

RECRUITMENT

The growing competition for IT talent means that companies need to continuously refine their HR strategies, take an active stand on talent retention, encourage out-of-the-box thinking and drive innovation. MTS augments its talent pool management system through mentoring. The wider product concept of the near future will require more talent with unique skills. To address this, the Company actively engages young specialists, university students and small developer teams working on innovative products. MTS offers excellent career and development opportunities, with more than 80% of vacancies filled internally, going up to 85% for management roles. MTS's strong employer brand is not just the external image of an employer of choice but also an effective driver of business capitalization and a reputational asset.

WORKING WITH UNIVERSITIES

The MTS Skills project

MTS Skills is an intensive training course for students with three parallel master classes in soft skills.

MTS Group cooperates with over 30 universities, including HSE University (Higher School of Economics), MIPT (Moscow Institute of Physics and Technology), MTUCI (Moscow Technical University of Communications and Informatics), BMSTU (Bauman State Technical University), Plekhanov Russian University of Economics, FINU (Financial University under the Government of the Russian Federation), MSU (Lomonosov Moscow State University), MAI (Moscow Aviation Institute), NUST MISIS, Skoltech (Skolkovo Institute of Science and Technology), National Research Nuclear University MEPhI, Saint Petersburg State University, SPbPU (Peter the Great St. Petersburg Polytechnic University), ITMO University (Saint Petersburg), NNSTU (Nizhny Novgorod State Technical University named after R.E. Alekseev), SibSUTIS (Siberian State University of Telecommunications and Information Science), KUBSTU (Kuban State Technological University), etc.

The master classes are usually hosted by universities and start with an internship pitch and career advice sessions. There are many areas for students to try and excel in, including IT, marketing, procurement, HR, PR, technology and finance. The project makes it possible not only to contribute to the existing business but also to suggest new areas for the Company to step out into. This means that students can find an internship opportunity in almost any profession.

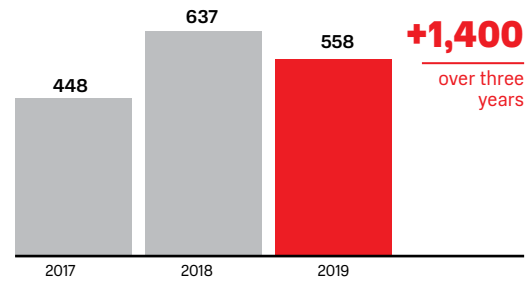
Under the project, B2B School events were held in Yekaterinburg and Saint Petersburg, with MTS's management acting as mentors and featuring joint lectures, externship programs and career days. University engagement was also facilitated by former interns acting as MTS brand ambassadors in student communities.



At the master classes, instructors of the MTS Corporate University talk about disciplines such as personal effectiveness, leadership, emotional intelligence, mind maps and Agile. They also discuss soft skills transformation in the digital age, a rapid paradigm shift in the market and future job skills.

In 2019, MTS Skills master classes were held at 17 universities in 11 cities – Nizhny Novgorod, Ufa, Novosibirsk, Krasnodar, Saint Petersburg, Kaliningrad, Rostov-on-Don, Voronezh, Ulyanovsk, Yekaterinburg and Perm. A total of over 800 students participated. Over 5,000 internship requests were received in 2019, with 525 candidates successfully passing selection and becoming interns, and 110 of those accepting job offers at the Company.

\\ Number of students completing an internship at the Company in 2017–2019, interns



Students from target universities normally take internship at either business or IT divisions. In 2019, the split was 359 interns at business and 156 interns at IT.

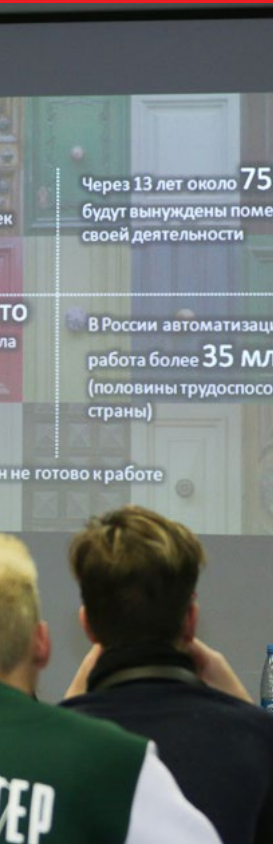
Targeted regional training programs are developed based on the universities' profiles and MTS Group's needs. For example, partner master's programs are traditionally developed with MAI (Moscow Aviation Institute) and Skoltech, laboratory and practical classes – with ITMO University, and specialized courses – with Innopolis University and Kazan (Volga region) Federal University. The number of IT interns was down year-on-year in 2019 because most of them ended up accepting job offers from the Company.



The list of 2020 priority competencies includes:

- > holistic approach to problem solving
- > critical thinking
- > creativity
- > management
- > collaboration
- > emotional intelligence
- > customer focus
- > negotiating skills.

The most in-demand skills were cognitive flexibility and open-mindedness.



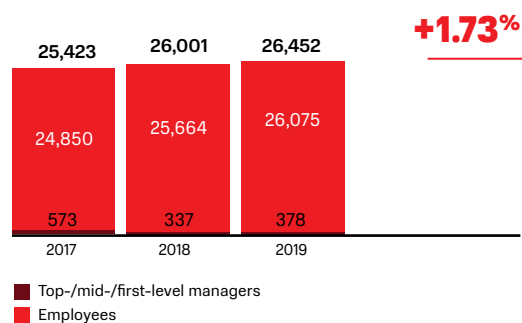
\\ New hire mix, 2017–2019

Indicator	2017	2018	2019	Change 2019/2018, %
Number of new hires	26,167	26,718	27,662	3.53
Managers:				
> top-level	4	10	13	30.00
> mid-level	114	81	102	25.93
> first-level	514	298	365	22.48
Specialists	22,465	26,071	26,876	3.09
Of which:				
> RTC JSC specialists	13,681	17,608	16,522	-6.17
> young specialists	3,070	258	306	18.60



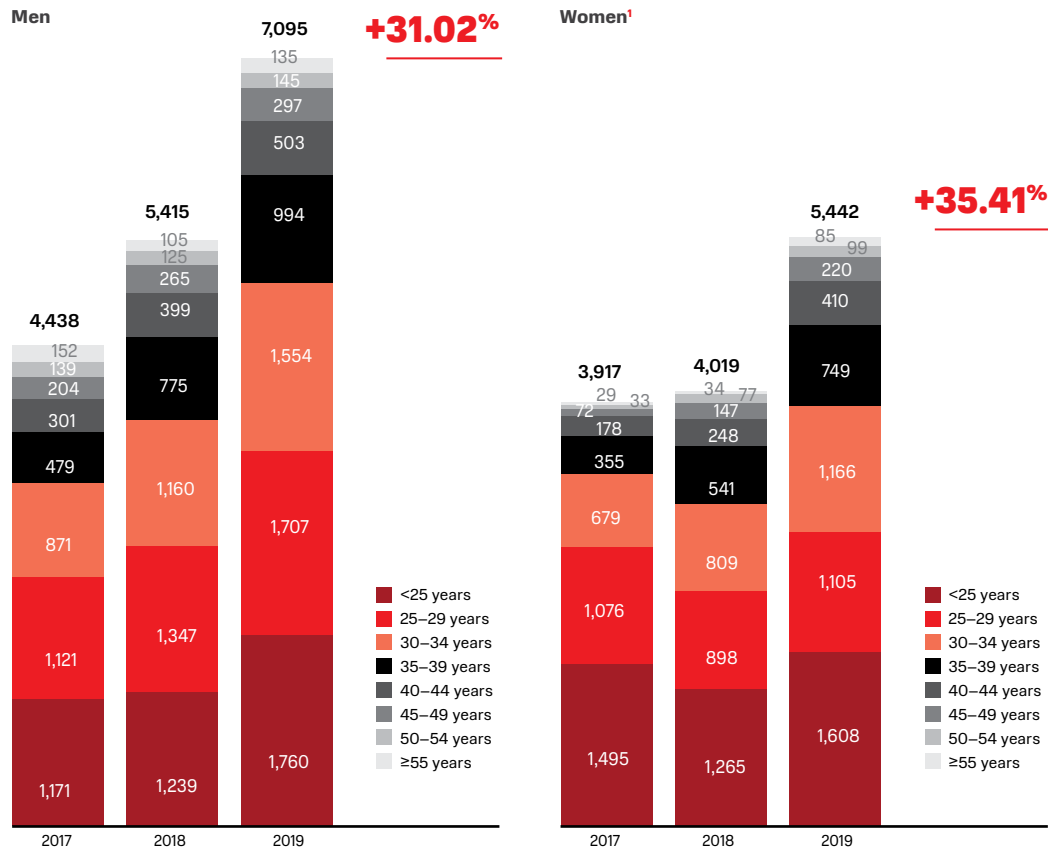
Staff recruitment at MTS is mostly insourced. The Company has a strong demand for workplace-ready talent fully equipped with the necessary skills and competencies. Some roles are filled with younger candidates that are expected to mature over time. These talents are put on intensive corporate training programs from the very start of their employment. The Company also scouts the market for mature experts who can pass on their expertise to the teams they become part of. Re-skilling is mostly used by individuals already employed by MTS when they see the need for additional skills in related fields to make the next meaningful step in their career tracks.

Employees hired from local communities, (people)



GRI 103-1

\\ Total number of employees recruited in 2017–2019 (people)



MTS'S "A COMPANY FOR ALL AGES" PROJECT

The project targets primarily the 40-plus demographic and actively explores the issues around the recruitment, onboarding and retention of employees in this age group. MTS seeks to communicate the challenges related to the labor market's realities and prospects and promote age diversity within the Company. In 2019, over 600 MTS managers were trained in working with older candidates in an age diverse workforce. MTS's "A Company for All Ages" project is especially important now, given Russia's recent increase in the retirement age. Attitudes to older demographics need to change so that business managers could see the benefits brought by older workers.

The project involves regional HR organizations and the heads of multiple units across MTS. In Samara, Nizhny Novgorod and Ryazan, MTS has

teamed up with local public Employment Centers to hold a series of educational social events to create comfortable working environment for age-diverse teams.

An important task for the project is to develop managers' skills for working in age-diverse environments, including skills to recruit and retain older talent. The Company is willing to hire candidates of various age groups to fill mass vacancies and puts a lot of effort and resources into challenging stereotyped attitudes about this issue.

MTS's "A Company for All Ages" project is the Company's challenge designed to address the social issues related to demographic decline in Russia. According to forecasts by the Federal State Statistics Service (Rosstat), given the current demographic slump, working age population in Russia will keep declining through 2030.

¹ The new hire mix is provided for the larger MTS Group companies.

GRI 103-2**EMPLOYMENT OF PEOPLE WITH DISABILITIES**

Pursuant to Federal Law No. 181-FZ dated November 24, 1995 On the Protection of People with Disabilities in the Russian Federation, MTS develops an inclusive environment program in its offices with emphasis on three key aspects:

- > Equal opportunities for people with disabilities in the vacancy market
- > Physical workplace accessibility
- > Tolerant atmosphere within teams

The Attitudes to People with Disabilities. Inclusive Culture survey of MTS and retail chain employees was conducted in 2019 under the inclusive environment program. The findings suggest that 86% of the respondents agree that MTS should create special conditions for people with disabilities.

The Proper Communication with People with Disabilities (Coworkers, Customers) webinar was held for MTS Group employees in 2019. MTS administrative offices and retail stores in Moscow and adjacent areas were audited for accessibility to people with reduced mobility, including people with disabilities. The offices and stores were found to be conditionally accessible as some of the existing architectural requirements for building design can not be complied with for technical reasons.

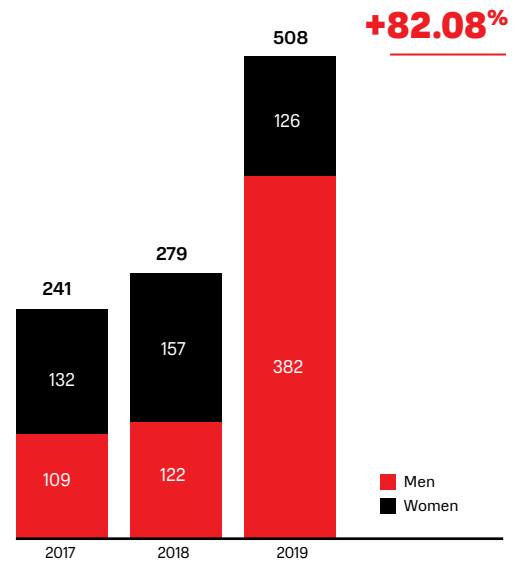
The Path to a Career project for people with disabilities targeting both graduates and senior students was launched in partnership with Russian Disability NGO Perspektiva. The project's objective is to facilitate professional fulfillment and successful employment of ambitious and talented specialists with disabilities in leading Russian and international companies.



GRI 405-1



\\ Number of employed people with disabilities (people)



A survey has shown that 34% of our employees would like to see a person with disability in their team, with 61% being neutral.

The program highlights:

4 participating regions

420 participants
with various disabilities

70 finalists

30 employed participants
and one intern