

## SOCIAL PROGRAM MANAGEMENT SYSTEM

**MTS tops the social efficiency ranking of major Russian companies compiled by Russia's AK&M rating agency.**

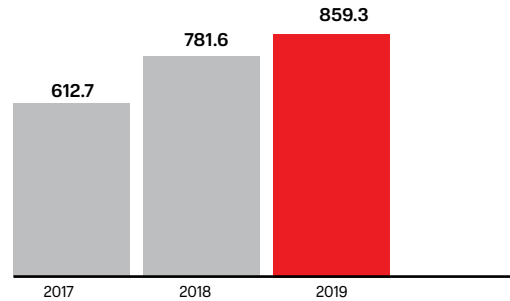
The Company operates in 83 Russian regions and considers long-term business sustainability and the development of these areas as deeply interconnected. Therefore, MTS is guided by its business strategy, CSR strategy and charity policy in pursuing its comprehensive social investment program to support local communities.

The key priorities of regional social investment planning are a tailored approach and focus on addressing the most pressing and acute problems faced by people in a particular area. Therefore, the MTS comprehensive social investment program is based on the principle of phased support and bottom-up initiative development, from meeting the needs of local communities to building tripartite partnerships between society, government and business, to maintain and develop the unique social and cultural profile of each region.

MTS conducts comprehensive post-project reviews involving the project participants and external experts, with the evaluation results and feedback discussed with all stakeholders. A key principle for social and charitable project evaluation is comparing the resources employed (human, material, etc.) to the outcomes achieved, measured in terms of social impact and positive change, project reach and target audience engagement.

A robust management system was put in place to run the program, including a federal-level team of employees dedicated full-time to social projects as well as regional specialists from across Russia and volunteer movements. Social initiatives directly involve the Company's top management and the directors of regional representative offices. Regional directors use their own social networks to invite volunteers to join in, actively respond to regional events and act as a single "entry point" for all initiatives, partners and authorities. The Company consistently allocates a budget for the social investment program based on the previous period spend and project plans for the next season.

**\\ MTS Group's total spend on charitable and social projects (RUB million)**



The social investment program planning and prioritization is done annually and driven by the MTS regional business development strategy, analysis of the social and economic situation in each particular region, stakeholder needs and the outcomes achieved in previous periods.

Awareness of the program is raised by addressing the current needs of people in a particular region as stories of helping ordinary people and supporting socially and culturally significant sites elicit strong emotional response from users of social media and messengers, as well as from the mass media.