank PJSC	13
Green Point Group of Companies	12
Satellite TV LLC	5
MTS Entertainment LLC	1



The Unified Hotline is an essential tool for promoting honest and ethical business, as well as preventing violations of the Code of Business Conduct and Ethics, internal company policies and procedures. This is an indicator of trust of employees and third parties who are ready to report violations in the Company and thereby contribute to their elimination.

Commitment to the principles of transparency will help us to develop and maintain an atmosphere of trust and comfortable working environment, where employees will perform their duties in good faith, without being afraid of getting involved in any unfavorable situation".



Natalia Mikheeva,
Director for Internal Audit

Performance of the recertification audit of compliance of the Unified Compliance System of the Company with the standards ISO 37001:2016 and ISO 19600:2014 Preparation for a surveillance audit taking into account the requirements of the new standard ISO 37301:2021 (formerly ISO 19600:2014)

In January 2021, a new three-year cycle of auditing the compliance with ISO standards began at MTS. At the conclusion of the audit, the Company received a certificate of conformity; in response to the identified

comments from the auditors, a plan was presented to eliminate inconsistencies and implement recommendations, which implementation was confirmed during the Supervisory Audit in 2022.

In October 2021, the Department of Business Ethics and Compliance organized an internal workshop for compliance program owners on the preparation for the Supervisory Audit 2022 in accordance with the requirements of the new ISO 37301:2021 standard "Compliance Management Systems" (previously ISO 19600:2014).

Compliance Committee

In 2016, the Company established the Compliance Committee under the President of MTS PJSC, which included the President and executives reporting directly to the President. The Committee is chaired by the Vice President for Business Ethics and Compliance.

The Committee was established to make decisions on the setting-up and implementation of compliance programs that are part of the Unified Compliance System. The main tasks of the Committee are to implement a policy in the area of compliance risk management and to make proposals on the directions of development of MTS Group in this area.

In 2021, two Committee meetings were held where the following issues were considered, inter alia:

- > results of the UCS Certification Audit in 2021 for compliance with ISO 19600:2014 and ISO 37001:2016 standards, as well as approval of instructions for the execution of observations and recommendations of the Certification Audit;
- > setting compliance key performance indicators (KPIs) for compliance owners of compliance programs of the MTS Unified Compliance System.

Day of Ethics and Compliance

Annually in October, the Company celebrates the corporate Day of Ethics and Compliance. On this day, MTS PJSC and subsidiaries of the Company in Russia and abroad conduct training sessions, master classes, and competitions on compliance issues. In 2021, the Day of Ethics was held under the slogan of "Course for Ethical Leadership". Within the framework of the seventh annual Day of Ethics, an address of the Vice President for Business Ethics and Compliance was published on the importance of employees' commitment to the principles of ethical business conduct. The following involving events were held: the Compliance Cup game among MTS Group employees; creative competitions; communication in the community to the effect: who is an ethical leader and what are his features, references to interviews with some branch directors about ethics and compliance; the second issue of the comics "Compliance. The Best Version of You. Conflict or No

Conflict: That is the Question"; exchange of stickers on the corporate portal and also in Telegram; as well as other events prepared by owners of the compliance programs of the MTS Unified Compliance System.



Anti-corruption (Anti-corruption compliance and business ethics)

MTS PJSC, as a public company, is aware of the need to develop a favorable business environment in the markets of its presence, and makes efforts to promote the best compliance practices, and always adheres to high standards of business ethics, transparency and the rule of law.

The anti-corruption compliance program at MTS PJSC establishes measures to control regulatory risks, to protect the Company from any manifestations of corruption (both within the Company and attempts to involve the Company in corrupt activity from the outside), to improve the corporate culture, introduce and develop in the Company the best corporate governance practices, as well as standards of responsible and ethical behavior.

The Company has in place a process for investigating any suspicions or violations of business ethics and compliance standards, any suspicions of corruption and other compliance violations. The Company provides an independent and comprehensive investigation of all possible violations. The Discipline Committee of MTS is a permanent body of the Company that reviews cases of violations of compliance requirements and other significant violations, ensuring the observance of the principles of legality, justice, uniformity and reasonableness when making decisions on the application of disciplinary sanctions to employees, and develops sustainable corrective measures. Moreover, the Company has developed and applies compliance KPIs and compliance triggers that support the commitment of all employees to the business ethics and compliance standards.

Projects and initiatives in the development of the anti-corruption compliance program and strengthening of the compliance culture in 2021

- > The study of the compliance culture conducted by Ethisphere Institute — an independent global leader in this sphere showed a high level of understanding of compliance controls, as well as employees' perception of the compliance culture in the Company generally.
- > All local regulations containing compliance controls have been reviewed and updated taking into account the risks identified.
- > A methodological framework has been developed and integrated in MTS Group to perform

operational tasks in accordance with the requirements of the regulator and anti-bribery and anti-corruption best practices.

- > A new faculty of Compliance has been established on the basis of MTS Corporate University.
- > A new e-platform for employee training has been implemented, which provides easy access to training, assignment of courses and progress tracking including automatic notifications and training statistics.
- > Employees of the Company ensured the taking of mandatory compliance courses at the level of 99 %. More than 5.5 thousand employees completed targeted compliance training in 2021.
- > The top management of MTS continued to convey to employees its commitment to the principles of ethical business conduct ("tone-from-the-top"), as well as the "tone-in-the-middle" stream began to actively develop — demonstration of conscientious behavior by the middle management through personal example. Directors for regional development and directors of the branches spoke to the employees on the subject of compliance in person and reminded them of the importance of compliance training and conducted activities in the regions, discussed ethical dilemmas in teams. In 2021, more than 400 "tone-in-the-middle" events were held with the participation of more than 57.3 thousand employees.
- > Compliance topics were actively covered in internal communications, in particular: posts and information materials were posted in the compliance groups created within the Pulse corporate portal: in the group "Anti-corruption compliance. News" 47 posts were published in 2021 on the anti-corruption stream of compliance, in the group "Unified Compliance System. Blog", 17 posts were published on other eight streams of the Unified Compliance System; interactive banners on the Pulse corporate portal, screensavers on the desktops of employees on compliance topics were used; the exchange of electronic compliance badges among employees was organized within the framework of the Day of Ethics and Compliance; instructions on the main compliance policies were drawn up; permanent communication columns were organized, namely "Compliance from A to Z" and "Lessons learned from Internal Investigations"; the second issue of

The study of the compliance culture conducted

General survey results

89.0

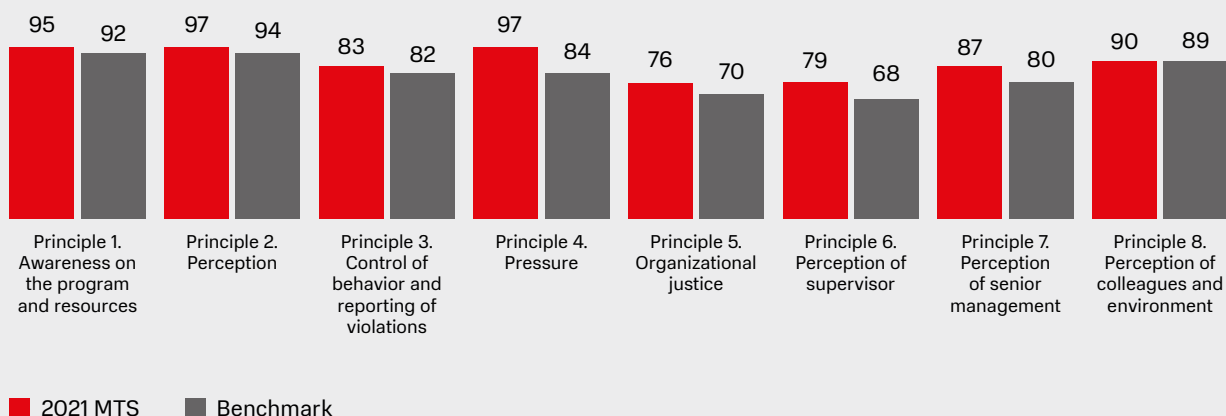
**General culture indicator
in MTS Group**

83.7

Benchmark

**MTS Group
exceeded the
benchmark value
by 5.3 points**

Results with respect to each principle



the compliance comics about conflicts of interest was released.

- > For the purposes of spreading best compliance practices and sharing experience, in 2021, representatives of the Business Ethics and Compliance Department were speakers at 10

external compliance events, including: X Annual Conference “Compliance Manager: Profession and Purpose”, 8th Annual Conference “Compliance and Anti-corruption in Russia and the CIS”, meetings of the Anti-Corruption Activist Group of the Russian Corporate Counsel Association.

Conflict of interest management

For the purposes of establishing a uniform and efficient actual and potential conflict of interest management system as well as determining the requirements for employees' conduct, the observance of which enables to minimize risks of making decisions under the influence of personal interests and connections, the Company has introduced the Policy “Conflict of Interest Management”.

The Policy “Conflict of Interest Management”, as well as the instruction on the conflict of interest management at the Company are posted on the MTS

external website¹, the corporate portal, and also in the My MTS mobile application.

Employees holding management positions are obliged to provide an example of law-abiding and ethical conduct and actively support execution of the Policy “Conflict of Interest Management”.

When being hired, all employees familiarize themselves with this Policy, fill in the form “Disclosure of information about the conflict of interest”. If and



¹ https://static.ssl.mts.ru/mts_rf/contents/537/Conflict_of_Interest_Management_Policy_rus.pdf

when a conflict of interests arises, each situation must be reviewed and settled.

In 2021, the annual management certification process was redesigned. During the year, 265 situations of the management's conflict of interest were considered. Furthermore, starting from 2021, members of MTS PJSC management bodies go through a

mandatory questionnaire procedure, twice a year, in terms of identifying conflicts of interest. Throughout 2021, information on 467 situations was audited and expert opinion was given in order to identify the presence of a conflict of interest. In 102 instances, the conflict of interest was not confirmed. 365 conflict of interest situations were settled.



System of antimonopoly risk prevention (antimonopoly compliance)

Since 2015, the antimonopoly compliance at MTS PJSC has been successfully functioning and developing in the light of changes in antitrust laws and trends in the development of law enforcement practice. In 2021, the Company conducted a large-scale assessment of antitrust risks in subsidiaries, as a result of which the most risky companies received mandatory extensive antitrust training. Furthermore, with the involvement of legal advisors, an external audit of the effectiveness of the antimonopoly compliance system was conducted, which confirmed the high level of its development, and also measures for further improvement were proposed, which the Company will continue to implement in 2022.

The Company regularly communicates information about antitrust requirements to employees, using various formats of such communication to achieve maximum effect. The ultimate goal of this work is not only to provide employees with theoretical and practical knowledge in the field of antitrust regulation, but also to develop "zero tolerance" to violations of antitrust laws within the Company.

The antitrust risk prevention system is constantly optimizing in order to comply with the development of the MTS PJSC business strategy and with the changes in the regulatory environment.

Inside Compliance

MTS PJSC, as a company with on-exchange trading of its financial instruments in Russia and the United States, pays great attention to maintaining an effective system of misuse of insider information and market manipulation.

The Company has a system of measures, procedures and processes aimed at preventing violations of legislation on the use of insider information, built taking into account the best Russian and international practices and based on three basic documents — Regulations on the principles and procedures regarding the prevention of transactions using MTS insider information, the Policy "On counteracting the misuse of insider information and market manipulation" and the "Conditions for transactions with financial instruments of MTS Group companies by individuals specified in paragraphs 7 and 13 of Article 4 Law on Insider Information¹, included in the list of MTS insiders, and persons related to them. MTS PJSC local regulations determine the procedure for using insider information, the rules for protecting its confidentiality and monitoring compliance with

the requirements of legislation on the use of insider information in order to ensure fair pricing of financial instruments, protect the rights and property interests of all MTS shareholders and ensure equal rights of other investors in terms of timing and volume of information received, strengthening investor confidence and preventing abuse in the form of misuse of insider information and/or manipulation of market.

In accordance with the best practices, the Company set limits for all employees regarding the performance of operations involving MTS PJSC securities in so-called "closed" periods. The next "closed" period begins each time 14 calendar days before the scheduled date of publication of data on MTS financial results for the previous financial quarter and ends two business days after their publication.²

In order to ensure compliance with the requirements for "closed" periods, the system provides for quarterly reporting (twice per quarter) of employees and members of management bodies on their beginning and end. In addition, special calendar has been cre-

¹ Federal Law No. 224-FZ of July 27, 2010 "On counteracting the misuse of insider information and market manipulation and on amending certain legislative acts of the Russian Federation".

ated in a special information system for members of the management bodies, which contains up-to-date information on the current “closed” or “open” period.

Since 2014, the Company has operated a full-time training system for all insiders who are employees of the Company. When being hired, each employee reads Company’s regulations aimed at preventing violations of insider laws.

The Company is aware of the severity of the sanctions which may be applied to any employee in case of a violation of insider legislation. Therefore, in order to prevent such negative consequences, in 2017, an interactive course was developed and launched for all company employees, dedicated to insider-law fundamentals. This course was updated in 2022.

Risks related to the violation of insider legislation are recorded in a specialized automated system and are reevaluated on a quarterly basis.

Russian regulation in the field of preventing insider trading has its own specifics. For example, the Company keeps a list of its insiders in this regard. It includes individuals and legal entities.

Pursuant to the requirements of the Insider Information Law, MTS approved the Internal Control Rules to Prevent, Detect and Suppress the Misuse of Insider Information and (or) Market Manipulation, and set up a working group to control compliance with the requirements of the insider information legislation and monitor its implementation. The Internal Control Rules establish the goals, objectives and methods of exercising internal control over MTS compliance with the requirements of the legislation on insider information, the procedure and terms for disclosing MTS insider information, the procedure for accessing insider information and the rules for protecting its confidentiality. The implementation of internal control over MTS compliance with the requirements of the legislation on insider information is included in the official duties of the responsible official holding the position of a member of the Management Board – Vice President for Corporate and Legal Affairs of the MTS Group CC, accountable to the person performing the functions of the sole executive body of MTS (MTS President), regarding the functions of monitoring compliance with the requirements of the legislation on insider information. MTS employees assist the responsible official in the implementation of internal control.

To maintain an effective insider compliance program, the Company audits program controls as necessary (taking into account a risk-based approach) by an internal audit unit headed by a person accountable to the Board of Directors.

MTS PJSC principles with respect to transactions involving the use of insider information

1. None of the executive officers, directors or employees of the Company possessing insider information relating to securities shall have the right to buy or sell these securities, directly or through relatives or other persons, irrespective of whether the issuer of such securities of the Company or any other public company.

2. None of the officers, directors or employees of the Company shall sell or buy securities of the Company during the period beginning 14 calendar days before the scheduled date of publication of MTS financial results for the previous financial quarter and ending two business days after their publication (hereinafter — “closed period”), with the exception of rare cases established by the Company’s local regulations.

3. Transactions involving securities of the Company may be made not earlier than on the third business day after public disclosure of financial results for the fiscal quarter and/or year, subject to other restrictions established by the legislation and local regulations of MTS.

4. Insider information shall under no circumstances be transferred by executive officers, directors and employees of the Company, directly or through other persons, to any third parties outside the Company or even to persons within the Company, except for those who need to know such information.

5. If a person has doubts as to whether it they are allowed to make a transaction or not, it is better to refrain from the transaction.



Personal data processing organization

In 2021, MTS Group continued its rapid movement towards the image of a digital up-to-date company, there was a strengthening of existing and a substantial development of new competencies in the field of IT and compliance. These changes required an appropriate response from the Information Security Department, which consisted in the adaptation and sometimes even complete revision of the processes in which its divisions are involved.

In order to achieve the consistency and integrated approach to the change of digital transformation processes, in which the divisions of the Information Security Department are involved, basic principles of change were determined:

- > customer focus (for information security divisions, product teams are customers, and product clients are clients);
- > continuous involvement (starting with the idea of the product and throughout the entire product life cycle, the involvement of information security must be ensured so that there are no misunderstandings or “catching up”);
- > assistance of product teams (just as the business works with product teams to help understand the specifics of the market, so product teams should help the information security divisions to understand the specifics of products);
- > simplicity (from equivalent optimization proposals, those the simplest are selected);
- > mutual trust with product teams (they all have the same goal: to support the business, under-

standing this must induce both parties to openness and constructive dialogue).

Significant work was carried out with regulatory documentation, which made it possible not only to meet new requirements of the law but also to simplify the work of employees with documentation, in particular, the Policy “Personal Data Processing at MTS PJSC” was modified, information security divisions actively participated in improving Process Regulations RP-151-14 “Staff Selection, Recruitment and Onboarding”, a standard form of consent to the dissemination of personal data was developed and approved.

In order to ensure mutual trust, transparency of work and involvement in the processes of the Company, the Information Security Department continues to raise the level of awareness of MTS employees regarding the personal data processing and the protection of confidential information. In 2021, 31,668 MTS employees completed training in “Personal Data Processing at MTS PJSC”.

Over the past 2021, the scope of providing the consulting and project appraisal service regarding compliance with the requirements of the legislation on personal data of the Russian Federation was expanded: the service was brought to the level of MTS Group.

Risks associated with violation of the legislation on personal data are taken into account in the Company’s risk management system and are reassessed quarterly.



Combating the legalization (laundering) of criminal proceeds, the financing of terrorism and/or financing of the spread of weapons of mass destruction (CML/FT/MDWSF)

The CML/FT/MDWSF program has been developed pursuant to the requirements of the applicable legislation, which changes are monitored on a regular basis.

As part of the compliance program's activities implementation, the Department of Regional Security conducts a daily audit of all MTS subscribers to check whether some of the subscribers are included in the list of Rosfinmonitoring. When the Company's subscribers carry out high-risk transactions on personal accounts, in addition to checking against the lists of Rosfinmonitoring, an additional check is initiated against the database of invalid passports.

The Company also carries out daily monitoring of the termination of communication service contracts with repayment of the balance, as well as monitoring other suspicious subscriber transactions in accordance with Order No. 103 of the Federal Service for

Financial Monitoring dated May 08, 2009 "On the Approval of Recommendations for Development Criteria for the Definition and Identifying Signs of Unusual Transactions", newsletter of Rosfinmonitoring dd. October 2, 2019.

Events are held, on an ongoing basis, to inform regional leaders on the implementation of CML/TF/MDWSF legislation requirements.

In 2021, the Company:

- > updated local regulations developed for the purposes of CML/TF/MDWSF;
- > conducted scheduled training of the top management in the form of targeted briefing / raising the level of knowledge for the purpose of CML/TF/MDWSF.

Health and Safety Management System¹

When building the "Health and Safety Management System" compliance program, the Company is guided by the applicable Russian and international legislation, as well as by local regulations on labor protection.

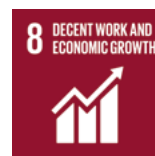
The Company operates a two-tier system of H&S management, focused on creating a safe working environment, prevention of occupational injuries and personnel training in safe work rules.

As part of the compliance program, the following activities were carried out in 2021:

- > special assessment of working conditions and production control;
- > procedures for identification, assessment and management of professional risks;
- > medical examinations;

- > training of employees and experts in the field of health-and-safety;
- > provision of the employees with the special clothing, safety shoes and other personal protective equipment;
- > various events and communications in order to increase employee awareness of health and safety;
- > control procedures of various levels;
- > interaction with regulatory authorities..

The costs of organizing occupational safety measures increase annually due to the staff expansion and the list of implemented measures. Thus, in 2021, a number of activities aimed at combating coronavirus infection were added to the OS activities.



¹ Detailed information on the program is contained in the section "Our Employees".



Ecology

MTS considers environmental protection activities as an integral component of business and works in the area of environmental balance and stability maintenance. We are consistently reducing our ecological footprint, actively developing digital services using the Internet of Things, artificial intelligence, cloud technologies, Big Data, the introduction of which allows for structurally influencing the change in energy consumption and reducing emissions of hazardous substances in various industries, municipal services and the social sphere of the regions. In the course of implementing the compliance program “Ecology”, a video clip was created on the environmental responsibility of MTS, which all employees could see within the framework of the Day of Ethics and Compliance 2021.

We use our best endeavors to implement and digitize climate risks together with the risk management section. At the year-end 2021, climate risks were included in the issuer’s reports and 20F. Furthermore, in 2021, in order to constantly improve knowledge on environmental protection, periodic internal training was conducted for the employees responsible

for environmental safety; industrial environmental control was exercised at the negative impact facilities registered. For the purposes of improving the environmental culture, the Day of Ecology with MTS was traditionally held for all employees, which consisted of a set of environmental education and training events. In 2021, the Day of Ecology with MTS was held in two formats: online, which allowed to significantly expand the audience and make content available to people in all regions of MTS presence, and offline: undertaking compensatory plantings in five regions most affected by forest fires over the past five years.

Detailed information on this area is disclosed in MTS PJSC Sustainability Report:



[MTS PJSC Sustainability Report \(mts.ru\)](https://mts.ru/sustainability)



Human rights at the workplace

In 2021, the Company continued work on development of the compliance program “Observance of Human Rights at the Workplace” according to the recommendations received based on the results of the external annual audit of compliance programs and the results of assessment of compliance risks at the level of business processes.

The system to manage risks of human rights violations is a part of the integrated risk management process of MTS Group. An additional risk associated with violation of employee rights during the coronavirus pandemic was added.

Based on 2021 results:

- > for the purposes of raising awareness among employees, the section “Human Rights at the Workplace” was updated on the internal corporate web-portal;
- > the company developed and launched a training course “Human Rights at the Workplace” to be completed by all employees. The course covers aspects of applicable labor law and provides a clear understanding of how an employee shall act in the event of a violation of his/her rights at the workplace.

- > the Policy “MTS Activities in the Field of Diversity, Equality and Inclusion” has been developed and implemented;
- > within the framework of the “MTS Inclusion” program, training courses have been created on the topic: why people with disabilities are valuable employees for the team and why it is important to consider such candidates when hiring, as well as how to help a candidate with a disability adapt to working in a team and provide psychological comfort for all. Four educational courses have been developed for executives, recruiters and HR professionals, team members and employees with disabilities.

Detailed information on this area is disclosed in MTS PJSC Sustainability Report



[MTS PJSC Sustainability Report \(mts.ru\)](https://mts.ru/sustainability)

Risk management system in the field of intellectual property

In 2021, the compliance program “Risk Management System in the Field of Intellectual Property” was certified according to ISO 19300 standard and continued to be developed.

In order to optimize the incorporation of the compliance program in business processes and adapt it throughout MTS Group, a new version of the Policy “Intellectual Property Management in MTS and Subsidiaries” was developed and approved. The Policy establishes the procedure for formalizing works made for hire created by the employees of the Company. To implement this procedure, in 2021, addenda to employment contracts were concluded with MTS employees, covering the provisions on intellectual rights.

In 2021, the Company became the winner of the IP Russia Awards 2021 in the field of intellectual property in the nomination “Best IT Protection Strategy”.

In the course of the project, which lasted several years, a service software (SW) registration process was developed, digitized and implemented, criteria for registration of SW and objects of patent law were developed, a quantity of software (Open Source Software) distributed on the basis of open licenses was analyzed to identify risks when borrowing a code in IT products.

The Company continued to work on projects for the risk prevention processes in the field of intellectual property.

Training events were delivered to employees of the Company and its subsidiaries on a regular basis on the issues related to risks in the field of intellectual property and dedicated to topical issues of intellectual property.

Compliance training for members of MTS PJSC Board of Directors

In July 2021, the Vice President for Business Ethics and Compliance, L. E. Lukyanova conducted a series of trainings for members of MTS PJSC Board of Directors, Management Board and members of Committees of the Board of Directors on the topic “Code of Business Conduct and Ethics, Anti-Corruption Policy, Conflict of Interest and other Compliance Issues at MTS PJSC”, where she spoke about the principles of the anti-corruption compliance system, the interaction between the Board of Directors and

the compliance function, the “tone-from-the-top”, etc.

The training was attended by 100 % of the members of the Board of Directors, the Management Board and members of Committees of the Board of Directors. Furthermore, on October 28, 2021, the President of MTS PJSC Vyacheslav Nikolaev conducted a training on mandatory disclosure of information by the members of MTS PJSC Board of Directors.

SECURITY

In 2021, activities to ensure the corporate security and access control were conducted in accordance with the Functional Strategy of MTS PJSC in the Field of Ensuring Corporate Security for 2021 and the Action Plan for Ensuring Integrated Security of MTS PJSC for 2021.

Information security

Protection of the interests of MTS PJSC in the information sphere is ensured by implementing interrelated organizational and technical measures, which form a unified information security management and provision system of MTS Group. The integrated approach allowed to protect the MTS ecosystem from external and internal security threats, ensure its compliance with the legislative requirements of the Russian Federation and international standards, as well as prevent harm to the interests of MTS PJSC. The information security system has been developed with consideration of the best global practices on the basis of national and international standards. The Company is a licensee of the Federal Service for Technical and Export Control (FSTEC) and the Federal Security Service (FSB) of Russia for activities related to technical and cryptographic protection of confidential information and monitoring of information security (IS) events, and may provide respective services.

The personal data protection system provided the third level of protection as required by Russian legislation.

Protection of secrecy of communication in communication networks with information protection mechanisms built into communication facilities was compliant with the international standards and requirements of the industry regulator.

The corporate and commercial Operational Monitoring Centers operated 24x7. The IS incident monitoring and response service was provided to 15 commercial customers. Work was initiated, which involved the development of IS products (SOC services + industrial SOC, the creation of the Tread Intelligence platform, the creation of the Red Team).

The transition to a service model of work with product teams of the MTS ecosystem has been implemented. The planned development of IS platforms to be used in MTS Group was carried out. The availability of IS assessment was ensured in the development of products (services) and support of the production processes of digital products.

Work was carried out to create a security system for significant facilities of MTS PJSC critical information infrastructure.

For the third year of succession, the British Standards Institute confirmed the compliance of the information security management system with the requirements of the international standard ISO 27001:2013 Information technology — Security techniques — Information security management systems — Requirements. The certificate expanded the capabilities of MTS PJSC to offer services in the IS market.

The annual certification of the Internal Control System of MTS PJSC took place for compliance with the Sarbanes-Oxley Act (USA), which is mandatory for members of the New York Stock Exchange (NYSE: MBT). The company has been successfully certified. Deloitte's external auditor's report was issued without comment.

An assessment of the regulatory impact of 43 laws and regulations (L&R) and draft L&R on information protection was carried out with recommendations for minimizing risks. 15 proposals have been developed to make amendments to the legislation of the Russian Federation and information security standards.

Basic local regulations on information security have been updated and adapted for MTS ecosystem companies.

Information security experts were actively involved in the drawing up of new draft L&R in the area of information security in the MinTsifry (Ministry for Digital Technology, Communication and Mass Media) of Russia.

Priority areas for ensuring information security in 2021

- > Compliance of the information security management system with the requirements of regulators, existing licenses and best practices.

- > Ensuring the security of restricted information (secrecy of communication, personal data, etc.).
- > Completion of the formation of a system for protecting the critical information infrastructure.
- > Introduction of digital technologies in information security protection processes.
- > Development of information security solutions and services for internal and external customers.
- > Support for the digital transformation of MTS Group (methodological, expert, technical support for the parties involved).

SORM (Law Enforcement Support System, LESS)

In order to ensure the failure-proof operation of special complexes installed on MTS PJSC network, actions were organized and held on a permanent basis to maintain and support the equipment and software.

As part of fulfilling the tasks of implementing the requirements of Federal Law No. 374-FZ, work was performed on MTS PJSC network to implement and carry out acceptance tests of special complexes in accordance with the concept and deadlines for implementing the law agreed upon with the Federal Security Service (FSB) of Russia.

Special complexes have been installed on communication networks, the availability of which makes

it possible to provide new communication technologies (NB IoT, IMS, RCS, 5G, eSIM), as well as new convergent services (MTS Connect with Virtual Number and MultiAccount functionality, WiFi Calling, VoLTE/ViLTE, RCS IP Messaging, Virtual PBX, WiFi for business).

Work on the modernization of the special equipment supporting the activities of authorized state bodies was carried out on a scheduled basis, in accordance with the approved investment program and the requirements of laws and regulations (L&R). Scheduled events were held in full.

Economic security and anti-corruption

The activities of the economic security and anti-corruption divisions of MTS PJSC are focused on identifying financial and economic risks, taking measure to mitigate them, and preventing reputational and material damage.

Taking into account the ongoing product transformation of the Company, the most important area of activity of the Economic Security and Anti-corruption Department (ESACD) was the improvement of processes for protecting the economic security.

As part of improving the efficiency of procurement processes, measures were taken to update local regulations (LRs) governing the procurement and investment activities of the Company. Measures have been implemented to strengthen the individual responsibility of procurement process participants.

In order to accelerate procurement processes, a planned transition of the ESACD participation format was carried out to the mode of monitoring and post-control of procurement procedures without direct participation in the procurement process but with the retention of the level of economic risks comparable to the current one.

For the purposes of improving the mechanism for checking counterparties, the process was automated: the impact of the subjective human factor on the results of checks was decreased, the terms were reduced significantly, and the frequency and depth of checks were increased. Furthermore, the automation of the functionality made it possible to organize verification activities in relation to the Company's clients, which will decrease the creation of accounts receivable in the future.

To obtain competitive advantages in the B2B area, a risk-based approach was adopted in developing scoring models that take into account the specifics of the business.

With regard to subsidiaries and affiliates, a model has been built for the provision of services to the economic security function according to the system of service contracts.

The ESACD actively participated in saturating management decisions with practical measures based on the results of internal audits and investigations. Activities to compensate for the damage caused to the Company and reduce overdue accounts receivable have been strengthened. Favorable results have been achieved mainly due to the maximum openness of the Department and the possibility of direct communication and discussion of problems between functional divisions.

Priority areas for ensuring economic security and anti-corruption 2021

- > Ensuring a sustainable system of economic security in present-day conditions.
- > Prevention and suppression of economic and corruption offences, development of measures to minimize threats (risks).
- > Improvement of control mechanisms by shifting the focus to post-control.
- > Carrying out activities to verify information about candidates for employment, identify conflicts of interest and reduce the time of verification activities.
- > Improvement (updating) of local regulations in the field of protection of economic security and anti-corruption.

Security of personnel and facilities

The work to ensure access control and intra-facility regime at MTS PJSC was based on Standard ST-053 "Requirements for Ensuring the Security of MTS PJSC Facilities". Access control at the Company's facilities was performed by employees of private security companies using engineering and technical security equipment, access control and management tools, Closed-Circuit Television System (CCTV), signaling and communication systems.

In 2021, the work continued to implement a technical solution for access using face recognition; the algorithms and modes of operation of face recognition terminals were optimized; it was ensured that temperature measurement results are recorded in automatic mode. The introduction of this technology in MTS PJSC branches has started. The introduction of new video analytics and thermal imaging technologies made it possible to reduce the time for employees to access facilities, ensure the protection of personnel during the pandemic and optimize costs.

In order to prevent the occurrence of vandalism and theft of inventory at the facilities of the radio subsystem and to provide uninterrupted communication services, activities were carried out to ensure the continuity of operation of the priority BS due to a significant increase in their equipping with security equipment.

As part of improving the confidential document flow, the trade secret protection and other confidential information, the requirements of RP-140 "Organization of Office Work with Physical Storage Media Constituting a Trade Secret and Other Confidential Information of MTS PJSC" were updated, and the use of a basic electronic signature for confidential office work was introduced.

In order to check the readiness of the security personnel of the private security company in terms of acting in the event of emergency at the facilities of MTS PJSC, fire-fighting and anti-terrorist trainings were conducted together with the employees of the Administrative Unit. Security officers in all regions of MTS PJSC operation traveled around base stations in order to check their anti-terrorist protection.

Scheduled measures were taken to identify and eliminate possible channels of leakage of speech information circulating in the premises of the Company's management through acoustic and technical channels.

In accordance with the legislation of the Russian Federation and the recommendations of the Ministry of Emergency Situations of Russia, as well as in accordance with the approved 2021 Action Plans for civil defense, prevention and response to emergency situations and ensuring fire safety, MTS Group took measures with respect to this area.

Priority Areas in the Field of Personnel and Facility Safety

- > Improving the efficiency of the security system and anti-terrorism protection of personnel and facilities of MTS PJSC.
- > Implementing measures to prevent theft of equipment and inventory from the facilities of MTS PJSC.
- > Maintaining readiness for action of MTS PJSC system for emergency prevention and response under threats and emergency conditions.

Antifraud

In April 2021, the Antifraud Department of the Security Block of MTS Group CC was established on the basis of Order No. 16/00112P dated April 12, 2021. On the basis of this order, the process of consolidating and coordinating the operations started as part of the fraud prevention for all fraud types.

The result of the activities of the newly established department was:

- > in the area of client fraud control: in 2021, penalties were imposed in the amount of RUB 478,350;
- > in the area of subscriber fraud: 827,902 facts of fraud were detected; the amount of prevented losses was RUB 159.947 million;
- > in the area of identifying the traffic terminated on the MTS network illegally: 77,330,368,152 calls were processed, of which 1,496,504,952 calls were blocked;
- > in the area of transactional fraud: for Q3 and Q4 2021, 49,564,972 transactions were processed, of which 723,087 transactions were blocked.
- > Results of projects on the basis on the Hexagon anti-fraud system:
- > suppression of the illegal traffic with A-number substitution: ~50 million calls per month;
- > blocking the illegal international traffic from associated operators, monthly: ~100 million calls;
- > prevention of losses in the amount of: ~RUB 4.5 million per month;
- > receipts from the Voice Antifraud service related to the protection of bank customers against fraudulent calls in 2021: RUB 13.9 million

Employees of the Antifraud Department regularly carried out activities aimed at identifying and suppressing the facts of illegal replacement of SIM cards, as well as preventing related financial and reputational losses of the Company.

A system for detecting, monitoring, analyzing, suppressing fraud and fraudulent activities has been

introduced to detect fraud and organize counteraction to illegal access to subscriber data and their disclosure to third parties, as well as to combat illegal replacement of subscribers' SIM cards.

Interaction with FinCERT of the Bank of Russia has been organized to immediately obtain information about MTS PISC numbering used by fraudsters.

A control procedure has been implemented, which is aimed at counteracting the transit of funds on the basis of the Intellinx anti-fraud system. The amount of citizens' funds saved was more than RUB 94 million.

Priority areas of the Fraud Department 2021

- > Upgrade of RIM hardware-software complex to perform analytics within the framework of the investigation of fraudulent activities.
- > Ensuring the continuity of the operation of MTS PISC anti-fraud systems.
- > Development of MTS Fraud Detection Platform — MTS FDP system to upgrade and ensure the continuity of operation of the existing in-house solution in order to unify and expand the functionality of fraud management processes and increase their efficiency.
- > Development of a system of electronic interaction with law enforcement agencies.
- > Ensuring the availability of Intellinx IS.
- > Using the implemented system for detecting, monitoring and analyzing fraud and fraudulent activities to prevent fraudulent activities, both from external sources and from MTS Group employees.
- > Development of fraud monitoring in RTC JSC in order to automate anti-fraud processes.

DEVELOPING AN INCLUSIVE ENVIRONMENT AND INFORMATION-ORIENTED SOCIETY

MTS Policy in the Field of Diversity, Equality and Inclusiveness

In 2021, supporting the social objective of the Company's ESG strategy, the Board of Directors developed and approved MTS PJSC Policy PT-084-1 "MTS Activities in the Field of Diversity, Equality and Inclusiveness" with subsequent coverage of all MTS Group subsidiaries.

The Policy systematizes activities in the field of diversity, equality & inclusion (DE&I) and is aimed at creating conditions for sustainable business development considering the needs of society and the interests of MTS stakeholders.

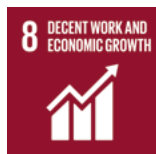
The document establishes the principles and areas of the Group's activities in the field of DE&I, the observance and implementation of which demonstrate to the stakeholders the goals of MTS in this area, contribute to the creation of an efficient mechanism for planning activities and reporting in the field of DE&I.

Being one of the tools for implementing the ESG strategy, the Policy is aimed at introducing advanced DE&I practices into the activities of all MTS Group companies and contributes to gaining competitive advantages in business.

The **priority areas** of the DE&I Policy include ensuring an inclusive environment and gender equality at all levels, development of an information-oriented society and learning, promotion of health and safety, social and economic development of regions and communities, as well as public reporting in the field of diversity, equality & inclusion.

The **basic principles** of the policy include: respect for the interests of stakeholders, compliance with applicable law and protection of human rights, ethical business conduct, equality and non-discrimination, development and implementation of innovative technologies, improvement of corporate governance system.

/ OUR EMPLOYEES



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

MTS actively uses the best practices in the area of employee programs. New approaches to training staff, improving working conditions and communication channels, promoting a healthy lifestyle, conducting adaptation and retraining programs — this is just a part of the opportunities opened up to the employees.

Remuneration and social benefits

MTS has a competitive remuneration system. According to the data for 2021, the average salary at the Company is 27.7 % higher than in the country as a whole.

In addition, MTS provides its employees with a substantial package of compensations and bene-

fits. Furthermore, the employees can take part in the “Benefit Cafeteria” program where a set of an employee’s benefits may be changed based on their individual decision. This approach enables us to qualitatively satisfy different employees’ needs with high cost effectiveness.

Performance Evaluation

All of 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 drawn up for the employees.

In 2021, the work on the development and improvement of the KPI system was continued, including an increase in the number of cross-cutting team indicators which help effectively unite teams in order

to achieve common objectives. For the purpose of developing the employees’ potential, additional options have appeared for assessing the compliance with the Company values.

Thanks to a properly built personnel development system, approximately 80 % of managerial vacancies in the company are closed through the involvement of in-house candidates. Using advanced distance learning platforms, while at the same time maintaining the 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.

**>63
thousand people**

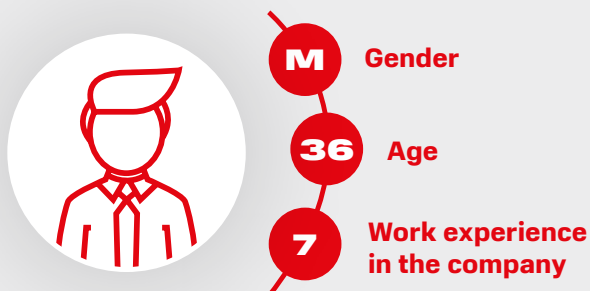
the number of employees of MTS Group as of the end of the year (including non-personnel).

More detailed information is available in MTS Group’s Sustainability Report for 2021: chapter “Corporate Social Responsibility”, section “Employees”

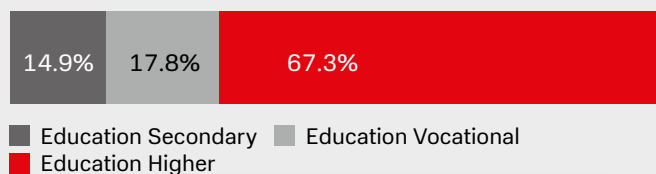


[Sustainability Report —
Moscow \(mts.ru\)](https://mts.ru/sustainability-report)

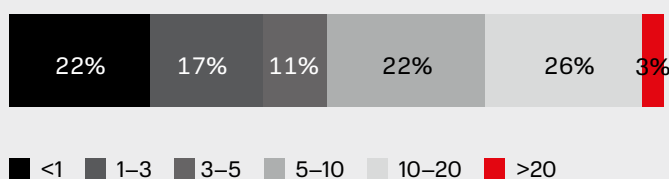
Portrait of the company's average employee



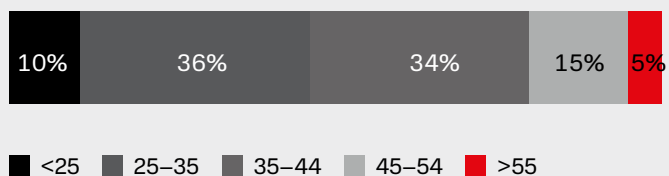
Personnel structure by education



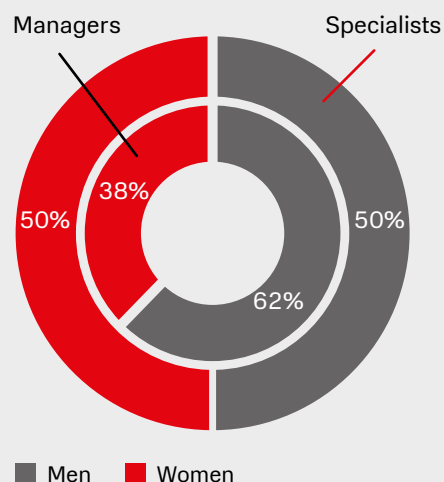
Personnel structure by experience



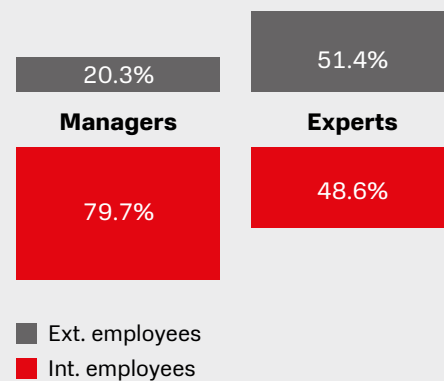
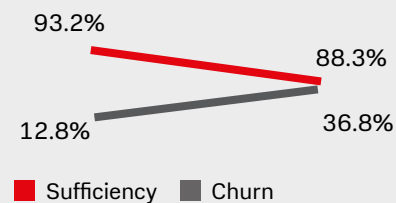
Personnel structure by age



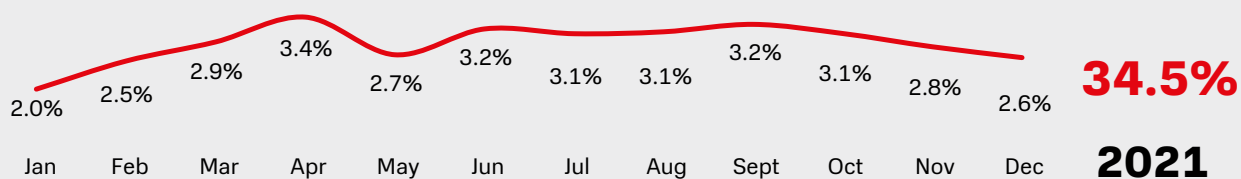
Gender composition



Closing of vacant positions



Net churn dynamics





Advanced training for personnel

Remote training

MTS Corporate University Department (CUD) is responsible for comprehensive training of the personnel.

The mission of the University is to create development opportunities in various formats, expanding the boundaries of business.

Experts from the Corporate University develop and maintain the distance learning system (Learning Management System), develop e-learning area, launch educational programs for blocks, hold trainings and support new employees.

In 2021, the Department set itself the goal of improving the quality of employee training, as well as their loyalty to corporate training. The following changes were made.

- > The approach to producing educational content was changed. A single roadmap of creating an educational product was elaborated.
- > Changing UI/UX design, creating a design system and templates for the courses. This made it possible to bring all training to a single style.

> We introduced new modules into the corporate LMS system: testing module, e-mail messaging module. These tools allow trying new learning formats to increase user engagement in the learning process.

> Introducing new training formats: e-mail courses, gameplay videos with unusual scenarios, training courses on Tilda.

> Generating of a new approach in communication with a business customer: receiving all requests and communicating on the DaVinci platform.

More than 1000 distance courses may be found in the catalogue — these are interactive presentations, longreads, video courses, webinar and online training records, books and memos.

Apart from single courses, methodologists from the Corporate University suggest studying programs — a series of courses with the same subject and the same end objective of training. Such an approach contributes to well-structured and holistic development.

Distance learning in figures

Learning activity metrics	2019	2020	2021
Distance learning coverage (unique users who completed at least one course), %	76	90	96
Share of involved users who took more than three courses, %	31	62	79
Number of courses taken, pcs.	242,540	273,084	289,097

LMS performance metrics	References with other external solutions	MTS Corporate University platform
NSAT (Net Satisfaction)	67%	81.9%
DAU (Daily Active Users)	990	1,780
MAU (Monthly Active Users, unique users who visit LMS at least once/month)	9,750	22,780
NPS for Distance Learning (Alumni Loyalty)	63%	78%

Savings from using in-house solution — up to RUB 5.7 per year (subject to unlimited number of users).

Faculty training

Training formats

In 2021, the CUD developed and launched several mass distance courses and programs.

- > The content and design of the courses below mandatory for all employees were completely revised: Code of Business Conduct and Ethics; Managing the Conflict of Interest; Confidential information. Each of these courses was attended by 35,000 to 40,000 employees. 94 % of employees were trained before the deadline. In 2020, this figure was 60 %.
- > “Digital Etiquette” e-mail-course. About 3,000 people self-assigned it. The course pursues not only a business goal, but is also focused on the user needs. As a result, 92 % of students completed the “I Want to Study” e-mail course.
- > “Digital Etiquette” e-mail-course. Self-assigned and passed about 3,000 times.
- > We relaunched the first training course of the information educational environment (LMS) “Onboarding at a New Job in a Week”. The course was built on Tilda, so it became more user-friendly. The course was assigned to 35 thousand people.

- > **Knowledge marketing fest** is a knowledge festival for employees of the MTS Marketing and Customer Experience Unit;
- > **SELL OUT: partner sales training** is a training and development program for managers working with retail partners;
- > **Efficient recruiting** is a program for developing recruiters to build a system for hiring employees and analyze its efficiency;
- > **#TechTalk.** is a series of online meetings with the Convergent Networks and Services Operations Department;
- > **Summer School of Product Analytics** is an in-depth study of product analytics tools for developing digital products;
- > **T&D School (Training & Development) 2.0** is a series of synchronous webinars for trainers and all teaching roles on specialized topics:
 - “Engaging in learning through gamification and microlearning”;
 - “Gamification at minimum and maximum rates”;
 - “Master Mind as a tool for achieving success”;
 - “Technologies and evolutions of 5G”;
 - Program for experts “Basic knowledge transfer level”;

Online trainings

In 2020, due to transition to remote working, 90 % of classroom trainings were changed to the online format by the Corporate University. Trainers held events for 2.5 hours in Skype for Business. Besides, the training format working in small groups and with the option to practice theory was maintained.

In addition, the “Management Thinking Beyond the Bounds” training was piloted in the messenger. For a week, the participants received tasks, discussed performance and shared experience on the basis of the corporate messenger. Willingness to recommend the training to colleagues: 9.6 out of 10.

Development programs

The following training programs were launched for professional development of hard and soft skills of employees and for improved efficiency of business processes within the ecosystem development in 2021:

Online trainings in 2021

550 training events

23,262 man-hours

74% NPS

Development programs in 2021

163 program participants

124 completed training

8.05 – Benefit evaluation

- > **“Experts” Project** is a program to preserve and reuse unique knowledge in the Company engaging internal experts and the MTS Blog platform;
- > **Digital HR** — for regional HRs, who are the agents of digital transformation and ambassadors of the MTS ecosystem. The objective of the program is to assist growth of digital culture and to create an innovative environment inside the business units;
- > **MTS Product Owners School (rounds 4 and 5)** — a comprehensive training program covering all stages of digital product creation and development.

Personal consultations

In response to the challenges of the time, in June 2021, such a service of personal consultations as psychological counseling appeared.

We have also collected all the services of personal consultations (coaching, career counseling, psychological counseling) in one form. Now filing an application has become more convenient and the employee can choose the consultant he/she needs. The sessions are held online (in any convenient form). Face-to-face sessions are also possible, if the consultant and the employee are in the same city.

Informing internal customers was updated. Thanks to the targeted selection of tools and improving the quality of regular communications on the portal, the service NPS increased. Coaching — 84 %, Career consulting 100 %.

Personal consultations in 2021

89 consultations

85% Service NPS

62 coaching counseling sessions

34 career counseling sessions

E-libraries

In 2021, the corporate library Alpina Digital boasted 12,185 readers and 35,756 hours of reading time. All books are available as a desktop version or in the app.

Besides, the employees also read the periodicals library Public.ru with the best business publications: Forbes, “Kommersant”, RBK, “Profile”, “Expert”. The library also has magazines such as Psychologies, Geo, Computerworld Russia, “Zakon”, etc.

Recruitment and adaptation

Onboarding of a new employee in the work and corporate culture is done through the adaptation measures. We continue walking the way of transformation and automation of the processes, using opportunities of product teams.

In 2021, corporate onboarding of new employees still takes place online. The first training takes place at the “Start” faculty in the MTS Corporate University. It contains the necessary minimum for newcomers and those who returned after a long vacation: the onboarding program consisting of seven courses (updated in 2021) contains the knowledge about the company culture and processes required for onboarding.

The “Onboarding at a New Job in a Week” program is automatically assigned to a new employee. On the first business week, he or she reviews the adaptation stages, history and strategy of the company, structure and products of the MTS ecosystem, rules of work and compliance principles. Easy and dynamic courses set for productive work and provide information necessary in the first days.

Also, within the onboarding, newcomers participate in the Welcome Day online event, where trainers immerse them into the company structure, introduce them to the strategy and opportunities, experts share success stories and answer questions. This is an informal online event designed for new employees, which is open for everyone at the same time. Even experienced employees are happy to get additional focusing on the Company’s strategy and experience of inspiring stories. In 2021, the Welcome Day program was redesigned, which made the event more informative and convenient for the new employees.

MTS strictly complies with the requirements of business ethics and compliance, therefore a newly recruited employee is given enough time to study the courses on respect for copyright and compliance with the antitrust legislation. They may independently distribute their load to undergo the necessary training within time assigned. After the training,

anything that seemed complicated or unclear to the employee, becomes simple and easy.

MTS was one of the first Russian companies to launch a mobile version of mandatory briefings (on health and safety, fire safety, local regulations, Civil Defense and Emergencies) during the pandemic. The Stark app is functioning giving the following opportunities to a candidate for employment:

- > full name and contacts of the HR employee (recruiter), who supervises the candidate;
- > date of registration at work;
- > addresses: registration place (HR), pass collection place, medical examination place;
- > review of the Company's local regulations (with confirmation of the fact of review);
- > attendance of onboarding briefings and courses;
- > brief information about the Company.

The app is being finalized and transformed into a more convenient version: Hello. Information is

provided dynamically depending on the company of employment and the city of employment. Currently, the Stark app provides the possibility of remote employment.

In 2021, there was a focus on making the onboarding personal for different categories of employees and a separate area of onboarding for product owners was highlighted: onboarding meetings for new software products are held, they are provided with personalized content to immerse themselves into the position. Materials of the School of Software are posted for product owners on the Corporate University website.

The messaging lists for new employees go on improving, now employees can get basic information from the onboarding letters. The mechanics of collecting feedback from new employees is also improved as the newcomer may share their impressions of the hiring and onboarding process during the trial period. Based on the newcomer assessment, it becomes possible to calculate the important indicators automatically: CES (Customer Effort Score is a support performance evaluation metric) for hiring and onboarding processes, tNPS (Transparency Net Promoter Score — loyalty index) of the company.

Work with universities

Internships

In 2021, MTS launched an updated MTS Intro internship program. Recruitment for the program lasted for a year, university students and graduates could complete an internship online, without considering the city of residence.

More than 450 interns from different areas were accepted for internship at MTS Intro: IT, Marketing, Product Management, Finance, HR, PR, Engineering, etc. More than 35 % of interns were transferred to the company staff, while the transfers to the IT staff amounted to about 60 %.

	2019	2020	2021
Number of students who completed internship in MTS, pers.	558	350	465

Cooperation with universities

MTS Group cooperates with HSE University (Higher School of Economics), MIPT (Moscow Institute of

Physics and Technology), BMSTU (Bauman State Technical University), Plekhanov Russian University of Economics, Financial University, NNSTU (Nizhny Novgorod State Technical University), SibSUTIS (Siberian State University of Telecommunications and Information Science), Lomonosov State University, St. Petersburg State University, MAI (Moscow Aviation Institute), MISIS, Skoltech (Skolkovo Institute of Science and Technology), Kuban State University, Kuban State Technology University and other universities — around 30 in total.

The interaction with universities takes place in the following formats:

- > lectures and workshops;
- > project tasks;
- > participation in career days and organization of in-house career events;
- > master's degree education programs.

Partnership in master programs is traditionally developed with MAI, MIPT and Skolkovo. Laboratory practices at National Research University of Informa-

tion Technologies, Mechanics and Optics, dedicated courses with Innopolis University and Kazan Federal University.

Moove program

Moove by Skolkovo x MTS — a program of additional education for students aimed at developing soft skills and product management skills.

- > Teachers — professionals of technology industries, including experts of MTS and business experts of Skolkovo, as well as professors from leading business schools of Europe.
- > Participants — masters of the first and second years, bachelors of the fourth year. These are ambitious students who want to play a major role in the economy of the future.

Program objectives:

- > contribute to the development of the Russian digital economy by training new leaders of the innovative environment;
- > create a unique educational program to combine management knowledge and skills of innovative product development;
- > train experts of a new format who are eager to be leaders in a new reality.

Training takes place according to the project method. From the first day, the participants are divided into teams and travel the route from generation of hypotheses to full-scale launch of a digital product. Mentors and trackers — entrepreneurs and managers from MTS and other IT companies — help the teams.

Thus, students turn into experts capable of working both in a large corporation and in a small startup. They spend less time for adaptation, move quicker through a career ladder and earn more.

In total 681 applications were received for the program in 2021, and the competition was record-breaking — 12.1 persons per position. As a result of the selection, 40 students joined the Moove program group (for 2021/22 academic year).

Graduates (2020/21) completed the program with a built up track of professional development.

Following the program results, the employees:

- > know business models of modern digital companies;

- > are able to develop and launch a product in the market;
- > know how to monetize a business idea;
- > know trends, see the opportunities for technological business;
- > know how to work in a team;
- > know how to negotiate with different stakeholders and defend their opinion;
- > know how to manage a product portfolio;
- > know how to think strategically;
- > see the interconnections between various aspects of business and know how to manage those.

Scale: we will graduate 138 students in three years.

Graduate career paths:

- > ~47 % of graduates work in Digital Product Management;
- > ~15 % are engaged in developing their startup;
- > ~55 % of graduates demonstrate career growth: they changed two or three career levels and increased their revenue by more than one and a half times;
- > most program graduates build their careers in technology companies (Avito, Delimobil, Tinkoff, Sberbank, Alfa-Bank, Yandex), every seventh graduate is developing their startup, 10 graduates work at MTS.

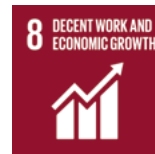
A community of students and alumni has been created and is developing (3,070 subscriptions in the Telegram channel, 8,000 people in the messaging list, 800 people in the information chat bot of the programs).

The program is designed for three years:

- > 1st stage (2019–2020) completed;
- > 2nd stage (November 2020 — July 2021) completed;
- > 3rd stage (September 2021— April 2022) — in progress.

Occupational health and labor safety

Number one priority for the Company is to preserve life and health of the employees, to provide favorable and safe labor conditions at MTS PJSC.



Personnel safety, health and well-being are the main components of the Company's corporate social responsibility. Since 2020, MTS has joined the international approach Vision Zero, or "Zero Injuries" — this is a qualitatively new approach to organization of prevention, combining three areas: safety, workplace hygiene and well-being of employees at all production levels. Safe and healthy labor conditions are not only a moral and legal obligation, but also prove themselves economically. Investment into labor protection helps avoid people suffering and protect the most valuable thing we possess — our health, physical and psychological well-being. It is also crucial that they favorably influence motivation of the employees, the quality of work and products, the company's reputation, extent of the satisfaction of employees, managers and customers, and, therefore, economic indicators.

Improvement and development of the safety culture at the enterprise take place through an informed approach pursued by senior executives who implement consistent management and create an atmosphere of trust and cooperation at all levels of the Company. At this stage, MTS Group's Strategy in the field of safety, health and well-being for 2021–2023 is being implemented. The strategy implementation includes international practices and methods to introduce Vision Zero. It is evident that success in the implementation of the Strategy will depend on commitment of the company's managers, motivation of the line managers and awareness of the employees.

Work on the development of the safety culture implemented at MTS PJSC is aimed at:

- > preserving life and health of the employees in the workplace;
- > continuous improving the OSH management system;
- > accounting and analyzing occupational injuries, detecting and investigating root causes of accidents with the employees and contractors of the Company and carrying out activities to prevent occupational injuries and diseases;
- > continuously detecting and managing occupational risks;

- > providing relevant and high-quality training for managers and labor protection professionals;
- > encouraging the employees to comply with the safety rules and raising their awareness;
- > involving the Company's employees in the safety culture development.

Following the results of 2021, the analysis of the implementation of the planned activities on labor protection in the past year was performed. In total, MTS PJSC spent RUB 87.3 million on the labor protection activities in 2021, which made up 106 % of budget performance (RUB 69.5 million in 2020; RUB 99.4 million in 2019 and RUB 86.9 million in 2018).

The employees trained on health and safety are managers, experts, members of commissions on health and safety and other categories of employees. Various training systems are used for internal

In 2021

- > MTS PJSC spent RUB 87.3 million on the labor protection activities in 2021, which made up 106 % of budget performance.
- > 17,478 employees passed external and internal labor protection training.
- > A special assessment of the working conditions was carried out in relation to 96 % of jobs in the Corporate Center of MTS Group and the branches of MTS PJSC (23,885 jobs).
- > Preventive and periodic medical examinations were taken by 1,332 and 5,163 employees, respectively. As a result of periodic medical examinations, 17 employees needed to be transferred to another job; health resort treatment was recommended to 17 employees (the opportunity of treatment was granted at the expense of the Company).

training on labor protection, such as the specially designed system on labor protection Colossus, including training on health and safety, fire safety, electric safety, and also the distance learning system for labor protection of MTS Corporate University “Virtual Academy”. The Company provides training on first aid to persons injured at production facilities. First aid training is a set of actions aimed at recovery or preservation of life and health of the injured. The main objective of the training is to practice employees’ independent actions and behavior aimed at preserving life of every injured, before arrival of rescue services.

One of the mandatory areas in labor protection is special assessment of the labor conditions. This process allows for identifying and evaluating the harmful and/or dangerous production factors in the workplace and planning the activities to improve working conditions. As of December 31, 2021, 23,885 workplaces (96 % of the total number of workplaces) have been estimated at MTS Corporate Center and MTS PJSC branches (24,556 workplaces were estimated following the results of 2020, 24,987 workplaces were estimated in 2019 and 23,926 workplaces — in 2018), and special assessment of the working conditions will continue in 2022.

Personal protective equipment (PPE) plays an important role in the prevention of employee’s direct exposure to harmful and/or hazardous production factors. MTS PJSC developed and approved norms of free issue of special clothing, footwear and other personal protective equipment to workers who are engaged in work with harmful and/or dangerous working conditions. Timely procurement of certified PPE is provided, deadlines for wearing and testing of personal protective equipment are met. Properly organized safekeeping of PPE is ensured.

MTS employees engaged in work with harmful and/or dangerous working conditions undergo preven-

tive (at employment) and periodic (during work) medical examinations. The purpose of the periodic medical examination is a dynamic monitoring of an employee’s health in the workplace, prevention and timely identification of the signs of occupational and general disease, and prevention of accidents. During the reporting period, MTS PJSC held preventive and periodic medical examinations of 1,332 and 5,163 employees, respectively. As a result of periodic medical examinations, 17 employees needed to transfer to another job, and health resort treatment was recommended to 17 employees.

Particular attention is paid to the organization of MTS activities to prevent occupational injuries and diseases. One of the main mechanisms to prevent production injuries is timely and proper assessment of professional risks that may arise at workplaces and their proper management. Since 2019, the “Requirements to investigation of accidents” standard has been in effect at the Company, which the branches use to take the corresponding actions.

Heads of units and representatives of employees participate in monitoring and in the development of annual H&S Safety Plans in branches for the next year, as well as in the development of the List of actions to improve the labor conditions and the safety culture. Actions aimed at supporting a new approach, Vision Zero, were scheduled for 2022.

In 2021, eight accidents took place at MTS PJSC, as a result of which eight employees were injured (two thereof were women). In terms of severity, all accidents fall within the category of minor accidents. As compared to 2020, there was a slight increase in the total number of injuries, but their severity decreased significantly.

Rate of injury, which is characterized by Accident Frequency Rate (AFR), was 0.25 in 2021 (0.20 in 2020, 0.17 in 2019 and 0.27 in 2018). Accident Sever-

Rate of injury

Indicator	2018	2019	2020	2021
Accident Frequency Rate (AFR) ¹	0.27	0.17	0.20	0.25
Accident Severity Rate (ASR) ²	106.6	107.4	55.7	30.4
Accident and Lost Work Time Rate (ALWTR)	0.03	0.02	0.09	0.06
Lost Work Day Rate (LWDR)	2.18	1.47	1.10	1.60
Absentee Rate (AR)	4.36	4.31	4.41	4.61

¹ Accident Frequency Rate (AFR) defines the number of accidents for the reporting period per 1,000 workers.

² Accident severity rate (ASR) defines number of disability days per one injury.

ity Rate (ASR) was 30.4 (55.7 in 2020, 107.4 in 2019 and 106.6 in 2018).

Accident and Lost Work Time Rate (ALWTR) in 2020 amounted to 0.06 (0.09 in 2020, 0.02 in 2019 and 0.03 in 2018), and Lost Work Day Rate (LWDR) — 1.60 (1.10 in 2020, 1.47 in 2019 and 2.18 in 2018). Absentee Rate (AR) — 4.61 (4.41 in 2020, 4.31 in 2019 and 4.36 in 2018). No occupational diseases were found in employees in 2021.

Drivers of vehicles and technical experts (work at height, work in electrical installations), who maintain the communication network, are employees with high accident rate.

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 among employees and to provide health resort treatment to employees working with hazardous and/or dangerous production factors, as well as to obtain discounts on insurance rate for compulsory social insurance against industrial accidents and occupational diseases. In 2021, the total amount received from this work made up RUB 10.2 million (RUB 8.9 million in 2020, RUB 6.2 million in 2019 and RUB 6.8 million in 2018).

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

- > medical examinations were conducted;
- > uniforms, safety shoes and other PPE were purchased;

- > special evaluation of labor conditions was performed.

Much attention is paid to the promotion of labor protection issues, and various forms of communications are used. Every year in April, in anticipation of the Global Labor Protection Day, various actions are taken to improve the labor conditions and protection of the Company's employees, and to prevent accident frequency rate and occupational diseases. In 2021, it was not possible to attend all offline events due to the epidemiological situation around the world.

One of the tools to promote the labor protection issues is to develop the safety culture for our employees and managers. Work in this area has been carried out at the Company since 2018. In particular, a distance learning video course "Safety Culture" was developed and placed in the Virtual Academy in the end of 2018 (the course has already been attended by more than 1,200 employees). Safety culture improvement is the informed change of employees' and managers' attitude to responsibility for creating safe working conditions at the Company.

Every year, the Company assesses the effectiveness of its OSH management system based on quantitative indicators that objectively evaluate the extent of implementation of its labor policy. The assessment is conducted 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.

Detailed information on assessment results is available at



[Labor conditions assessment — Moscow \(mts.ru\)](https://moscow.mts.ru)

/ SOCIAL INVESTMENT IN DIGITAL DEVELOPMENT AND EDUCATION

Social Investment¹ S — Social

MTS implements a comprehensive social investment program and considers the matters of developing the territories of operation in a comprehensive paradigm with the aspects of supporting social, economic, cultural, financial and economic, investment and other areas.

The strategic objective pursued by MTS in the area of social investment is to improve the quality of living, to digitalize, to increase digital safety through rendering a wide array of services and to develop innovations in the area of health care, education and urban infrastructure, as well as in other spheres. Engagement of the main target audiences in MTS social initiatives ensures long-term positive contact

with the Company and makes it possible to form emotional attachment to the brand.

MTS adheres to the following principles of social investment in human capital formed based on analyzing the current social needs, including in the regions where the Company operates, the Group expertise, as well as best practices in the field of sustainability:

Continuity, sustainability

MTS elaborates and consistently implements long-term programs aimed at achieving sustainable positive social changes. The Company focuses its efforts on implementing the UN goals in the most complementary business strategies of the Company.

Public involvement

The Company applies the mechanics of active wide audience involvement in programs. MTS provides an opportunity for personal contribution to solving relevant problems and creates conditions for implementation, thereby creating the highest quality and long-term contact with the public, which contributes to loyalty to MTS.

Localization

MTS implements social investment programs with a deep understanding of regional specifics, adapting each project at the local level, taking into account the context of a particular region.

Partnership

MTS develops the partnership and intersectoral interaction practice, which contributes to unifying the efforts of participants based on mutual interests in order to achieve synergy in solving socially important issues.

Versatility

MTS focuses its efforts on the efficient solution of social and environmental issues using technological tools and digital expertise.

Efficiency

The Company evaluates their implementation on a regular basis.

¹ More detailed information is available in the [MTS Group Sustainability Report for 2021](#): chapter “Corporate Social Responsibility”, section “Local Communities”

Areas of MTS social programs



Education

Children and youth intellectual and creative development



Health and wellness

Support for socially vulnerable groups of the population, businesses and local communities



Environment

Ecotourism development, promotion of ecological culture



Culture

Preservation, promotion of unique cultural values



Digital education

Training in the use of modern technologies
People of all ages



Inclusion

Support for developing an inclusive environment

Charitable activities of the Group are a continuation of the business strategy and social strategy of the company

- In 2021, the expenses on social and charitable projects, including social support for employees, amounted to RUB 627 million.
- In 2021, MTS implemented over 500 social projects.
- ~19.8 million people took part in MTS social projects (programs for developing creative abilities, environmental programs, career guidance programs, programs to support and train entrepreneurs, startups, including the AI accelerator, Startaup HUB), 4.2 million people thereof are engaged in MTS environmental education projects.
- In 2021, more than 6,500 materials about MTS social initiatives were published in the media.



Most significant social projects of MTS in 2021

Generation M

An art and charity project that combines the ideas of talented children development and help to severely ill children. The project mission is to give equal opportunities for creative education to people and teenagers regardless of the place of residence and social status. The project is implemented with support of the Ministry of Culture of the Russian Federation.

Educational courses are posted on official online sites of the project being the website www.pokolenie.mts.ru and the community in VKontakte in more than 15 creative areas: singing, choreography, fine arts, photography, movie making, journalism, acting, fashion design, etc. Children and teenagers from any region of the country can receive additional education free of charge, which contributes to developing their creative potential. Acknowledged masters of culture and representatives of well-known cultural and educational institutions work with children and

teenagers. Over the years of project implementation, Generation M educational courses have been viewed more than 30 million times.

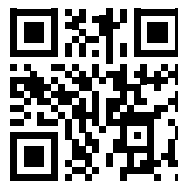
Unique charity mechanics of the project brings up young philanthropists all over the country. All activities in groups and on the website of Generation M are converted into "live money", which MTS transfers for charity funds, program partners, treatment of seriously ill children. With their creative activities, the project participants generated more than RUB 22 million.

In 2021, the program is included in the number of global practices recognized by the UN as advanced in achieving sustainability goals.

In 2021, the project activities were adapted to the current conditions and held online (for more details, see the paragraph "MTS Contribution to Combatting COVID").

In 2021, the funds are distributed for the treatment of

22 children



www.pokolenie.mts.ru



Power Place

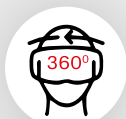
In 2020, MTS launched a comprehensive federal project “Power Place”. In close cooperation with national parks, wildlife reserves and urban territories. Within the project, MTS develops technological products with the aim to develop ecotourism and promote cultural values in specially protected areas.

In 2021, 10 socially useful digital products (VR movies, audio guides, video monitoring systems with AI technology, educational materials with AR elements, interactive books about conservation districts, etc.) were created within the “Power Place” eco-program; 350 thousand active participants in five regions of Russia are involved in the project.

Tools used:



**МЕСТО
СИЛЫ**



VR — movies360°



Ecotrail audio guides



Trail cameras



New ecotrail routes



Eco classes for children



Interactive digital and printed books



Digital services for monitoring wild animals, preventing forest fires, poaching, vandalism



Inclusive projects



Educational materials with AR elements

Results 2021

10 socially useful digital products

VR movies, audio guides, video monitoring systems with AI technology, educational materials with AR elements, interactive books about conservation districts, etc. were created within the “Power Place” eco-program

5 regions

geographical coverage

350 thousand

active program participants involved creating and promoting the project products



“Cultural Code”

“Culture Code” is a volunteer project of MTS, whose goal is to preserve and support cultural values and initiatives that are unique to the territories: developing creative technologies, preserving cultural monuments, supporting craft schools and unique craftsmen, initiative local communities and movements, as well as original regional events and exhibitions and art objects. One of the priority project formats is the digitalization of existing cultural and historical heritage sites for accessible online study and visiting, including with the help of VR technologies.

Within the project, MTS involves residents and volunteers of Russia, partners, corporate customers and government officials in preserving cultural values unique to the territories.

At year-end 2021, the project covered 54 regions; 26,000 people and 4,000 volunteers took part in organizing the project events.



Main project areas

Supporting craft schools and unique craftspeople

Holding and supporting authentic regional events, exhibitions, art installations, festivals in support of small ethnic groups and traditions of the region

Restoring cultural monuments and other places significant for the region

Digitizing existing cultural and historical heritage sites for accessible online study and visiting

Help to local communities

Since 2016, MTS has been implementing a comprehensive program of social investment and support to local communities. In this regard, we interact with independent groups of citizens who, not being charitable foundations or NGOs, try to solve social problems that are important for the region and territories.

Our approach involves deep immersion into the life of the community and providing assistance aimed at solving a specific issue that is important at that very moment. Once the issue of the community is identified, MTS offers assistance in various formats.

- > Volunteer help by our employees.
- > Purchase of equipment, inventory, payment for logistics to solve urgent community issues
- > Help with creating educational content for a wide audience.

In 2021, MTS provided assistance to volunteer communities and the most vulnerable population, for example, the Company supported the collection of food sets for the poor and sets for first-graders from large families. MTS also continued to arrange psychological assistance, including through free hot-lines in the regions, and supported Russian cultural and educational centers in organizing educational and helping online broadcasts. Within its ongoing work with communities, MTS also regularly offers their members helpful materials in various communication channels most relevant to a particular territory or region at a given moment.

In 2021, about 500 thousand people became the end beneficiaries of the program. While continuing long-term work with the community and involving its members in other own social projects, the Company becomes the head of a large-scale movement aimed at solving the social problems of the country inhabitants.



General results of the program

>1,800 communities

from Russian regions have received assistance and continue their cooperation; with MTS

77 regions

involved in the implementation

6,000 volunteers

took part in the program

ESG mentoring

MTS provides free tools to promote small businesses helping local entrepreneurs develop their business, get new customers, meet other entrepreneurs and active people in their city and find partners among them. MTS also offers small and micro businesses convenient digital solutions to simplify the process of resolving everyday business tasks.

“We Know Personally” is an interactive map of Russia, with the help of which entrepreneurs can tell a new audience about themselves, and clients can support local establishments: coffee houses, hairdressing saloons, non-chain cafes, car repair shops or beauty salons. Information is placed on the map free of charge, businessmen can leave a request on the website to add their contacts to the online service.

Programs for support of small and medium business

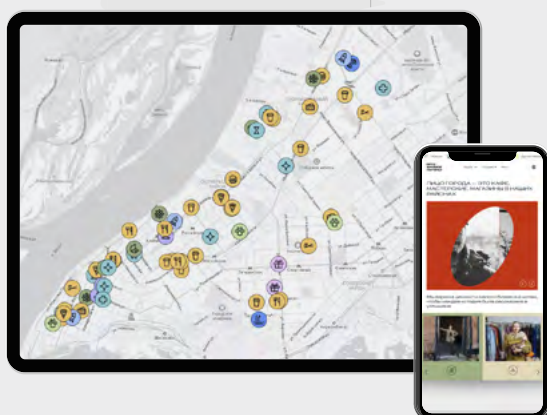
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Also, in order to eliminate gender inequality and support female entrepreneurs, MTS is holding “Lady 007” business accelerator in the Russian regions in partnership with the all-Russian public organization “Women of Business”. The two-month educational course helps participants open profitable businesses and start-ups, develop new ideas and improve the efficiency of their enterprise. The best projects get grants and regional support for business development. The project covered six cities in 2021, about 1,000 women became the accelerator participants.

Znaem.mts.ru



Users can put an **“I’ve Been Here”** marker on the map showing their support for business

The project to support entrepreneurs “We know personally” received the national award “Runet Prize 2021” in the nomination “For the Development of Small and Medium-sized businesses in the Runet”

Urban Legends

The “Urban Legends” project aims to support and develop domestic tourism and create modern digital services with unique content. Within the project, MTS engages residents of Russian cities to create unique “people’s” audio guides with a focus on places and events that are appreciated and loved by locals and that best reveal the city essence and features. You can use the guide even without Internet connection and at any convenient time.

At the time of writing this report, MTS audio tours have been launched in 45 cities across the country. About 6.3 million Russians are involved in the program implementation. In 2021, the Urban Legends project is launched in 13 new cities.

The “Urban Legends” project received the Grand Prix of the international PROBA Awards 2021 as the most creative communication project, it also won in the “Promotion of Territories” nomination, which recognizes efficient and original practices to properly represent regions and cities of the country.

Digital Literacy and Cybersecurity Projects

MTS has been consistently implementing comprehensive programs aimed at teaching digital literacy to two audiences: elderly people and young schoolchildren.

The gramota.mts.ru portal helps eliminate the digital divide, familiarize the older generation with the capabilities of modern mobile devices and the Internet, show modern technologies and services able to simplify a person’s life in a variety of life situations: from taking medications to sports activities and maintaining an active lifestyle. The project allows for involving people who were not previously familiar with technology into the country’s digital economy. Training on the portal is free, and the online format enables people with limited mobility or those who live in remote areas of Russia to learn mobile technology.

In order to protect children from negative content and fraudulent resources and at the same time teach them to use the Internet capabilities for study and development, MTS volunteers conduct digital literacy classes for schoolchildren in collaboration with representatives of educational institutions and psychologists.

In 2021, MTS, together with the largest representatives of the digital industry in the Russian Federation, became the founder of the Alliance for Protecting Children in the Digital Environment and joined the Digital Ethics of Childhood Charter created by the Alliance. The principles laid down in the document will allow to increase the level of digital literacy and protect children from potential threats on the Internet.

MTS Media educational platform

The corporate educational MTS media platform <https://media.mts.ru/> publishes informative, educational and helpful content. The main objective of such publications is to improve digital literacy and the quality of life of people, primarily through the capabilities of MTS high-tech products and services. We help save money, take care of the safety of our readers, tell how to solve everyday tasks related to everyday life, leisure and interaction between a person and the state faster and cheaper.

<https://media.mts.ru/>

The materials are in demand by the audience — in 2021, such publications on the MTS Media platform and in the Yandex.Zen channel of the same name got more than 17 million views, of which socially oriented materials received 3.4 million views, which is almost 80 % more than in 2020.

https://zen.yandex.ru/mts_media





Corporate Volunteering

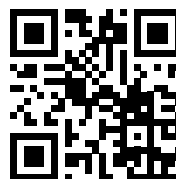
A separate area of the Company's social investments is corporate volunteering. MTS volunteer movement "Simply Do Good!" has a long history bringing together 7,500 volunteer employees of the Group being an essential part of the internal corporate culture.

The most popular areas of volunteering among the surveyed MTS Group employees in 2021 are:

- > support and assistance to orphans (55 %);
- > support and assistance to elderly people (42 %);
- > support for environmental initiatives (42 %);
- > donation (39 %).

The major federal volunteer projects of MTS are "Going to School with MTS", "Christmas Trees for Children", "World of Knowledge with MTS", "Memory Across Generations", "Safe Internet Day", "To Grandparents with Love", "Accessibility for All" (for people with disabilities).

In 2021, within the MTS Best Social Projects competition, the winners in the following categories were awarded: "Health", "Inclusion and Mentoring", "Digital Volunteering", "Creative Volunteering", "Intellectual Volunteering", "Cultural Heritage Preservation", "Local Communities", "Ecology".



volunteers.mts.ru



Mobile Fairytale Puppet Theater

In 2022, Mobile Fairytale Puppet Theater, the MTS corporate volunteer puppet theater, will celebrate its 10th anniversary season.

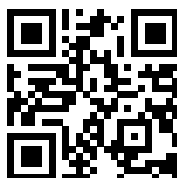
Theater groups are actively working in Moscow, St. Petersburg and Krasnodar. The main theater audience is composed of the wards of children's social and rehabilitation centers, hospitals and nursing homes.

During the year, more than 50 thousand people became spectators of the theater; the theater proudly presents more than 18 performances featuring about 150 actors.

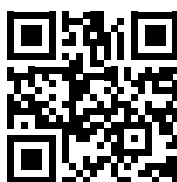
All performances translated into Russian sign language and equipped with subtitles are uploaded to the MTS KION online cinema.



[Performances and workshops are available on the theater's YouTube-channel](#)



[Theater news in the VK community](#)



www.puppet-mts.ru

ENVIRONMENTAL PROTECTION



General approaches

In its activities, MTS strives to not only have a minimal impact on the environment, but also to reduce this impact. The Company is guided by applicable environmental legislation, as well as by the principles of responsible business conduct, and strives to improve the environmental culture of its employees and partners and to implement services based on advanced technologies.

The fundamental principles of the MTS Policy for Environmental Safety and Protection:

- > compliance with the requirements of the nature-conservation legislation of the Russian Federation;
- > compliance with the requirements of national and international standards in the field of environmental protection;
- > improved level of environmental awareness and education of all company employees;

- > implementation of environmental socially significant projects;
- > openness and availability of environmental information;
- > continuous improvement of MTS environmental management system;
- > reduced level of negative impact on environment and aspiration for sustainability.

Due to the introduction of a unified environmental management system, a process has been established to form a unified approach to ensuring compliance with and implementation of the standards and requirements of environmental legislation in MTS branches; the design of MTS network facilities provides for a "List of Environmental Protection Activities", the development of which is carried out in accordance with the requirements of GOST R 21.1101-2013.

Energy efficiency management

The "Strategy of Energy Savings and Energy Efficiency" effective at MTS is aimed at restricting growth and reducing electric energy specific consumption. MTS seeks not only to improve the energy efficiency of its facilities, but also to use environmentally friendly alternative power sources. Some of our base stations are equipped with backup power supplies based on hydrogen fuel cells and solar panels.

The MTS Energy Efficiency Program includes a set of measures:

- > replacement of fluorescent lighting with LED;
- > use of air conditioning systems with the free-cooling function and equipment corresponding to at least "C" energy efficiency class;

- > activation of software logics on MTS network to disconnect transceivers of base stations in the period of low load;
- > use of base stations with passive cooling of transceivers and the maximum approximation of distribution panels to consumers in order to reduce losses in electrical wiring;
- > use of cables with copper cores.

In order to reduce power consumption by base stations, MTS:

- > switches to light diode lamps in mast lighting systems;
- > uses conditioning systems with a free cooling function;

- > replaces equipment for more energy efficient;
- > uses equipment of at least C class;
- > installs equipment in compact telecom cabinets instead of equipment shelters;
- > uses software logics to disconnect transceivers of base stations in the period of low load;
- > introduces an automated system for commercial electric-power metering;
- > uses base stations with passive cooling of transceivers, when feederless external radio modules are used (active equipment is located directly on a pillar or tower), which does not require power consumption for cooling.

Alternative energy

The number of MTS power plants using renewable energy sources (RES) is quite high. The first solar generation-based power supply system was deployed in 2015 at the Whale Fin Pass by the coast of the Sea of Japan in the Far East. Later on, in 2019, a base station powered only by photo panels was put into commercial operation in the Far East. The station is located in the popular recreation area of Spokoyная Bay. And in 2021, a solar power plant

equipped with remote system monitoring was launched in the Astrakhan Region.

The renewable energy sources used to ensure the stable operation of base stations in hard-to-reach areas have proven their efficiency due to their eco-friendliness and low operating cost. Moreover, this segment is a driver of technological innovation and has significant potential to reduce greenhouse gas emissions.

Carbon management

In an effort to minimize even an insignificant impact on nature, MTS manages the sources of its own environmental impact. Since 2019, the Company has been implementing a comprehensive Carbon Management project, which determines the main climate risks and opportunities, goals and levers of decarbonization, areas of interaction with equipment suppliers regarding the assessment and reduction of greenhouse gas emissions.

Also, in 2019, MTS started reporting through the CDP platform within the GSMA initiative to develop a

roadmap for the telecom industry actions to achieve zero greenhouse gas emissions by 2050 pursuant to the Paris Agreement. Within this report, MTS discloses a wide range of environmentally important data about its operations, including resource consumption and direct and indirect greenhouse gas emissions. In 2021, MTS confirmed its high B (Management) score from the experts of the Carbon Disclosure Project (CDP)¹ significantly strengthening its position in terms of disclosing data on MTS Group's carbon footprint.

¹ The full 2021 climate impact questionnaire by MTS can be viewed on the CDP website upon logging on: <https://www.cdp.net/>.

Development of circular economy

The Company is implementing a number of projects aimed at developing the circular economy

- > **Eco-Office Program** implemented since 2014 for the Company employees, involving implementation of the principles of rational use of electricity and consumables for office equipment, separate waste collection and environmentally friendly waste disposal, as well as programs to promote the attitude of care for the environment and healthy lifestyle; separate collection of paper, batteries and plastic was arranged. In 2021, >800 tons of batteries and spent power components, >82 tons of waste paper and >100 kg of plastic were transferred for recycling.
- > The program of disposing of telecommunication equipment, within which the spent devices are sold back to the manufacturer, sold to other companies on a competitive basis, or agreements with specialized recycling companies are concluded.
- > 2020 was marked by the launch of the **Life Cycle Laboratory** ecosystem project aimed at consistent introduction of the circular economy principles into the business processes of MTS Group. The project is based on an integrated approach, including the collection and transfer of municipal solid waste for disposal and processing, a responsible attitude to e-waste, equipment that has served its time, office furniture and other types of waste, entering appropriate changes into business processes and holding an information campaign for active employee involvement into the project. An important component is the distribution of the best practices to MTS Group subsidiaries.

Environmental education

Traditionally, MTS has implemented educational projects aimed at creating an environmental culture of employees and raising their awareness of the need for rational consumption of natural resources, the benefits of separate waste collection and the use of products from recycled materials.

- > One of the most large-scale initiatives is the annual ecological holiday **“Eco Day with MTS”**, which consists of a set of environmental awareness and educational events. As part of a series of educational events, employees, partners and their families get familiar with important topics, get the opportunity to learn about the “ecological footprint” concept and the ways it can and should be reduced.
- > As part of the **“Children Learning about Our Planet”** environmental education project, MTS conducts thematic workshops and eco-lessons. Since 2014, we have been implementing educational programs for children aimed at promoting attitude of care for the natural environment using modern technologies. Since the launch of the “Children Learning about Our Planet” project, more than 350 MTS lessons have been held attended by more than 9 thousand children of primary and secondary school age. MTS volunteers are conducting eco-lessons and thematic workshops for children of the MTS branch network employees and pupils of sponsored children’s social institutions throughout Russia.
- > Since 2020, the **“Power Place”** eco-educational project has been implemented aimed at creating and introducing modern tools for preserving natural heritage and developing eco-tourism, as well as raising the level of environmental culture in the country. Within the project, MTS: creates unique digital content narrating about the natural and other features of nature reserves and urban park areas; develops the infrastructure of nature reserves to increase their accessibility to a wide audience, create additional educational opportunities and preserve the unique wildlife species; supports and promotes the cultural values of specially protected areas.

We strive to attract the attention of business and the general public to environmental problems by setting our own example. In the regions of operation of the Company, the **“Simply Do Good!”** corporate volunteer movement annually organizes eco-community cleanups.

External expert opinion

The high Company level in the field of environmental responsibility is annually assessed by rating agencies and awarded at international competitions and awards of various levels; thus, in 2021:

- > MTS entered the top 10 ESG RAEX-Europe ranking of Russian companies;
- > AK&M upgraded the position of MTS in the ESG reporting rating to RESG1 noting the highest degree of disclosure of information on sustainability in MTS public reports;
- > MTS became the winner of the ECObest Award 2021 with the Green Marathon project winning in "The Best Educational Eco-Project" category;
- > MTS became the winner of the "Green and Healthy Office 2021" award winning in "The Best Program for Environmental Education and Employee Training" category;
- > the comprehensive MTS project "MTS Life Cycle Laboratory" was awarded a special Green Award in the Brands category.

Volume of the energy resources used by MTS in 2021¹

Resource type	In kind			In monetary terms, RUB, w/o VAT		
	2021	2020	2019	2021	2020	2019
Electric power	1,790,749,070 kWh	1,825,672,357 kWh	1,357,524,418 kWh	10,581,623,209	9,704,113,640	8,576,729,397
Heat power	51,917,65 Gcal	46,155 Gcal	54,974 Gcal	89,136,940	79,066,870	78,597,150
Water supply	207,438 m ³	192,763 m ³	241,001 m ³	10,354,721	9,768,375	12,670,363
Gas supply	765,747 m ³	1,233,854 m ³	690,946 m ³	5,960,042	5,724,728	5,483,661
Petrol	3,014,865 liters	3,051,171 liters	3,214,327 liters	116,095,343	111,098,490	123,847,979
Diesel fuel	3,114,619 liters	2,811,481 liters	1,825,259 liters	129,176,696	111,451,360	61,940,038
Liquid gas petroleum-propane	28,511 liters	45,225 liters	1,357,524,418 liters	662,657	870,506	8,576,729,397

¹ Rounded data.

More detailed information is available in the MTS Group Sustainability Report for 2021: chapter "Corporate Social Responsibility", section "Ecology".



[Sustainability Report 2021](https://mts.ru/sustainability-report)
[Moscow \(mts.ru\)](https://mts.ru)

MTS CONTRIBUTION TO COMBATTING COVID-19 AND CONSEQUENCES OF THE PANDEMIC

SOCIAL PROJECTS

In 2021, Russia and the world continued to live in the realities of the pandemic, therefore, MTS retained its focus on expanding the availability of its services and programs by integrating the online format, digital solutions and services.

- > In 2021, when taking measures to combat COVID-19, a contract tender in St. Petersburg was won to operate a hotline and receive terminated calls to inform the citizens about COVID-19.
- > Based on MTS solutions, services to inform citizens via SMS about restrictive measures and measures to combat the spread of COVID-19, as well as services to generate digital and SMS passes for travel in the context of restrictive and quarantine measures, were operating.
- > At the beginning of 2021, support for the users traveling abroad continued: ability to make free calls to hotlines of major airlines, airports, the Russian Ministry of Foreign Affairs and COVID-19 lines.
- > Throughout the entire 2021, free access to information and hotlines for combating COVID-2021 was provided.
- > In terms of video surveillance, MTS offered its customers relevant solutions for identifying people with fever.
- > Throughout the entire 2021, MTS Bank performed disinfection at the places of detection of diseases with special means engaging certified disinfectors. Communication was carried out following the rules of conduct in public places and in the office, in terms of seating arrangement, online meetings and remote work, on a monthly basis. The Covid_19@mtsbank.ru communication channel where one can promptly inform about their diseases is available, which helps the Bank to take all relevant measures to prevent the spread of the virus.
- > MTS presented more than 200 creative workshops on the online platform of "Generation M", creative charity project by MTS, for children and teenagers who during the pandemic had limited access to attending organizations of extended education and educational events. School-children completed free training programs in visual arts, singing, acting, blogging, DJing, TV journalism and other creative areas. Within the "Generation M" environmental program, an online educational track was launched to introduce children to responsible consumption, as well as to promote healthy eco-habits for the younger generation.
- > During the lockdown, the creative curators of the "Generation M" project held a series of online auditions to the Russian Institute of Theater Arts (GITIS) for applicants to creative universities from the Russian regions.
- > Due to the epidemiological situation in 2021, many Russians preferred to stay in their home regions and explore local attractions. Thanks to the opportunities provided by MTS social projects contributing to the development of domestic tourism and ecotourism, they managed to "acquaint themselves" with their native places anew, as well as "virtually" visit other cities

and national parks of Russia of their interest. In 2021, the “Urban Legends” MTS social and cultural project (unique people’s audio guides for Russian cities) was launched in 13 new cities, and the “Power Place” environmental education project to create digital content for virtual trips to national parks and nature reserves of the country was launched in five new national parks of Russia.

- > As part of the entrepreneurship support program, MTS provided small and micro businesses with free tools and services, Your Business and MTS Marketer, for development and promotion within the “We Know Personally” initiative. The “We Know Personally” interactive map covers 41 cities of Russia with more than 1,500 business points located. The project helps local entrepreneurs engage new customers and partners, as well as participate in the social life of the city, within the limits of restrictions. Additionally, MTS integrated the online format into the “Lady 007” business accelerator, which made it possible to expand the educational course to another five regions.
- > Within the “Cultural Code” project, MTS provided services for the digitalization of cultural and historical heritage sites for online study and visiting. The project covers 54 regions of Russia.
- > MTS is developing the MTS Media platform, where social-related texts are published on a regular basis. The main objective of such publications is to improve digital literacy and the quality of life of people, primarily through the capabilities of digital services. More than 50 materials with educational and helping content for different target audiences on the topics of health, safety, social assistance from the state, travel restrictions and rules, as well as digital literacy, relevant during the pandemic were published on the platform. These materials collected more than 11.8 million views.
- > The portal of the “Mobile Academy” free project for teaching digital literacy to elderly people implemented a series of educational online events that allowed people with limited mobility, those who live in remote areas of Russia or those who held on to the “home regime” to study.
- > MTS continued to provide assistance to volunteer communities and the most vulnerable population, for example, the Company supported the collection of food sets for the poor and sets for first-graders from large families; implemented a project to arrange psychological assistance, including through free hotlines in the regions, and supported Russian cultural and educational centers in organizing educational and helping online broadcasts.