

GRI Standards Indicator and General standard disclosures

GRI Standards Indicator and General standard disclosures **SUEK's response in 2019**

GENERAL DISCLOSURE

ORGANISATIONAL PROFILE

102-1 Name of the organisation	JSC SUEK (JSC Siberian Coal Energy Company)
102-2 Activities, brands, products, and services	Year highlights, pages 2–3 SUEK at a glance, pages 4–5 Where we operate, pages 6–7 Business model, pages 12–13 222Information on the company, page 173
102-3 Location of headquarters	Contacts, page 173
102-4 Location of operations	None of SUEK's production sites are situated in protected or natural reserve areas including the protected territories. Where we operate, pages 6–7
102-5 Ownership and legal form	Information on the company, page 173
102-6 Markets served	Where we operate, pages 6–7 Business review, pages 60–75
102-7 Scale of the organisation	SUEK at a glance, pages 4–5 Where we operate, pages 6–7 Business review, pages 60–75 Group financial review, pages 56–59 Financial statements, page 156
102-8 Information on employees and other workers	Business model, pages 12–13 Our people and corporate culture, pages 95–99
102-9 Supply chain	Business model, pages 12–13 Business review, page 75 See also our Sustainable Development Report for 2018–2019 on the website: http://www.suek.com/investors/reporting/#year_19
102-10 Significant changes to the organisation and its supply chain	Where we operate, pages 6–7 CEO's statement, pages 10–11 Strategy, page 29 Financial statements, pages 156–157
102-11 Precautionary principle or approach	SUEK subscribes to the precautionary approach particularly as regards our control of occupational health and safety, and our impact on the environment. This is implemented through our risk management process. Risk management, pages 34–43 Health & safety, pages 80–85 Environment, pages 86–94 Additional information on our Policies is available on our corporate website: www.suek.com/about-us/corporate-governance/by-laws/
102-12 External initiatives	SUEK at a glance, pages 4–5 Our approach to sustainability, pages 78–79 Health & safety, page 81 Environment, page 87 Our people and corporate culture, page 96 Communities, page 101 See also our Sustainable Development Report for 2018–2019 on the website: http://www.suek.com/investors/reporting/#year_19
102-13 Membership of associations	SUEK's key memberships include: <ul style="list-style-type: none"> • Russian Union of Industrialists and Entrepreneurs • RAND corporation • Clean Coal Association • All-Russia Industrial Association of Employers of the Coal Industry • The Russian Managers Association • German–Russia Chamber of Commerce • World Coal Association • Bettercoal • Vision Zero • World energy council • Anti-corruption Charter of Russian Business • AD HOC COUNCIL (the European Government Business Relations Council)

STRATEGY

GRI Standards Indicator and General standard disclosures	SUEK's response in 2019
102-14 Statement from senior decision-maker	SUEK's main beneficiary's statement, title page Chairman's statement, pages 8–9 CEO's statement, pages 10–11
102-15 Key impacts, risks and opportunities	What impacts SUEK's ability to create value, its sustainability and its stakeholders, is presented in the following sections: Chairman's and CEO's statements, pages 8–11 Market fundamentals and SUEK, pages 16–21 Strategy, pages 22–33 Risk management, pages 34–43 Materiality, pages 44–47
ETHICS AND INTEGRITY	
102-16 Values, principles, standards, and norms of behavior	Strategy, pages 22–33 Our approach to sustainability, pages 78–79 Our people and corporate culture, pages 95–99 Corporate governance, pages 104–121 Our Code of Ethics is available on our corporate website: www.suek.com/about-us/corporate-governance/by-laws/
102-17 Mechanisms for advice and concerns about ethics	Our people and corporate culture, page 99 Compliance management system, page 116
GOVERNANCE	
102-18 Governance structure	Corporate governance, page 106
102-19 Delegating authority	Corporate governance, pages 104–121 For more information, see section 15 and 16 of the Charter of JSC SUEK on our corporate website: www.suek.com/about-us/corporate-governance/by-laws/
102-20 Executive-level responsibility for economic, environmental and social topics	Corporate governance, pages 104–121 Our approach to sustainability, page 79
102-21 Consulting stakeholders on economic, environmental, and social topics	Materiality, pages 44–45 Stakeholder engagement, pages 48–49 Environment, page 86 Communities, page 102
102-22 Composition of the highest corporate body and its Committees	Board of Directors' report, pages 108–111
102-23 Chair of the highest governance body	The Chairman of the Board of Directors, the highest governance body, is not an executive officer. Board of Directors' report, pages 108–111
102-24 Nomination and selection processes for the highest governance body	Board of Directors' report, pages 108–111
102-25 Conflicts of interests	Corporate governance, pages 104–121 The related-party transactions are reported in Financial statements, page 150
102-26 The role of the highest governance body and senior executives in setting purpose, values and strategy	The Board has final approval of SUEK's strategy and goals for environmental and social development. Corporate governance, pages 104–121
102-27 Highest governance body's collective knowledge	Corporate governance, pages 104–121
102-28 Evaluation of the activities of the highest body of governance	Corporate governance, pages 104–121
102-29 Identification and management of economic, environmental and social impacts	Corporate governance, pages 104–121
102-30 Risk management	Risk management, pages 34–43
102-31 Review of economic, environmental and social topics	Corporate governance, pages 104–121 Risk management, pages 34–43 Materiality, pages 44–47 Environment, page 86
102-32 Highest governance body's role in sustainability report	The Report is approved by the Audit Committee of the Board of Directors. About this Report, page 173

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102-33 Communicating critical concerns	Risk management, pages 34–43 Materiality, pages 44–47 Stakeholder engagement, page 49 Corporate governance, pages 104–121
102-34 The nature and the total number of critical concerns	Risk management, pages 34–43 Materiality, pages 44–47 Stakeholder engagement, page 49 Our people and corporate culture, page 99 Corporate governance, pages 104–121
102-35 Remuneration policies	Board of Directors' report, pages 108–111 Management Board report, pages 120–121
102-36 Process for determining remuneration	Board of Directors' report, pages 108–111 Management Board report, pages 120–121
102-37 Stakeholders' involvement in remuneration	Stakeholder engagement, page 49

STAKEHOLDER ENGAGEMENT

102-40 List of stakeholder group(s)	Stakeholder engagement, pages 48–49
102-41 Collective bargaining agreements	Our people and corporate culture, page 98
102-42 Identifying and selecting stakeholders	Stakeholder engagement, pages 48–49
102-43 Approach to stakeholder engagement	Stakeholder engagement, pages 48–49
102-44 Key topics and concerns raised	Chairman's statement, pages 8–9 CEO's statement, pages 10–11 Materiality, pages 44–47 Stakeholder engagement, pages 48–49 Chairman's introduction, pages 104–105 Board of Directors' report, pages 110–111

REPORTING PRACTICE (REPORT PROFILE)

102-45 Entities included in the consolidated financial statements	Consolidated financial statements, page 156
102-46 Defining report content and topic Boundaries	Materiality, pages 44–47 About this Report, page 173
102-47 List of material topics	Materiality, pages 44–47
102-48 Restatements of information	There were no restatements of information in this Report.
102-49 Changes in reporting	Materiality, pages 44–47
102-50 Reporting period	Financial year from 1 January 2019 to 31 December 2019
102-51 Date of most recent report	March 2019
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	Olga Ilina, Head of Investor Relations E-mail: ir@suek.ru
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55 GRI content index	158
102-56 External assurance	The Report was prepared under the supervision of SUEK's Chief Financial Officer, with the Audit Committee of the Board of Directors also collectively contributing to its preparation and ensuring its overall integrity. The consolidated financial statements included in this Report were audited and the text of the report was reviewed by JSC 'KPMG'.

SPECIFIC DISCLOSURE

ECONOMIC

201 ECONOMIC PERFORMANCE

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Chairman's statement, pages 8–9 Strategy, pages 22–33 Group financial review, pages 56–59 Business model, pages 12–13

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103-3 Evaluation of the management approach	Group financial review, pages 56–59 Corporate governance, page 113
201-1 Direct economic value generated and distributed	Year highlights, pages 2–3 Business model, pages 12–13 Group financial review, pages 56–59 Financial Statements, pages 122–157
201-2 Financial implications and other risks and opportunities due to climate change	Risk management, pages 34–43 Environment, pages 87–89 SUEK's position on climate change is available on our corporate website: www.suek.com/en/sustainability/environment/
201-3 Defined benefit plan obligations and other retirement	Our people and corporate culture, pages 95–99 Financial Statements, pages 122–157
201-4 Financial assistance received from government	During the reporting period the company did not receive any subsidies from the government. However, some infrastructural and social projects implemented by the company can be subsidised by the government. Strategy, pages 22–33
203 INDIRECT ECONOMIC IMPACTS	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Communities, pages 100–103
103-3 Evaluation of the management approach	Communities, pages 100–103
203-1 Infrastructure investments and services supported	Business model, pages 12–13 Communities, pages 100–103
203-2 Significant indirect economic impacts	Business model, pages 12–13 Communities, pages 100–103
204 PROCUREMENT PRACTICES	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Business review, page 75
103-3 Evaluation of the management approach	Business review, page 75
204-1 Proportion of spending on local suppliers	In 2019, the Company attracted more than 10 thousand suppliers: 6,816 in the coal segment, 3,235 in the energy segment. 99% of organisations are located in the Russian Federation. See also our Sustainable Development Report for 2018–2019 on the website: http://www.suek.com/investors/reporting/#year_19
205 ANTI-CORRUPTION	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Compliance management system, page 116
103-3 Evaluation of the management approach	Compliance management system, page 116
205-1 Operations assessed for risks related to corruption	SUEK has a corporate risk management system that covers all divisions and businesses of the company. Risk assessment is carried out on a regular basis. Risk management, pages 34–43
205-2 Communication and training about anti-corruption policies and procedures	Compliance management system, page 116
205-3 Confirmed incidents of corruption and actions taken	During the reporting period, no cases of corruption were detected.
206 ANTI-COMPETITIVE BEHAVIOR	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Compliance management system, page 116
103-3 Evaluation of the management approach	Compliance management system, page 116
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2019 the antimonopoly authorities did not apply any legal actions against SUEK regarding violation of the antimonopoly legislation.

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207 TAX

103-1 Explanation of the material topic and its Boundary	Risk management, pages 34–43
103-2 The management approach and its components	SUEK has internal compliance tax policy.
207-1 Approach to tax	SUEK has internal compliance tax policy.
207-2 Tax governance, control, and risk management	Risk management, pages 34–43
207-4 Country-by-country reporting	Financial Statements, pages 122–157

ENVIROMENTAL

301 MATERIALS

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Strategy, page 32 Environment, page 94
103-3 Evaluation of the management approach	Strategy, page 32 Environment, page 94
301-1 Materials used by weight or volume	Environment, pages 92–94
301-2 Recycled input materials used	Environment, pages 92–94
301-3 Reclaimed products and their packaging materials	Strategy, page 32 Environment, page 94

302 ENERGY

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Strategy, page 26 Environment, page 92
103-3 Evaluation of the management approach	Strategy, page 26 Environment, page 92
302-1 Energy consumption within the organisation	Strategy, page 26 Environment, page 92
302-2 Energy consumption outside of the organisation	Accounting is not conducted due to the lack of legislative requirements.
302-3 Energy intensity	Environment, page 92
302-4 Reduction of energy consumption	Strategy, page 26 Environment, page 92
302-5 Reductions in energy requirements of products and services	Not applicable to company's products.

303 WATER AND EFFLUENTS

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Strategy, page 32 Environment, pages 87, 93
103-3 Evaluation of the management approach	Strategy, page 32 Environment, pages 87, 93
303-1 Interactions with water as a shared resource	Strategy, page 32 Environment, page 93

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303-2 Management of water discharge-related impacts Environment, page 93

303-3 Water withdrawal
The company does not use water from vulnerable or state protected sources, or from those of particular importance to local communities or for biodiversity. As the water withdrawn is used to cool the turbines and does not contact the contaminated circuit, the activities of SUEK do not affect the water balance in water bodies. We also use modern treatment facilities to ensure we do not influence water quality.
Environment, page 93

	2015	2016	2017	2018	2019
Coal					
groundwater				Not applicable	16.0
Total volume of water withdrawn from sources, including underground reservoirs, surface reservoirs and wastewater from other companies, million m ³	120.1	137.2	135.8	154.8	146.6
surface water					
third-party water					Not applicable
Transferred to other consumers (without usage), million m ³	106.6	121.9	122.6	138.3	132.0
Energy					
groundwater	-	-	12.6	12.4	16.0
Total volume of water withdrawn from sources, including underground reservoirs, surface reservoirs and wastewater from other companies, million m ³	-	-	2,460.4	2,231.4	2,119.8
surface water	-	-	2,209.1	2,009.6	1,860.1
third-party water	-	-	238,764.1	209,462.8	243,686.5
Transferred to other consumers (without usage), million m ³	-	-	227.8	202.4	238.0

303-4 Water discharge Environment, page 93

	2015	2016	2017	2018	2019
Coal					
Wastewater discharged, million m ³	106.2	123.0	121.3	145.6	135.8
including contaminated without cleaning	42.5	43.5	34.2	29.2	25.9
insufficiently cleaned	50.2	63.2	70.8	70.4	59.0
regulatory clean	3.8	3.9	3.8	5.9	0
cleaned	0.7	2.8	3.3	26.1	40.0
transferred to other consumers (after use)	1.2	1.2	1.2	1.1	1.05
Energy					
Wastewater discharged, million m ³	-	-	2,083.2	1,850.5	1,914.3
including contaminated without cleaning	-	-	11.7	2.5	2.5
insufficiently cleaned	-	-	53.1	27.9	34.4
regulatory clean	-	-	1,826.2	1,805.5	1,862.2
cleaned	-	-	186.9	10.7	8.4
transferred to other consumers (after use)	-	-	5.3	3.9	12.1

303-5 Water consumption Environment, page 93

304 BIODIVERSITY	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Environment, pages 87, 94
103-3 Evaluation of the management approach	Environment, pages 87–88
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	On the sites of production assets, as well as adjacent territories, there are no specially protected natural territories of federal and regional significance. Rare, endangered species of animals, plants and fungi have not been identified.
304-2 Significant impacts of activities, products, and services on biodiversity	
304-3 Habitats protected or restored	Environment, page 94
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	At SUEK's production assets, as well as adjacent areas, rare, endangered species of animals, plants and fungi have not been identified. Environment, page 94

	2015	2016	2017	2018	2019
Coal					
Lands disturbed, ha					
at the beginning of year	17,522	18,112	18,667	19,645	20,427
at the end of year	18,112	18,622	19,261	22,246	21,430
Disturbed during the year, ha	805.0	907	938	2,813	1,742
Recultivated during the year, ha	215.0	397	385	212	552
Energy					
Lands disturbed, ha					
at the beginning of year	–	–	2,668	2,568	2,525
at the end of year	–	–	2,564	2,556	2,525
Disturbed during the year, ha	–	–	0	0	0
Recultivated during the year, ha	–	–	104	12	0

305 EMISSIONS	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Environment, pages 88–91
103-3 Evaluation of the management approach	Environment, pages 87–88
305-1 Direct (Scope 1) GHG emissions	Environment, pages 88–91

	2015	2016	2017	2018	2019
Coal					
Gross emissions, thousand tonnes of CO ₂ -equivalent	3,669	3,793	4 868	5,563	5,149
Energy					
Gross emissions, thousand tonnes of CO ₂ -equivalent	–	–	58,846	56,951	55,409

305-2 Energy indirect (Scope 2) GHG emissions	There are no mandatory legislative requirements for the regular preparation of these indicators and transfer to the authorized state bodies of information on it.
305-3 Other indirect (Scope 3) GHG emissions	There are no mandatory legislative requirements for the regular preparation of these indicators and transfer to the authorized state bodies of information on it.
305-4 GHG emissions intensity	Environment, pages 88–91
305-5 Reduction of GHG emissions	Environment, pages 88–91
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Environment, pages 88–91

	2015	2016	2017	2018	2019
Coal					
Emissions, thousand tonnes:					
Solid substance	7.7	8.5	5.9	8.1	8.5
SO ₂	1.6	1.6	1.7	1.9	2.0
CO	7.6	7.5	7.5	9.0	8.9
NO _x	4.6	4.0	3.8	5.1	6.9
Volatile organic compounds	1.4	1.4	1.9	2.1	2.4
Energy					
Emissions, thousand tonnes:					
Solid substance	–	–	84.5	82.1	79.3
SO ₂	–	–	158.4	150.7	146.9
CO	–	–	17.9	15.5	15.7
NO _x	–	–	114.2	107.7	106.5
Volatile organic compounds	–	–	0.19	0.18	1.58

306 EFFLUENTS AND WASTE

103-1 Explanation of the material topic and its Boundary

Materiality, pages 44–47

103-2 The management approach and its components

Environment, pages 92–99

103-3 Evaluation of the management approach

Environment, pages 87–88
Strategy, page 32

306-1 Water discharge by quality and destination

Environment, page 93

306-2 Waste by type and disposal method

SUEK does not transport, import, export or process waste that is hazardous in accordance with Annexes I, II, III and VIII to the Basel Convention.

	2015	2016	2017	2018	2019
Coal					
Waste generation, thousand tonnes	457,626.1	480,465.4	491,154.3	592 350,0	649 230,7
Including I class hazard	0.005	0.005	0.006	0	0
II class hazard	0.038	0.024	0.023	0	0
III class hazard	1.8	1.3	1.7	2,3	3,4
IV class hazard	7.2	7.9	7.6	10,5	13,0
V class hazard	457,617.0	480,456.2	491,145.0	592 337,0	649 214,2
Collection of waste from other organisations, thousand tonnes	5,454.8	4,836.5	4,856.1	4,170.5	4,163.1
Use of waste, thousand tonnes	341,747.2	391,712.6	387,477.6	431 314,0	437 407,8
Including I class hazard	0	0	0	0	0
II class hazard	0.023	0.013	0.011	0,041	0,025
III class hazard	1.4	0.9	0.9	1,4	2,0
IV class hazard	2.0	1.4	2.7	2,5	4,9
V class hazard	337,894.1	391,710.4	387,474.1	431 310,0	437 401,5
Neutralisation, thousand tonnes	0.8	1.0	0.7	10,2	0,7
Including I class hazard	0.005	0.0046	0.005	0	0
II class hazard	0.011	0.0192	0.003	0	0
III class hazard	0.4	0.4	0.5	0,9	1,2
IV class hazard	0.2	0.6	0.2	3,7	2,2
V class hazard	0.010	0.0064	0.003	5,6	5,8
Available waste at the year-end, thousand tonnes	999,365.75	1,169,865.4	1,107,011.7	1 258 264,0	1 130 840,4
Including I class hazard	0.0002	0.0005	0	0,0004	0
II class hazard	0.010	0.001109	0.005	0,005	0,009
III class hazard	0.1	0.2	0.4	0,3	0,3
IV class hazard	2.8	3.1	0.7	1,4	1,6
V class hazard	999,362.78	1,169,862.1	1,107,010.6	1 258 262,3	1 130 838,5
	2015	2016	2017	2018	2019

Energy					
Waste generation, thousand tonnes	-	-	3,580.41	3,259.28	3,063.60
Including I class hazard	-	-	0.02	0.02	0.07
II class hazard	-	-	0	0.01	0
III class hazard	-	-	0.54	0.59	0.55
IV class hazard	-	-	21.80	21.05	14.26
V class hazard	-	-	3,558.05	3,237.60	3,048.71
Collection of waste from other organisations, thousand tonnes	-	-	0.03	0.07	0
Use of waste, thousand tonnes	-	-	342.66	607.61	1,026.66
Including I class hazard	-	-	0	0	0
II class hazard	-	-	0.01	0.01	0
III class hazard	-	-	0.32	4.75	0.30
IV class hazard	-	-	1.37	39.72	0.30
V class hazard	-	-	340.96	563.13	1,026.44
Neutralisation, thousand tonnes	-	-	512.98	90.09	228.66
Including I class hazard	-	-	0.01	0.02	0.03
II class hazard	-	-	0	0	0
III class hazard	-	-	0.25	0.13	0.24
IV class hazard	-	-	19.68	20.28	9.59
V class hazard	-	-	493.03	69.66	218.91
Available waste at the year-end, thousand tonnes	-	-	127,502.46	126,461.42	133,555.68
Including I class hazard	-	-	0	0	0
II class hazard	-	-	0	0	0
III class hazard	-	-	0.03	0.14	0.09
IV class hazard	-	-	4,318.18	23.19	25.66
V class hazard	-	-	123,184.25	126,526.74	133,529.93

306-4 Transport of hazardous waste The Company does not transport, import, export or process waste that is hazardous under Annexes I, II, III and VIII to the Basel Convention.

306-5
Water bodies affected by water discharges and/or runoff The company does not significantly affect water bodies and associated habitats.

307 ENVIRONMENTAL COMPLIANCE

103-1 Explanation of the material topic and its Boundary Materiality, pages 44–47

103-2 The management approach and its components Environment, pages 86–87

Environment, pages 87–88

103-3 Evaluation of the management approach Compliance management system, page 116

307-1 Non-compliance with environmental laws and regulations

	2015	2016	2017	2018	2019
Coal					
Charges for violation of environmental legislation. including the elimination of damages. \$ thousand	26.9	32.5	36.3	14.0	11.2
Energy					
Charges for violation of environmental legislation. including the elimination of damages. \$ thousand	-	-	17.4	2.0	8.5

308 SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Environment, page 88
103-3 Evaluation of the management approach	Environment, pages 87–88
308-1 New suppliers that were screened using environmental criteria	Environment, page 88
308-2 Negative environmental impacts in the supply chain and actions taken	No negative environmental impact was identified in the SUEK supply chain.

SOCIAL**401 EMPLOYMENT**

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Strategy, page 33 Our approach to sustainability, pages 78–79 Our people and corporate culture, pages 100–105
103-3 Evaluation of the management approach	Strategy, page 33 Our people and corporate culture, pages 100–105
401-1 New employee hires and employee turnover	Strategy, page 33 Our people and corporate culture, page 97
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people and corporate culture, page 98 See also our Sustainable Development Report for 2018–2019 on the website: http://www.suek.com/investors/reporting/#year_19

402 LABOUR / MANAGEMENT RELATIONS

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Our people and corporate culture, pages 100–105 Stakeholder engagement, page 49
103-3 Evaluation of the management approach	Our people and corporate culture, page 99 The company follows the Labour Code of the Russian Federation, which defines the minimum notice period regarding significant changes in the activities of the company (no later than two months before the start of the relevant activities, and in the case of a decision to reduce the number of workers or staff, that may lead to mass layoffs – no later than three months before the start of the relevant activities).
402-1 Minimum notice periods regarding operational changes	

403 OCCUPATIONAL HEALTH AND SAFETY

103-1 Explanation of the material topic and its Boundary	Materiality, pages 44–47
103-2 The management approach and its components	Strategy, page 30 Our approach to sustainability, pages 78–79 Health & safety, pages 80–85 Our people and corporate culture, pages 100–105
103-3 Evaluation of the management approach	Strategy, page 30 Health & safety, pages 80–85
403-1 Occupational health and safety management system	Health & safety, page 81
403-2 Hazard identification, risk assessment, and incident investigation	Health & safety, pages 80–85
403-3 Occupational health services	Health & safety, pages 81–84
403-4 Worker participation, consultation, and communication on occupational health and safety	Stakeholder engagement, pages 48–49 Our people and corporate culture, pages 100–105
403-5 Worker training on occupational health and safety	Health & safety, page 85 Our people and corporate culture, page 98
403-6 Promotion of worker health	Our people and corporate culture, page 98 Health & safety, page 85 See also our Sustainable Development Report for 2018–2019 on the website: http://www.suek.com/investors/reporting/#year_19
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & safety, pages 80–85
403-8 Workers covered by an occupational health and safety management system	Work of all our employees is covered by our health & safety system.
403-9 Work-related injuries	Health & safety, pages 80–85 Causes of fatal accidents and measures taken are described in the table:

Work performed	Causes	Our measures
Coal		
Cutter loader operator while cutting loader operation in the mine	<ul style="list-style-type: none"> • Unauthorised presence in the hazardous area near the moving parts of a mine scraper conveyor 	<ul style="list-style-type: none"> • Assessing the condition of the mine transport facilities at all mine working faces to verify the necessary protection systems and interlocks are in place and working effectively
Coal sizing operator while servicing a feeding bin belt conveyor at the surface coal sizing unit	<ul style="list-style-type: none"> • Violating the Labour Safety Instructions: unauthorised presence in the hazardous area next to moving and rotating parts of a sizing unit • The absence of interlocked fences that prevent access to the moving and rotating parts of the feeding bin belt conveyor 	<ul style="list-style-type: none"> • Checking compliance with industrial safety requirements and ensuring the protection systems and interlocks at surface facilities at the coal washing plants and coal-sizing facilities are working properly • Installing safety guards to prevent access to moving parts of the belt conveyor, interlocked with the equipment to prevent start-up
Underground worker while belting conveyor maintenance and repair	<ul style="list-style-type: none"> • Malfunctioning protection, interlock and alarm systems, the absence of fences • Unauthorised presence in the hazardous area of a non-interlocked belt conveyor 	<ul style="list-style-type: none"> • A targeted inspection to check the condition of belt conveyors, as well as the availability, condition and performance of alarm systems, electrical and mechanical protection tools and interlocks at all of SUEK's units. For the period of the targeted inspection, the operation of all belt conveyors was suspended
Assistant section supervisor while monitoring the operation of loaders and dump trucks in the open-pit mine	<ul style="list-style-type: none"> • Unauthorised presence in the hazardous area of a BelAZ dump truck • No audible signal on the dump truck when it started moving 	<ul style="list-style-type: none"> • Targeted inspection to ensure the availability, condition and performance of the standard sound alarm systems and additional sound alarm systems when disabling the parking brake and moving mining vehicles • Installing equipment to pilot test SUEK's own technical solutions to ensure timely audible alerts are given to both drivers and employees present in the hazardous area, as well as using smart bands to monitor the location of employees
Energy		
Fuel supply operator while servicing a fuel supply belt conveyor	<ul style="list-style-type: none"> • Violating safety requirements: being present in the hazardous area of an operating conveyer 	<ul style="list-style-type: none"> • Equipping conveyor belts with interlock and alarm systems • Installing video surveillance cameras in hazardous areas of the fuel supply line
Process pipeline fitter when installing work at height	<ul style="list-style-type: none"> • Not wearing fall arrest personal protective equipment 	<ul style="list-style-type: none"> • Verifying the condition of all safety decks, platforms and safety systems to ensure safe work at height
Electrical fitter repairing power plant equipment while working in high-voltage electrical installations	<ul style="list-style-type: none"> • Poor control of work safety during electrical installations • Working on electrical installations without switching off the electricity supply 	<ul style="list-style-type: none"> • Checking compliance with labour safety requirements relating to electrical installations at power facilities
Equipment repairman when installing and doing repair work at a height	<ul style="list-style-type: none"> • Violating labour safety requirements when voluntarily leaving a safe working area where there were no risks of falling from height 	<ul style="list-style-type: none"> • Verifying the practical skills of employees related to the use of safety platforms and fall arrest systems when working at a height
Overall measures		
<ol style="list-style-type: none"> 1. Alerting SUEK's production personnel to the causes of the accidents and developing plans to address them in working groups; posting information sheets on HSE stands 2. Briefings for SUEK's dedicated safety staff on specific methods of preventing different kinds of accidents 3. Labour safety training and testing employees' understanding of how to operate safely, in specific the scenarios where the accidents have occurred 4. Updating the test questions in training terminals to reflect findings following the accidents 5. Making videos that reflect issues raised during investigations into the causes of the accidents, demonstrating safety measures should be applied in similar situations 6. Exceptional industrial safety certification for engineers and technical workers and heads of units where the accidents have taken place 7. Updating internal documents that regulate safe working methods and techniques to ensure these include actions to eliminate the causes of the accidents 8. Considering the circumstances and causes of any accident, ensuring comprehensive measures have been taken to prevent similar occurrences and individuals are held personally accountable by SUEK's Industrial Safety Committee overseen by the Management Board 		

404 TRAINING AND EDUCATION	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44-47
103-2 The management approach and its components	Our people and corporate culture, pages 95, 98-99
103-3 Evaluation of the management approach	Our people and corporate culture, pages 98-99
404-1 Average hours of training per year per employee	Our people and corporate culture, pages 98-99
404-2 Programs of upgrading employee skills and transition assistance programs	Our people and corporate culture, pages 98-99
405 DIVERSITY AND EQUAL OPPORTUNITY	
103-1 Explanation of the material topic and its Boundary	Our people and corporate culture, pages 96-97
103-2 The management approach and its components	Our people and corporate culture, pages 96-97
103-3 Evaluation of the management approach	Our people and corporate culture, pages 96-97
405-1 Diversity of governance bodies and employees	Our people and corporate culture, pages 97 Corporate governance, pages 104-121
405-2 Ratio of basic salary and remuneration of women to men	SUEK has set the same base salary for men and women.
406 NON-DISCRIMINATION	
103-1 Explanation of the material topic and its Boundary	Our people and corporate culture, page 96
103-2 The management approach and its components	Our people and corporate culture, page 96
103-3 Evaluation of the management approach	Our people and corporate culture, pages 95-99
406-1 Incidents of discrimination and corrective actions taken	Incidents of discrimination have not been identified during the reporting year.
407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
103-1 Explanation of the material topic and its Boundary	Materiality, page 45
103-2 The management approach and its components	Our people and corporate culture, pages 96, 98
103-3 Evaluation of the management approach	Our people and corporate culture, page 98
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During the reporting period it was not revealed.
408 CHILD LABOR	
103-1 Explanation of the material topic and its Boundary	Our people and corporate culture, page 96
103-2 The management approach and its components	Our people and corporate culture, page 96
103-3 Evaluation of the management approach	Our approach to sustainability, page 78
408-1 Operations and suppliers identified as having significant risk for incidents of child labour	SUEK is against the practice of child labour, and no such incidents were identified during the reporting year.
411 RIGHTS OF INDIGENOUS PEOPLES	
103-2 The management approach and its components	SUEK does not operate in the areas of residence of small and indigenous peoples. In the framework of the current legislation of the Russian Federation, the boundaries of license areas cannot include territories inhabited by them.
411-1 Incidents of violations involving rights of indigenous peoples	Incidents of violations involving rights of indigenous peoples have not been identified.
413 LOCAL COMMUNITIES	
103-1 Explanation of the material topic and its Boundary	Materiality, pages 44-47
103-2 The management approach and its components	Strategy, page 33 Communities, pages 100-103
103-3 Evaluation of the management approach	SUEK's social programmes are assessed in numerous Russian ESG ratings and competitions. For details, see our Sustainable Development Report for 2018-2019 on the website: http://www.suek.com/investors/reporting/#year_19 .
413-1 Operations with local community engagement, impact assessment, and development programmes	Stakeholder engagement, pages 38-40 Communities, pages 106-110
413-2 Operations with significant actual and potential negative impacts on local communities	Environment, pages 92-99

Coal Reserves Report

SUEK's coal reserves were audited by SRK Consulting (UK) Limited as of January 1, 2019.

Although the statement on resources and reserves is dated January 1, 2019, SRK took into account the information provided by the company during the asset visits and discussions during 2019, as well as the permissions received or filed during 2019. Taking into account the release date of the Annual Report and the date of the audit, the data are presented taking into account the production of assets for 2019.

The reporting of SUEK's Coal Resources and Reserves, SRK has used the guidelines of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the JORC Code).

All coal reserves are indicated by rock mass (RoM) and are within the areas of existing licenses or territories where SUEK plans to obtain licenses and has provided funding for this.

Region/Site	Reserve, Mt 31.12.2019
Kemerovo Region (Kuzbass) – hard coal	2,125
Kamyshansky open-pit	127
Kirov underground mine	592
Komsomolets underground mine	125
Polysaevskaya underground mine	26
Ruban underground mine (Krasnoyarskaya incl Magistralny 2011)	144
November 7 th Novaya underground mine	249
Taldinskaya-Zapadnaya 1 underground mine	145
Taldinskaya-Zapadnaya 2 underground mine	157
Yalevsky underground mine	437
Zarechny open-pit	123
Krasnoyarsk region – brown coal	3,967
Berezovsky open-pit	3,369
Borodinsky open-pit	528
Nazarovsky open-pit	70
Zabaikalye	539
Apsatsky open-pit – coking coal	70
Kharanorsky brown coal	315
Vostochny brown coal	154
Buryatiya – hard coal	317
Nikolsky open-pit	262
Tugnuisky open-pit	55
Khakassia – hard coal	342
Abakansky open-pit	39
Chernogorsky open-pit	142
Izykhsky open-pit	38
Vostochno-Beisky open-pit	123
Primorye	108
Nekkovy open-pit – hard coal	3
Pavlovsky open-pit – brown coal	106
Khabarovsk region – hard coal	222
Bureinsky open-pit	22
Pravoberezhny open-pit	114
Severnaya underground mine	86
Total	7,621
Hard coal	3,006
Brown coal	4,545
Coking coal	70

Glossary

Terms and definitions

Ash dump A place for collecting ash and slag generated during the combustion of solid fuel-solid fuels at thermal power plants.

'Alternative boiler' tariff A method introduced in Russia in 2017. It is used for calculating heating prices, when only the maximum long-term level is set. It is calculated based on the cost of constructing and operating a new alternative boiler house. The final heating price is determined by agreement of the parties.

API 2 Index The CIF (cost, insurance and freight) price of coal at the ports of ARA (Amsterdam, Rotterdam and Antwerp) with coal calorific value of 6,000 kcal/kg.

API 8 Index The CFR (cost and freight) price of coal delivered to south China with coal calorific value of 5,500 kcal/kg.

Bettercoal Global non-profit organisation promoting continuous improvement in corporate social responsibility related to coal supply systems, including for social, environmental and ethical practices.

Calorific value The amount of potential energy in coal that can be converted into actual heat.

Coking coal Coal suitable for carbonisation in coke ovens. This must have good coking properties to produce strong coke for steel making, with low sulphur and phosphorus content.

Day-Ahead Market (abbr. as DAM) Competitive selection of price and price-taking applications of suppliers and buyers a day before the actual supply of electricity with the determination of prices and supply volumes for each hour of the day.

DPM (or DPM-1) The programme of capacity supply contracts initiated by Russian energy market regulators lasted from 2010 until the end of 2018 and was designed to stimulate investment into the construction of new power generating capacity. Under the programme, investors committed to building a certain generation capacity within the specified period. In return, they received a guarantee on the return of invested funds supported by an increase to sold capacity prices during the subsequent 10 years. Any investor that did not meet their commitments under this programme would be subject to strict penalties.

DPM-2 The programme, launched by the Russian government in February 2019 as a continuation of DPM-1 programme, guarantees a return on investment in heat and power capacity development for participating projects up until 2030.

ESG Environmental, social and governance criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

FOB 'Free On Board' means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

globalCOAL NEWC Index based on the Free On Board (FOB) delivery of thermal coal at the Port of Newcastle in Australia with coal calorific value of 6,000 kcal/kg NAR.

HELE High-efficiency, low-emissions coal-fired power plants with supercritical and ultra-supercritical steam cycles.

High-CV coals are coals with a calorific value of 5,600+ kcal per kg. Calorific Value is the most important parameter that determines the economics of the power plant. It indicates the amount of heat that is released when the coal is burned.

Installed capacity The amount of energy that a power station is able to produce

LoM Life-of-mine model is specifically designed for each coal production unit based on 3D geology, using special mining software, and covering the production process for both brownfield and greenfield operations for the total duration of mining.

Metallurgical coal Generic term referring to coking coal and its different qualities as well as Pulverised coal injection coal (PCI).

Sized coal Coal which has passed through a screening process and is grouped into ranges according to size of particles. It is used mainly by households for heating purposes.

System Operator of Unified Energy System
An organisation that carries out centralised operational dispatch control in the Unified Energy System of Russia.

SRK SRK Consulting is an independent, international consulting practice that provides advice and solutions mainly to the metals and mining sector .

Abbreviations and acronyms

BAM Baikal–Amur Mainline	LIBOR London Interbank Offer rate
bn Billion	LNG Liquefied natural gas
Bt Billion tonnes	LTIFR Lost time injury frequency rate
CAPEX capital expenditure	M&A Mergers and acquisitions
CHPP Cogeneration or combined heat and power plant	m³ Cubic metre
CNY Chinese Yuan	mm Millimetre
CSR Corporate social responsibility	Mtce Million tonnes of coal equivalent
EBITDA Earnings before interest, tax, depreciation and amortisation	Mtoe Million tonnes of oil equivalent
ERP Enterprise Resource Planning	Mt Million tonnes
CAGR Compound annual growth rate	MW Megawatt
Gcal Gigacalorie	MWh Megawatt-hour
GCHPP Gas combined heat and power plant	NGO Non-governmental organisation
GTPP Gas turbine power plant	OHSAS Occupational Health & Safety Assessment Series
GDP Gross Domestic Product	PCI Pulverized coal injection
GHG Greenhouse gas	PPE Personal protective equipment
GRES State District Power Plant	PR Public Relations
GW Gigawatt (one billion watts)	R&D Research & Development
ha Hectare	RUB Russian Rouble
HPP Hydro Power Plant	SPP Solar Power Plant
HR Human resources	SRM Supplier relationship management
HSE Health, Safety and Environment	ths Thousand
ISO International Organisation for Standardisation	TPP Thermal Power Plant
kcal Kilocalorie	TWh Terawatt hours
kcal/kg Kilocalories per kilogramme	UN United Nations
kg Kilogramme	WP Washing plant
km Kilometre	\$ US Dollar
KPI Key performance indicator	\$m Million US Dollars
kW Kilowatt	€ Euro
kWh Kilowatt-hour	

About this report

This Integrated Report presents the results of SUEK Group's¹ operations in 2019.

We use the term 'Coal Segment' to describe our coal production and sale operations, while the term 'Energy Segment' is used to describe our activities related to the generation of electricity and heat. The term 'Logistics Segment' covers SUEK's rail transportation and coal transshipment operations at ports.

One of the key objectives of this Report is to demonstrate how SUEK responds to macroeconomic and market challenges, enhances its competitiveness and improves efficiency across all stages, adapts

its strategy and management methods to stakeholder requirements, including an increasing focus to environmental, industrial safety and societal issues, and also develops its coal, energy and logistics businesses.

The Report presents SUEK's updated goals and risks for the medium term in line with its Strategy to 2023 (see pages 22–33).

For the fourth consecutive year, we have aligned our 2019 Report with the principles of integrated reporting, as set out in the International Integrated Reporting Council's (IIRC) Framework. We also take into account Russian legislative requirements.

In our disclosure of non-financial information, we adhere to GRI Standards.

This Integrated Report should be read alongside our 2019 audited financial statements, prepared in accordance with International Financial Reporting Standards (IFRS). The Report was prepared under the supervision of SUEK's Chief Financial Officer and with the Audit Committee of the Board of Directors also collectively contributing to its preparation and ensuring its overall integrity. The draft of the Report was approved by the Board of Directors in March 2020 and is subject to approval at the General Meeting of Shareholders.

Information on the company

The key assets of JSC SUEK are coal-mining and generating assets, processing facilities, port, transport and service facilities in 12 regions of Russia, as well as the international trader SUEK AG and its trading network. SUEK LTD is responsible for the Group's fundraising. The share capital of JSC SUEK amounts to RUB 1,180,300

(one million, one hundred and eighty thousand, three hundred Russian Roubles) divided into 236,060,000 (two hundred and thirty-six million and sixty thousand) ordinary registered shares with a face value of RUB 0.005 (zero point double zero five Russian Roubles) each. The main beneficiary of SUEK is Andrey Melnichenko.

Forward-looking information and statements on competitive position

This Annual Report contains certain forward-looking statements. All statements, other than those of historical fact, are forward-looking statements that involve risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated.

The information contained herein represents management's best judgement as at the date of the Report, based on information currently available. SUEK does

not assume the obligation to update any forward-looking statements. Any statements referring to the Group's competitive position are based on our understanding of the prevailing market environment.

This derives from a range of sources including investment analysts' reports, independent market studies and SUEK's own assessments of market share, based on the publicly available information regarding the financial results and performance of market participants.

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¹ In this Report, each of the terms 'SUEK', 'SUEK Group', 'the Group', 'the company', 'we' refer to all companies consolidated in the IFRS financial statements of JSC SUEK (Russia), including, inter alia, SUEK LTD, SUEK AG, Siberian Generating Company (SGC) and their subsidiaries. From October 2019, our operational and financial performance includes the results of acquired Reftinskaya GRES.