

RESPECT FOR EMPLOYEES' LABOR RIGHTS

Labor Disputes Commission

The procedure for work and regulation of activity of the Labor Dispute Commission (LDC) of PJSC IDGC of Siberia and its branches is defined in the Company standard. The Commission is formed at the initiative of employees (employee representative body) and (or) employer of the equal number of employees' and employer's representatives.

LDC considers individual labor disputes, except for those for which the Labor Code of the Russian Federation and other federal laws provide for another procedure of consideration.

An employee may apply to LDC within three months after it becomes aware or shall become aware of the fact of violation of its labor right.

To apply to LDC, an application shall be prepared in accordance with the established form. The Labor Disputes Commission considers the application within 10 calendar days upon its receipt and makes a decision by secret voting by majority of votes presenting at the meeting of the Commission.

Labor Movement

In order to form and maintain high standards of corporate ethics, Company management follows the policy of social partnership. The Company is a member of the All-Russian Industrial Association of Employers in Energy Sector (ERA Association of Russia) participating in the development and execution of the Sectoral Tariff Agreement for Power Sector. To ensure control over respect for employee's legal rights and interests, Company branches have primary labor union organizations in which 57% of the total headcounts participate. Relations between labor unions and the employer are built based on the principle of peer interaction between the parties of the labor relations. Opinion of members of a labor union organization, as direct representatives of an employee, is taken into account when making a collective agreement, when developing professional standards, when forming balanced position for disputable production issues, as well as when preparing programs of socioeconomic cooperation with regional administrations.

Collective Agreement

A practice related to execution of Collective Agreement exists in every branch of the Company. The Agreement governs social and labor relations and provides for rights and obligations of the parties of social partnership in the Company, namely: an employer, employees and an authorized representative of employees. To ensure control over respect for employee's legal rights and interests, Company branches have primary labor union organizations in which 57% of the total headcounts participate. Provisions of the Agreement are based on the principles of equality, respect and observance of rights and legal interests of the parties of social partnership in the Company, voluntariness, legitimacy, justification of assumption of obligations, and obligatory and practical nature of their discharge. In 2018 no facts of breach of the Collective Agreement were found.

Goals of the Collective Agreement are as follows:

- Development of contractual relations between the parties of social partnership in the Company
- Alignment of interests of the parties of social partnership in the Company during regulation of social and labor relations
- Exercise of social and economic rights and guarantees of employees provided for by the labor law and the Sectoral Tariff Agreement
- Improvement of labor efficiency, production efficiency and competitive ability of the Company
- Attraction and retention of qualified employees
- Observance of labor and industrial discipline, job safety requirements, fire safety requirements, safety specifications and occupational health requirements
- Ensuring social stability in the Company and maintenance of an image of a socially responsible company in the outside environment