



ANNUAL REPORT
2020

TABLE OF CONTENTS

2020 ANNUAL REPORT



ABOUT SISTEMA CHARITABLE FOUNDATION

- 7 [Charity strategy](#)
- 13 [Key numbers](#)
- 15 [Events calendar](#)



ОБРАЗОВАНИЕ

- 19 [Lift to the Future](#)



SOCIAL ENVIRONMENT AND VOLUNTEERING

- 33 [#STRANABEZVIRUSA](#)
- 37 [Sistema Fest regional festivals](#)
- 41 [Support to veterans](#)
- 43 [Corporate volunteering](#)
- 45 [New Year events](#)
- 47 [Healthy lifestyle](#)
- 49 [Partner projects](#)



CULTURE AND ARTS

- 52 [Support to the Russian Museum](#)



SISTEMA CHARITY

- 59 [SISTEMA CHARITY](#)
- 65 [GENERAL INFORMATION ON THE ACTIVITIES OF THE FOUNDATION](#)

WELCOME



**Vladimir
Evtushenkov**

Chairman of the Board of Directors,
Sistema PJSFC



The year 2020 was a challenge to all of us, including Sistema PJSFC. The Foundation promptly responded to the large-scale challenges that posed threat to the health of people, and offered support to medical professionals. The #STRANABEZVIRUSA (“virus-free country” in Russian) initiative engaged 12 companies of the Group and attracted numerous external partners. More than one hundred events were implemented, and the total volume of aid that was rendered reached RUB1.7 billion. At the same time, we never stopped our long-term social initiatives. On the contrary, we scaled them up and reinforced them using synergies among the Corporation’s assets. Our flagship program Lift to the Future, which aims to improve access to education, help young people to choose a profession and get employment independent of where they live, also gained new momentum in a new digital format».



**Oksana
Kosachenko**

President,
Sistema Charitable Foundation

«The past year 2020 demanded greater efforts from the whole planet. Having faced a new challenge, the Corporation joined efforts within the #STRANABEZVIRUSA event that provided protective equipment, communication and additional services to doctors, nurses and their families, as well as to medical institutions and R&D centers across the country.

Traditionally, the key focus area of the Foundation was the Lift to the Future educational project that, due to the respiratory restrictions, gained a new aspect - it went online after its 10-years-long offline journey.

Digitization touched upon the Culture stream as well - the Russian Museum launched online tours and courses, including those in the sign language, which promotes the development of an inclusive environment.



ABOUT SISTEMA CHARITABLE FOUNDATION

Sistema Charitable Foundation is one of the largest charitable foundations in Russia that was created as an operator of social responsibility activities of companies belonging to the Sistema =Group back in 2004. Sistema CF invests in education and professional development, supports culture and arts projects aimed at equal opportunities for all.

OUR MISSION

Maximum efficiency of impact investment in the key areas: education, culture, arts, social environment and volunteering.

The new mission of Sistema Charitable Foundation addresses three key tasks:



Facilitate the resolution of social issues via new technological inventions and services.

Enable everyone - independent of the age or geography - to develop professional skills.

Accumulate the experience and resources of the Group to implement social projects.

KEY PRINCIPLES OF THE FOUNDATION

The Foundation's activities are governed by the Civil Code and the Federal Law dated 11 August 1995 No. 135-FZ "On charitable activities and volunteering". The Foundation is guided by Russian and international best practices in corporate social responsibility and charity.

Our main principles are openness and transparency, recognition of our donor companies' social priorities and public demands.

GEOGRAPHY

The Foundation implements a charitable program across the Russian Federation focusing on the regions where our donor companies operate. The Foundation has its own full-time operating team, with contractors and experts engaged as required. The office of the Foundation is located in Moscow, and it has no branches or representative offices in Russia or abroad.

PARTICIPANTS OF OUR PROGRAMS IN 2020

5

states

- Belarus
- Kazakhstan
- Kyrgyz Republic
- Ukraine
- Switzerland

25

entities of the RF

- Altai
- Arkhangelsk Region
- Bashkortostan
- Vologda Region
- Dagestan
- Kalmykia
- Karachay-Cherkessia
- Karelia
- Kirov Region
- Komi
- Kostroma Region
- Krasnodar Territory
- Kurgan Region
- Moscow and Moscow Region
- Nizhny Novgorod Region
- Novosibirsk Region
- Omsk Region
- Rostov Region
- Samara Region
- Smolensk Region
- St. Petersburg and Leningrad Region
- Stavropol Territory
- Tula Region
- Udmurtia
- Yaroslavl Region

CHARITY STRATEGY



**Felix
Evtushenkov**

Chairman of the Board of Trustees, Sistema CF



Sistema PJSFC is a socially responsible Corporation that is developing the model of the Russian economy of the future. The variety of the Foundation's projects is in line with the different streams of activities performed by Sistema's assets, they combine the resources of the Corporation's companies and partners to ensure long-term contribution to improving people's lives. The projects help to address acute social issues in the regions, such as public health, career guidance for teenagers, internal migration and infrastructure improvement.

Education has always been a priority for the Foundation, and we will continue developing educational content that allows to offer a broad range of opportunities for development, self-fulfillment and career guidance in a user-friendly format. Cultural projects focused on equal access to the masterpieces on display in the Russian Museum also make an important contribution».



One of the keys to the efficiency of Sistema Charitable Foundation projects is long-term cooperation with the Foundation's partners, which scales up the social impact of the Corporation. The establishment of a new focus area - Sistema Charity - makes it possible to re-focus the educational and social initiatives of the Foundation on joint efforts that take into account the needs of its subsidiaries and affiliates.

The primary objective of the Foundation is to set up an ecosystem of social activities and charitable initiatives of the Group companies, which will make one coordinated charity program within the Corporation. By 2023, we will have a mechanism to identify social best practices of the Corporation and to provide media support to them. A single philanthropic projects management system will significantly reinforce the overall social impact of the charitable activities of the Group assets.

The second focus area of the strategy is the development of Lift to the Future, the flagship project. By 2023, the Lift to the Future brand will cover all educational initiatives of the Group companies and make them digital. This expands the geographical footprint of the project and offers access to educational best practices to school and college students across Russia.

A stronger communication strategy of Sistema CF along with the promotion of its key projects in the media space enhances the reputation of Sistema PJSFC as a socially responsible organization.



FOCUS AREAS OF THE FOUNDATION



EDUCATION

Lift to the Future



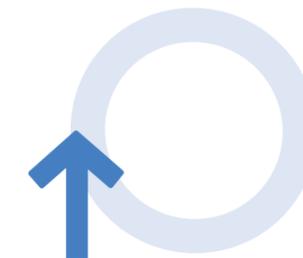
SOCIAL ENVIRONMENT

#STRANABEZVIRUSA
Sistema Fest
Support to veterans
Corporate volunteering
Healthy lifestyle



CULTURE AND ARTS

Support to the Russian Museum
Support to the Lenino-Snegiri Military History Museum



SISTEMA CHARITY

Consolidation of social initiatives of the Corporation's companies
Corporate projects

BOARD

The Board is the supreme governance body of the Foundation. The Board is authorized to determine the priority focus areas for the Foundation, approve its annual charity program, elect members of the governance bodies of the Foundation and to address other key issues in accordance with the Charter of the Foundation. In 2020 the Board met eleven times.



Matveyeva
Svetlana

Chairperson of the Board of Sistema CF,
Vice President HR of Sistema PJSC



Barsegyan
Alexey

Vice President Corporate and Legal of MTS
PJSC



Kosachenko
Oksana

President
of Sistema Charitable Foundation



Platoshin
Vasily

Economics and Finance Director of
STEPPE Agroholding JSC



Chernysheva
Tatiana

Vice President HR of MTS PJSC^o
^ountil July 2021

BOARD OF TRUSTEES

Members of the Board of Trustees are authorized to supervise the use of the Foundation's funds and compliance with the legislation of the Russian Federation, control the decisions made by its bodies and their execution. Meetings of the Board of Trustees are held as necessary at least once a year. In 2020, the Board of Trustees met once.



Evtushenkov
Felix

Chairman of the Board of Trustees of Sistema
CF, member of the Board of Directors
of Sistema PJSC, Chairman of the Board of
Directors of MTS PJSC



Nikolayev
Vyacheslav

CEO, Chairman of the Management Board
of MTS PJSC^o

^osince 1 May 2021



Rozanov
Vsevolod

Chairman of the Board of Directors
of MTS Bank PJSC



Chirakhov
Vladimir

CEO, Chairman of the Management
Board of Sistema PJSC



Shamolin
Mikhail

CEO, Chairman of the Management
Board of Segezha Group PJSC



Marinin
Artemy

General Director
of Business Nedvizhimost JSC^o

^ountil May 2021



Uzdenov
Ali

Managing Partner
of Sistema PJSC



Sharonov
Andrey

CEO of the Skolkovo Moscow School of
Management



Shcherbina
Gennady

CEO of
Etalon Group JSC

KEY NUMBERS



85 129

participants of the Foundation's programs

Projects of the Foundation **25** cover regions

The Foundation has been named Category 'A' Corporate Philanthropy Leader

The Foundation is among Top-5 on the corporate foundations rating according to the Medialogia service

Education	25 347	
Social Environment and Volunteering	36 302	
Culture and Arts	73 000	
Sistema Charity	20 064	PEOPLE



During the first six weeks of its operation, the Lift to the Future online platform had

14 115 users registered

Career advice on the Lift to the Future platform was given to

1153 students



Projects in cooperation with the Russian Museum became available to

73 000 people



3 416 employees of the Corporation participated in the Foundation's events



The #STRANABEZVIRUSA project raised **1 705 706 000** roubles to support medical professionals at the peak of the pandemic in Russia



1 254 employees of the Corporation participated in the Green Marathon social initiative



Winners of the Sistema Good Deeds - Kurgan competition were awarded grants to the total amount of **500 000** roubles

EVENTS CALENDAR

2020



JANUARY

- The Lift to the Future project was launched in the Republic of Bashkortostan and the Kostroma Region

FEBRUARY

- The results of The Odyssey contest were presented to the leaders of EMERCOM of Russia
- The Alexander III: Emperor and Collector exhibition opened in the Russian Museum
- Sistema PJSFC and the Moscow City Council of Veterans extended their agreement for 5 years



APRIL

- The Lift to the Future project successfully switched to online learning
- The #STRANABEZVIRUSA project was launched to support medical professionals

MARCH

- The Lift to the Future project was launched at schools in Ufa, Kostroma and Galich

MAY

- The Lift to the Future project was launched in Rostov-on-Don
- Online conference for medical professionals was held with support from the EurAsia Heart Foundation, Switzerland
- Gift packages were donated to congratulate veterans of the Moscow City Council of Veterans on the Victory Day
- Internal audit of the Foundation's projects and programs was completed

JUNE

- The updated concept of the Lift to the Future project was approved by the Board of the Foundation
- The first open online course "In search for modernity: Russian art of the 20th century" was launched
- Congratulations to veterans on the Victory Day
- The Board of the Foundation adopted the 2020-2023 Development Strategy



EVENTS CALENDAR



JULY

- Memory. Celebrating the 75th Anniversary of the Victory exhibition opened
- Sistema PJSFC heroes of the pandemic received their awards

AUGUST

- Strategic session for HR experts of Sistema PJSFC assets was held
- The Lift to the Future project was presented in Galich and Kostroma
- The Sport focus area was launched

SEPTEMBER

- Sistema Fest, a regional festival, was held in Kostroma
- A joint course of Lift to the Future and the Graduate School of Management of St. Petersburg University was held for employees of Sistema PJSFC
- The Games of Heroes were held as part of Sistema PJSFC Games ("Spartakiada")

OCTOBER

- The Lift to the Future project was launched at schools in the Rostov and Omsk Regions, the Republic of Altai
- The Sistema Good Deeds - Kurgan grants competition was launched
- Results of the #STRANABEZVIRUSA project were summarized
- The Lift to the Future social design strategy session was held for students of higher and specialized secondary education institutions in Kurgan

NOVEMBER

- Lift to the Future was launched at schools of the Novosibirsk and Smolensk Regions
- Inclusive guided tours and classes at Mikhailovsky Palace for people with hearing impairments were designed in cooperation with the Russian Museum
- The Green Marathon was held for the employees of the Corporation
- Launch of the Lift to the Future online platform

DECEMBER

- Lift to the Future completed renovation at schools
- 6 online events were held by Lift to the Future for college students
- A video guide in the Russian sign language was designed in cooperation with the Russian Museum
- Online Sistema Fest was held in the Republic of Altai
- The Acknowledgement Week devoted to employee volunteering
- New Year events were held for children at social welfare facilities
- Books on professions of the future were donated to school libraries
- A virtual tour of all exhibits of the Lenino-Snegiri Military History Museum was launched

EDUCATION

TRANSFORMATION – 2020

In 2020, the Foundation’s education projects were transformed. We successfully completed a number of projects - “The Odyssey”, “The Future Tense”, “Lift to the Future. Academy” – and reviewed their results. The Foundation had the task to bring all assets of the Corporation together and offer a universal solution to train young specialists for entry level positions across the business streams.

THE FOUNDATION SET THE TASK TO ESTABLISH A PLATFORM THAT WILL:

1. become the central core bringing together the various educational initiatives of Sistema CF.
2. enable as many high school and college students and graduates as possible to get an idea of the modern labor market, qualification requirements, and to start a career within Sistema PJSFC companies.
3. provide high quality selection of young candidates for the assets of the Corporation with modern selection tools using the digital profiles of Lift to the Future participants.



Лифт
в будущее

The idea of a digital platform was born in June 2020, and as early as on 18 November 2020 the lift-bf.ru EdTech solution went on stream.

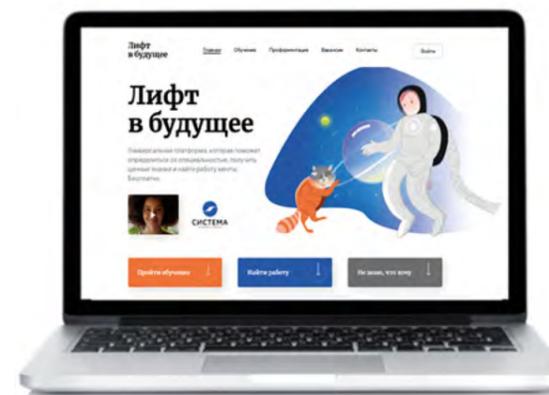
When developing a concept of the online platform, we gathered information on the objectives of all the stakeholders that became the foundation for key functional requirements to the product, which included the creation of a digital user profile, career guidance, interactive online learning formats, selection of candidates for internship, integration with recruitment management solutions available in the market that are used by Sistema PJSFC assets, and many other.



Vitaly Afonkin
Product Director



«The information obtained from the online platform will become the basis for digital user profiles, and after time we will make precise recommendations to young people regarding vacancies and internships that will help them unleash their potential, while recruiters will get a tool to substantially simplify search for candidates to entry level positions at Sistema PJSFC assets».



The project was implemented by an internal team of Sistema PJSFC: Sistema CF with much support and engagement from **MTS PJSC, Segezha Group PJSC, MEDSI Group JSC, Binnopharm JSC, Element Group, STEPPE Agroholding JSC, Cosmos Hotel Group** and other major companies operating in Russian regions. 432 volunteer employees participated in the project.

The large-scale transformation and joint efforts delivered a unique educational and career guidance EdTech platform that allowed to multiply the number of beneficiaries of Sistema CF educational projects in the RF.

THE UPDATED LIFT TO THE FUTURE:

A national level career guidance and training program for college students and young specialists that expands career opportunities with Sistema PJSFC companies and in other real sectors of the economy.

MISSION

Improve access to education and assist young people in selecting a profession, independent of the geography or external circumstances.



GOAL OF THE PROGRAM

Help high school or college students make an informed decision on the career path, give an opportunity to fulfill oneself professionally in the region of residence and to prepare for the first job.

The target audience is young people aged 17-24 years. The platform will help its users to navigate the labor market and find courses necessary for successful employment. Over 50 courses available on the platform make it possible to get and test soft skills, general and digital capabilities, upgrade communication skills, study typical mistakes made by beginners, learn what to do during the first days in a new job, and get to know other life hacks that your people often miss when they make the first steps in their careers:

- how to pass an interview;
- objections management;
- behavior rules for social networks;
- creativity development;
- mastering the MS Office package.

OBJECTIVES

1. Facilitate comfortable migration of young people from a random choice of a profession to informed professional self-identification and career planning in view of the interests of the employer and the real economy sectors in the region of residence.

2. Provide young people with access to supplementary educational programs that help to get ready for the first job.

3. Help to reduce young talents churn from the regions.

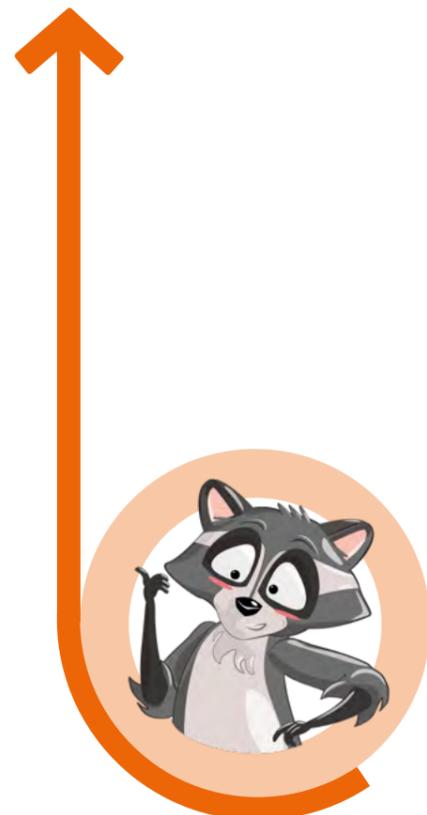
4. Provide high school students and their teachers with a comprehensive toolkit to address career counseling tasks and organize profession trials both online and at actual operations.

Key focus areas in working with young people:

- educational and awareness programs on labor market prospects and modern professions;
- career guidance tests, arrangement of professional trials, internships, and acquaintance with the real sector;
- training programs on career counseling for teachers;
- acquisition of soft and digital skills required to get one's first job;
- support of social initiatives for the young;

Benefits:

- all components of the Lift to the Future project are linked, as far as possible, to practice: training courses and methodologies of career guidance programs are made by professionals working in management positions in the Corporations, or by external market experts;
- in-person interaction between participants and the coaches and teachers that are executives at the companies of the Corporation;
- support of the continuous coaching system: school student - college student - specialist;
- opportunity to get a grant to study at a university and to then be employed by one of the Corporation's companies;
- a hybrid format of educational programs that allows to use the advantages of both online and offline learning;



Julia Selyukova
Educational Programs Counselor

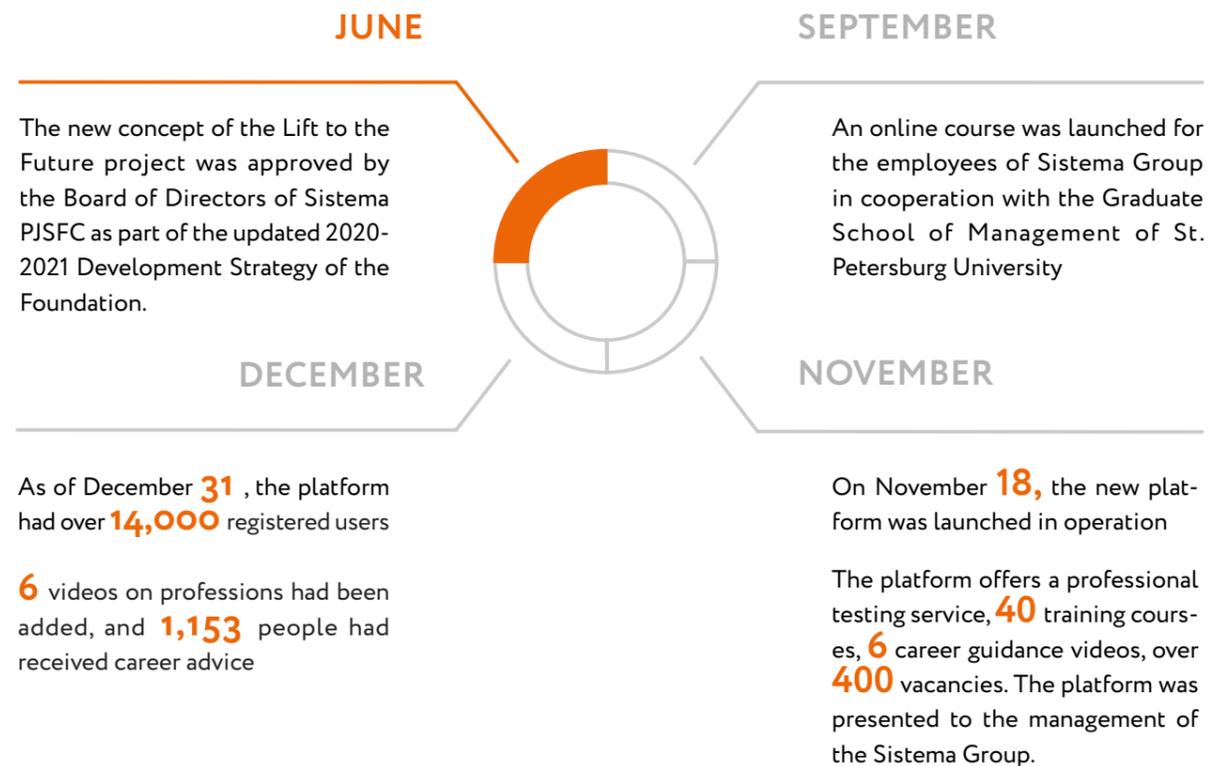
«Many companies make programs for school and college students. We wanted to find an area that would be both useful for the assets of Sistema PJSFC and unique in the youth programs segment. When we looked at the statistics, we found that 9 out of 10 young people aged 16-25 cannot decide on their professional path. More than a half of college students in their last years before graduation doubt that they had made the right choice. Only 40% of graduates get their first job in line with their college specialization. This is how we defined the core social objective of the project, which is to help high school and college students to decide on their future profession, start their career or enter a relevant college or university department.

Getting back from the visionary to a more pragmatic level, according to the National Agency for Development of Qualifications and the Russian Public Opinion Research Center (VCIOM), the main problem for 33% of employers in 2020 was the lack of graduates that could meet their qualification criteria, including those in the most needed engineering and digital areas. At the same time, employers need candidates that are team players and have office software and presentation skills. Already working specialists may find the list, however, students often lack the understanding of how important soft skills are for their future work.

Lift to the Future makes it possible to upgrade the necessary skills free of charge, and to save the employer's time and material resources required for the induction and training of new employees.



DEVELOPMENT STAGES OF THE UPDATED LIFT TO THE FUTURE PROJECT



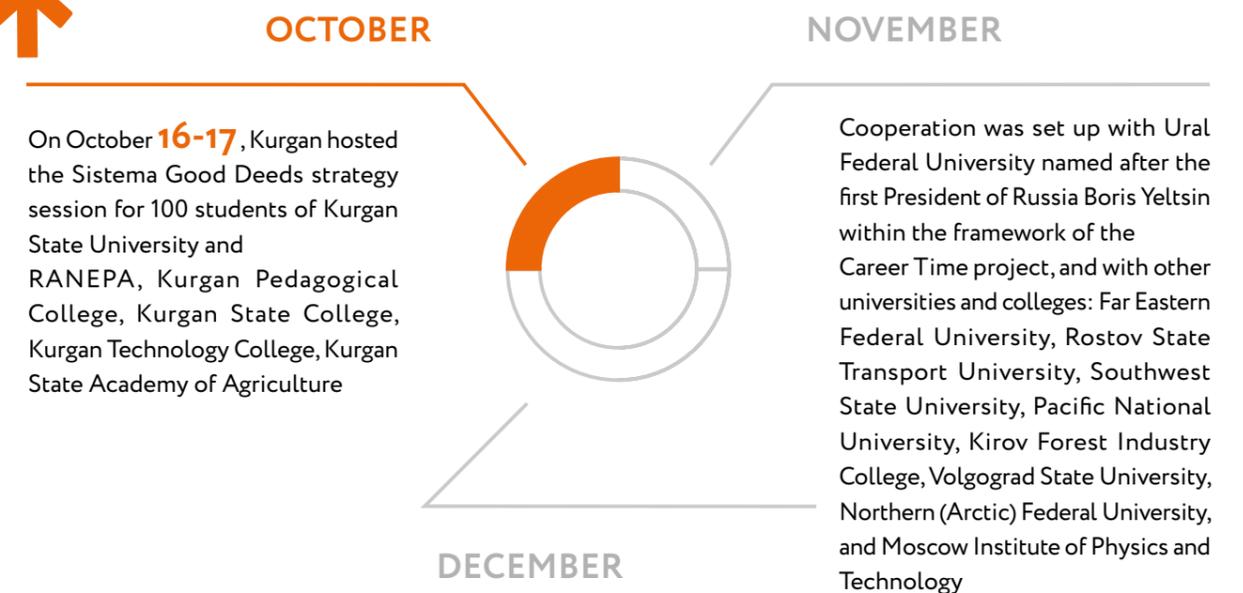
PROGRAM ACHIEVEMENTS IN THE REGIONS

Lift to the Future has been specializing in the development of educational programs for young people for 10 years. That is why we understand that the formats that work the best in the modern world are hybrid formats combining the opportunities offered online, the advantages of offline learning, and proactive project work for young people.



The strategy session had the online format. The discussion was moderated by Anna Chechik, Development Director of Sistema CF. The event was opened by Nadezhda Dubiv, Rector of Kurgan State University, and Tatiana Fedchenko, HR and Organizational Development Director of JSC Sintez. Ivan Khlebnikov, Deputy Director of Department of Education and Science of the Kurgan Region, and Elena Frolova, Project Manager of the Corporate Social Responsibility Department of MTS PJSC, spoke on behalf of the partners of the event. On the first day of the session, students outlined the most acute topics for the city and the region. The most urgent issues included environmental problems and the lack of leisure infrastructure for residents of the city and the region, issues with public amenities in common and municipal areas, the outflow of young people from the region, and provision of accessible environment to people with disabilities.

The session resulted in the development of **10** youth projects addressing the social agenda of the region, with applications submitted to the grants competition of the Foundation.



LIFT TO THE FUTURE

The Lift to the Future educational program was launched in early **2020**. Young people from the Republic of Bashkortostan, Kostroma and Rostov Regions got an opportunity to acquire digital skills free of charge in a supplementary education program “Python Programming. The Start”.

The educational program was implemented with support from the Ministry of Education and Science of the Republic of Bashkortostan, Department of Science and Education of the Kostroma Region, and the Ministry of General and Professional Education of the Rostov Region.

The steering committee of the program includes representatives of regional executive authorities in the area of education, employees of the Foundation, principals of educational establishments, and top managers of assets in the region.



The key objective of the program is to enable young people from the regions to get free basic education in the area of programming, robotics and microelectronics.

The program was implemented on the basis of pilot educational sites at schools and a higher educational institution. In **2020**, over **10** teachers were recruited and trained, **5** classrooms were renovated and equipped with computers, **3** waves of admission to programs were organized, over **700** applications from children aged **13-17** were submitted. The “Python Programming. The Start” course of **64** academic hours was offered on the basis of the Lift to the Future digital educational platform, which made it possible to promptly migrate to the distance learning format when COVID-19 restrictions were introduced.

As of 31 December **2021**, over **320** students attended the program. The educational program is due to be completed in May 2021.

KEY ACHIEVEMENTS OF THE PROJECT



Agreements on cooperation signed with executive authorities in the area of education of the Republic of Bashkortostan and Kostroma Region

1 КВАРТАЛ

QUARTER 2

5 classrooms were renovated and equipped, **60** workstations set up in **3** regions, **10** teachers were trained. The educational program was launched in **3** regions. Migration to the distance learning format took place

QUARTER 4

2 additional waves of admission to the program were organized. Classroom training was restarted.

QUARTER 3

An agreement on cooperation was signed with the executive authority in the area of education of the Rostov Region

FEEDBACK FROM THE PARTICIPANTS OF THE LIFT TO THE FUTURE PROGRAM



Ilya Morozov
Director of Department of Education and Science of the Kostroma Region



It is very important that Lift to the Future has been launched not only in the center of the region but has entered more remote areas where children do not have that variety of supplementary education opportunities. They get a chance to show their worth, and we can accumulate talents, which will bring engineering and technical creativity, as well as programming to a new level. The IT stream is generally promising for our region. And we are very grateful to Sistema PJSC that our views and ideas matched in such a wonderful project. Children, independent of the place of their residence or their social status, have equal chances to get high quality education.



Sofia Shepeleva
student of Class 7C, Lyceum #3 of the town of Galich

«I decided to join this program because I like computer science at school a lot. I want my future to be connected to programming. Lessons at school and classes within the Lift to the Future program are different. I get a greater volume of useful information at the engineering school. We have been learning online for the past month. This has not been a problem for me. Still, I think that classroom training would be more useful, as live communication with the teacher helps to understand the information more deeply.»



Anna Kanayeva
Teacher of the Lift to the Future engineering school in Galich

«At our recent lessons the kids asked if the classes would continue. It was all definitely interesting and useful for them although we mostly had classes online. Both the online and the offline formats are convenient and clear for me as a teacher. Still, many of the children only have access to the Internet from their telephones at home, and it is just impossible to use them to write the code. And although many of the students are generally comfortable with the online format, some of them find it difficult to learn without a personal contact with the teacher. This is why classroom learning is preferable for us. When you study Python, disciplined thinking is very important: a wrong symbol means mistake. At our lessons, children do not simply learn programming, they also gain additional skills. Even if some of them decide that they are not interested in being a programmer, they will have a good set of useful skills that can be applied in any field.»



Andrey Sharonov
CEO of the Skolkovo Moscow School of Management.
Member of the Board of Trustees of Sistema CF since 2021

«Education remains one of the main social elevators. And it is very important when employers that can afford it implement programs which supplement mandatory training for school and college students».

The experience of Skolkovo with such educational programs suggests that soft skills and basic management knowledge deliver very good results. Besides, Lift to the Future is built into the Sistema PJSC recruitment system and can potentially become a source of strong candidates.»

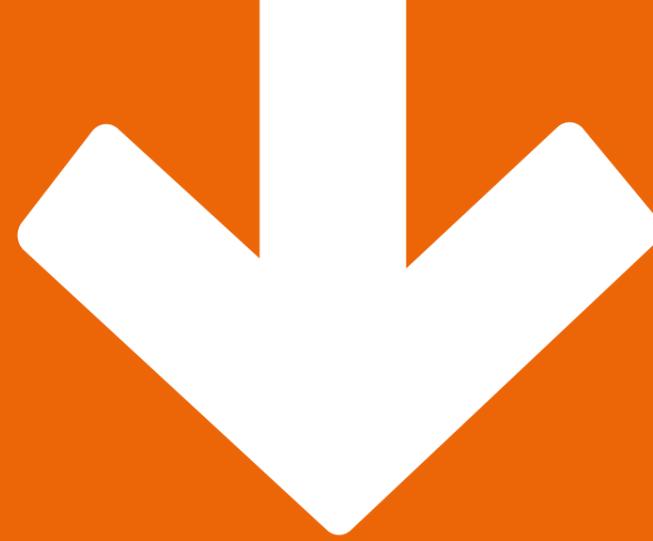


Oksana Kosachenko
President of Sistema Charitable Foundation



«In the near future, Lift to the Future will go another level up: a number of regions have our engineering classes where high school students learn one of the most popular programming languages with their teachers. Our new challenge is even more ambitious. After the digital pandemic injection, the only choice we had was to go online. Since the end of 2020, Lift to the Future has launched distance learning programs and expanded its scope: school and college students, as well as the employees of the Corporation, now have a training tool to develop management, team-working and decision-making skills.»

The Foundation Strategy was adopted in June **2020**. It prioritizes career guidance for young people by means of developing the young generation's awareness at the stage of choosing the professional and personal development track.



A series of episodes on entry-level professions at Group assets was shot to offer career guidance to young people. **12** career guidance videos within the series are available on the Lift to the Future educational platform. Their creation involved **10** companies, over **100** actors from among employees presented their professions in the challenge format.

KEY GOALS AND OBJECTIVES OF THE PROGRAM

- 1.** Deliver high quality content to educational establishments in the regions to provide career guidance to young people aged 13–18.
- 2.** Create conditions to implement career guidance programs at school.
- 3.** Offer professional orientation straight at the operations of Group companies.



KEY FOCUS AREAS IN WORKING WITH YOUNG PEOPLE:

- informing on the current labor market and professions in the regions;
- exploring the students' individual peculiarities;
- group counseling on choosing the profession;
- arrangement of meetings with employers;
- career counseling games.

In **2020**, the project launched pilot sites at **22** schools in **10** regions of Russia.

- Republic of Udmurtia
- Altai
- Bashkiria
- Komi
- Rostov
- Arkhangelsk
- Omsk
- Novosibirsk
- Kostroma
- Smolensk Regions



RESULTS

The project delivered an infrastructure for transferring digital skills and introduced progressive supplementary education models that make it possible to engage IT experts as teachers and coaches.

A distance learning program for teacher training and support was developed along with the skills upgrade program.

320 school students were admitted to the program and are taking the training courses.

10 teachers have been trained.

22 career guidance classrooms have been created in 10 regions to train children aged **13–18**.

SOCIAL ENVIRONMENT AND VOLUNTEERING



The Foundation implements comprehensive support programs for individuals and non-profit organizations aimed at quality development of the social environment. Along with the backbone long-term initiatives, the Foundation runs targeted events and competitions for beneficiaries of different ages in the regions of the Russian Federation.



In **2020**, social initiatives primarily targeted global challenges to the society. One of the key projects was the nationwide #STRANABEZVIRUSA (“virus-free country” in Russian) initiative of Sistema Group companies in response to the COVID-19 pandemic. The all-Russian social initiative was implemented to support medical professionals involved in combating the disease. Over 10 entities of the Russian Federation received test kits, medications and humanitarian aid to replenish the resources of medical institutions. The project turned into a unifying element for both the companies of the Corporation and external partners. Sistema CF acted as the operator of the initiative.



Since **2016**, Sistema CF has been holding the Sistema Fest charitable festivals. Their purpose is to improve the quality of living and social activity of people in the regions where Sistema Group companies operate, which includes helping children at social welfare facilities to realize their creative potential and facilitating early vocational guidance for young people in the regions.



Since **2015**, Sistema CF has been implementing a comprehensive social support and medical aid program for veterans under an agreement with the Moscow City Council of Veterans.



Since **2014**, Sistema CF has been developing corporate volunteering within the framework of corporate events and supporting individual initiatives of employees via a grants competition. [Sistema Good Deeds](#).



GOALS AND OBJECTIVES

1. Improve the standards and the quality of living across Russia, support the disadvantaged groups and non-profit organizations in different regions of the Russian Federation.
2. Provide healthcare to and support active ageing of veterans of the Great Patriotic War, military conflicts, military and civil service, veterans of labor, and senior citizens.
3. Support the development of volunteering and social initiatives in the companies of the Sistema Group.
4. Implement activities aimed at the preservation of historic heritage and promotion of patriotism.

#СТРАНАБЕЗВИРУСА

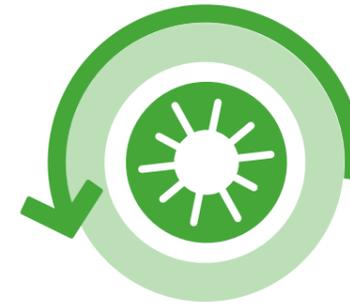
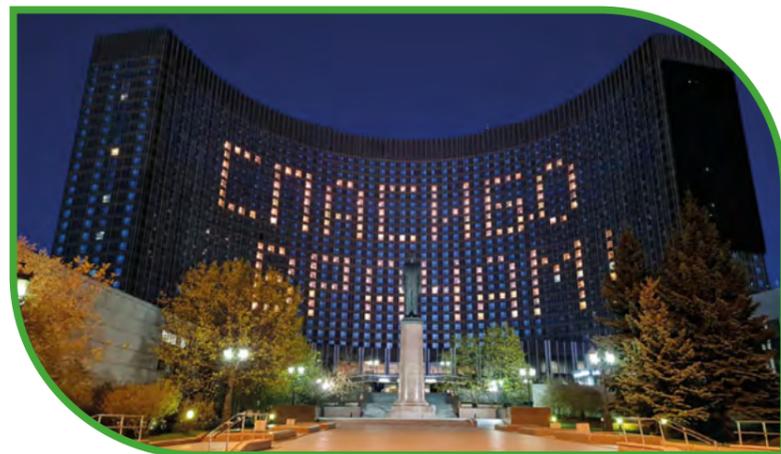
The #STRANABEZVIRUSA event was the Corporation's call to support medical professionals combating the coronavirus. Sistema Charitable Foundation as the operator of Sistema Group social initiatives consolidated the activities of the companies and made a substantial contribution to the resolution of acute federal-scale social challenges.

MISSION OF THE PROJECT

Aggregate the resources and technological innovations of the Corporation's and third party companies' assets to render aid to the society in the conditions of a global challenge.

GOALS AND OBJECTIVES

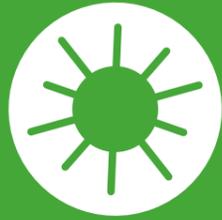
1. Provide regional healthcare facilities with access to modern diagnostics and monitoring tools.
2. Raise funds and resources to help medical professionals whose day-to-day work is associated with hazards to life.
3. Establish an educational online program for doctors from the regions.



In the period of fight against the coronavirus, doctors and medical staff became the most exposed group with both high risks of infection and risks of quickly seizing to be a useful resource, which negatively affects the quality of medical aid. Within the project, we established one center to render comprehensive support to biologists, doctors, nurses and paramedics.



- 12 companies of the Group and numerous external partners were actively engaged in the project. Over 100 activities were implemented during the event, including:
- rendering aid with hospital equipment and facilities in the towns of Segezha and Lesosibirsk, the emergency medical center in the Tula Region; delivery of over **200,000** bio-hazard suits by a special flight
 - from Tianjin for medical institutions in Moscow and the Moscow Region; supply of test kits, medicines and humanitarian aid to support medical professionals at **10** entities of the RF;
 - support of the «Please breathe!» federal initiative of the Russian state news agency RIA Novosti. The portal of the event published the words of gratitude to medical professionals involved in combating COVID-19, including doctors from MEDSI Group;
 - a webinar for medical professionals in Russia, Switzerland, Ukraine, Kazakhstan, Belarus and Kirghizia.



ACHIEVEMENTS OF THE PROJECT

TOTAL VOLUME OF AID RENDERED

1 705 706 K RUB

IN 12 REGIONS

Including

1 370 744 K RUB

raised from Sistema Group companies

For the first time, over

300 000 K RUB

were raised from external donors

Type and volume of aid

887 400 K RUB

– communication services

657 680 K RUB

– medical equipment and PPEs

100 000 K RUB

– financial aid for doctors of Medsi, Clinical Hospital #1

26 700 K RUB

– test kits and medicines

22 453 K RUB

– food and vitamins, tablet PCs and personal hygiene items

22 473 K RUB

– renovation and equipment for medical facilities

#СТРАНАБЕЗВИРУСА

PUBLIC RECOGNITION

Best social project in Russia



The People Investor award



PARTNERS





FESTIVAL IN THE KOSTROMA REGION



The format of the festival made it possible to cover both the regional center and the adjacent communities that have a difficult social situation, as recommended by the regional administration: Galich, Sharja, Makariev, and Volgorechensk.

One of the main principles underlying the program was to engage companies and volunteers from the Group to enable synergies and to achieve the best possible results at an optimal level of investment.

The festival included the implementation of programs aimed at upgrading the skills of school teachers and staff of cultural establishments. Their participants gained access to knowledge and methodologies that they can later use at work. The programs thus target long-term social impact in education, culture and arts in the region.

Operations of Sistema Group companies hosted career guidance tours for high school students, where they could learn about the importance of making a choice of the profession and career planning in view of the interests of the employer, and about employment opportunities in their region.

Traditionally, the festival included the Culture Weekend event. Residents and visitors of Kostroma got free admission to the architectural and ethnographic department of the Kostroma Sloboda museum of wooden architecture. Eight guided tours, six creative master classes with representatives of the Gzhel Association, puppet plays performed by the volunteer theater of Detsky Mir, shows by a historical reenactment club, master classes from the Unarmed Self-Defense for Schools project, as well as a folk music concert were offered to the guests. The event was visited by around 1,500 people in total.



RESULTS OF THE FESTIVAL



- 4 assets of Sistema PJSFC and
- 7 external partners took part in the festival.
- Over 100 master classes were held for over 1,400 children.
- For the first time, 7 career guidance tours for 130 children were held at the facilities of MTS and Segezha Group.
- 36 people completed the Everyone Matters program and 24 people - the From Heart To Heart program. All participants of the programs received state-approved certificates of advanced vocational training.
- 12 social welfare establishments of the Kostroma Region received charitable support in the total amount of 1,021,365 roubles.

SISTEMA FEST - KURGAN

The online part of Sistema Fest included the Sistema Good Deeds - Kurgan grants competition where the best social project for residents of the region was selected. The competition was supported by the Government of the Kurgan Region and the Department of Education and Science.

The main objective of the competition was to promote volunteering through support to volunteer initiatives of local residents. Projects addressing social issues could be submitted by residents of the region aged 18-30. The experts of the competition considered 31 applications with the total budget of RUB 2.5 million from different districts of the region: Ketovo, Vargashi, Yurgamish, Safakulevo, Almenevo, Lebiashye districts, and from the towns of Kurgan and Shadrinsk.



WINNERS OF THE COMPETITION

Alyona Shvets, the Non-MIRAGE project - construction of an open ground for public festivities in the village of Lopatki, grant amount - **100,000** roubles.

Maria Pershina, the My Way project - production of a theatrical performance with teenagers that have issues with law, grant amount - **100,000** roubles.

Olga Korotkova, the PROtailor career guidance workshop, grant amount - **100,000** roubles.

Yulia Stadukhina, the Conquering the Mountains of Waste project - an environmental awareness project for students about types and categories of hazardous waste, grant amount - **35,267** roubles.

Alexandra Yakovleva, the Family Yard project - an open interactive recreational ground for families in the Kurgan Region, grant amount - **100,000** roubles.

Dmitry Bryzgalov, the Golden Key Puppet Theater project focusing on separate collection of waste, grant amount - **64,733** roubles.

RESULTS OF THE COMPETITION

31 application.
500 000 roubles
 in the grants pool
6 winners.

SISTEMA FEST - ALTAI

In December, Sistema CF supported an advanced training program for teachers in the Republic of Altai - "Everyone matters: interactive methods for preventing bullying at school". The program was developed and implemented by a partner of Sistema CF, the Federal Center for Research and Methodology in Psychology and Pedagogics of Tolerance - the Tolerance Center. The course was supported by the Ministry of Education and Science of the Republic of Altai.

The program was attended by 125 specialists from schools and secondary vocational education establishments from across the republic. During the course of six classes, social care teachers, school psychologists and class supervisors learned to identify, prevent and resolve conflicts among school children. Prevention of bullying - the extreme manifestation of lack of understanding - was the key topic. Besides interactive case studies, program participants also looked into the legal fundamentals of conflicts and got the skills of interaction with relevant organizations.



Training teachers to manage conflicts is one of the key objectives of our ministry. We have mediation services with professionals focusing on the prevention and resolution of conflicts at educational establishments at all levels. Reconciliation services also play an important role. Still, there is a lot to do in this area. The republic has 181 schools and only 30-40 mediation services, which is certainly not enough. This is the first time when pedagogues of our regions got an opportunity to complete a program offered by a specialist organization. Our teachers are very interested in studying specific tools to apply the knowledge in practice, and the program of the course was pleasantly impressive», – commented **Natalia Kameneva**, Head of the Ethnocultural and Supplementary Education of the Ministry of Education and Science of the Republic of Altai.

SUPPORT TO VETERANS

Since 2015, Sistema CF has been implementing a comprehensive social support and medical aid program for veterans under an agreement with the Moscow City Council of Veterans.

On 21 February 2020, Sistema PJSFC and the Moscow City Council of Veterans signed a new 5 years cooperation agreement. The document was signed by the Chairman of the Board of Directors of Sistema PJSFC Vladimir Evtushenkov and the Chairman of the Moscow City Council of Veterans Vladimir Dolgikh.

Priorities of the new agreement include comprehensive high-tech medical aid, health resort services, social support programs, and a broad range of culture and volunteer activities.



As we look back at the results of five years of cooperation, I would like to thank Sistema PJSFC for the support and attention from the Corporation to the veterans, and for its proactive efforts in developing the new generation, – emphasized **Vladimir Dolgikh**, Chairman of the Moscow City Council of Veterans. – *Every year, the number of the war veterans is shrinking, and support from responsible companies helps us to create all the conditions required to improve the quality of life and the health of participants of the Great Patriotic War».*

In the lead-up to the 75th anniversary of the Victory, Sistema CF initiated collection of children’s drawings about the Great Patriotic War - Memory of Generations, which was participated by children of Sistema Group companies’ employees. In their drawings, the children showed heroes of the war - ordinary people exposed to severe trials.



Vladimir Dolgikh died on 8 October 2020 aged 95. A Soviet and Russian statesman and an industry administrator, he had numerous awards and honorary titles. He was a laureate of the Legend of the Century award from the Government of Moscow.

KEY EVENTS OF THE PROGRAM



RESULTS

May 9 and June 22 – **1,100** gifts for disabled veterans of the Great Patriotic War.

The My Gift to a Veteran event – **668** gifts.

200 copies of the five-volume album "At Victory Headquarters. 1941-1945. Main Documents of the Great Patriotic War" presented to veteran organizations.

Beneficiaries of the program – **3,040** people.

SEPTEMBER 2020

The material aid collection event My Gift to a Veteran was held. The collected funds of over 300,000 roubles were donated to the Miloserdnye foundation and to the Moscow City Council of Veterans.

CORPORATE VOLUNTEERING

Volunteer subbotniks (voluntary clean-up days) is a traditional activity of Sistema CF. For many years, employees of the Sistema Group have been working at museums and social welfare facilities helping to clean up and improve the areas under patronage.

SEPTEMBER 19

An annual subbotnik was held at the Lenino-Snegiri Military History Museum. Volunteers from the Corporation painted an artillery tractor and prepared an armored carrier for painting.

Volunteers cleaned up the territory of the Lenino-Snegiri Military History Museum.



Alexander Smirnov
Product Manager
MTS PJSC

«Absolutely anyone can become a volunteer - even those who think they are selfish! My participation in the subbotnik persuaded me of that. As it turned out, volunteering is a way to do good not only to other people and the society, but to oneself, too. First, I tried something completely new, which is just what a person that enjoys challenges wants. Second, as I was working with my hands, I switched off from the routine and got a true reboot. And most importantly, I experienced all that in a company of many interesting people, made new acquaintances, and socialized to my heart's content.

I would like to say special thanks to those who organized the subbotnik. They created most comfortable conditions for the participants: provided transfer, all the necessary tools and supplies, gave us lunch and even arranged a guided tour. I will definitely come again.



NEW YEAR EVENTS

In the run-up to the New Year, Sistema BF holds annual charitable events for children to render social support to disadvantaged groups.

- ➔ In **2020** the focus was on educational establishments that are partners to the Lift to the Future flagship program. **21** schools from **10** regions of Russia - the Arkhangelsk, Kostroma, Novosibirsk, Omsk, Rostov and Smolensk Regions and the Republics of Altai, Komi, Udmurtia and Bashkortostan received the World of Professions of the Future vocational guidance game kits, as well as popular science books on programming, biotechnologies, artificial intelligence, financial literacy, and teenager creativity development.
- ➔ Overall, the schools received over **1,000** books and game kits to the total amount of **1.3** million roubles. New Year events for children is a traditional tool of psychological support to children from multi-child and economically disadvantaged families or children in difficult circumstances.
- ➔ In advance of the New Year **2021**, Sistema CF organized two charity theatrical performances. **414** children saw The Tale of Tsar Saltan charity performances at the State Academic Maly Theatre of Russia and received gifts of sweets.
- ➔ New Year gifts were also given to **2,122** children from **7** regions of the RF.



GIFTS OF SWEETS FROM SISTEMA CF RECEIVED AT

Pavlovsk Residential Care Facility for Children #4, Pavlovsk Kostroma Social Support Center, Kostroma Kanevskaya District Social Development Support Foundation, Krasnodar Territory



Non-governmental Organization of Veterans in Stavropol, Stavropol Territory

Republican Center for Supplementary Education, Republic of Altai

Sts Martha and Mary Convent of Mercy of the Russian Orthodox Church, Moscow

Milyutinskaya Yurt Cossack Society of the district Cossack society, Rostov Region



Sistema CF traditionally offered support to its long-standing partner - the Hospital Clowns organization. Sixty children with severe illnesses got New Year congratulations at home thanks to the support of the Foundation.



The objective of our school is - besides the provision of high quality education - to help each student to make an informed choice of a profession by the 10th class. To that end, we use every tool available: we place students to specialized classes, initiate excursions and tours to project camps, supervise the work of students and their parents with psychologists. The key to our success is that we are continuously updating our knowledge and cooperating with external partners - universities and colleges, non-profit organizations, and business operations. The books donated by Sistema CF are of much interest to the teachers and the teenagers. They will not only make it possible for the teachers to prepare for career guidance lessons, they will also be used by students to read at home, because a good book is a real catch in the chaos of unverified information», – commented Ivan Kulemin, PhD Pedagogy and Principal of Secondary General School #80 named after V.S. Tarasov

HEALTHY LIFESTYLE

In 2020, Sistema CF started developing the sports and healthy lifestyle support stream. Efforts are mostly focused on popularizing sport culture and sports to support the health of the nation; developing mass sport and sport for children and young people; promoting healthy lifestyle; spreading the sport culture in the companies of the Sistema Group.

KEY GOALS AND OBJECTIVES

1. Popularize sport and healthy lifestyle in the regions of the Russian Federation.
2. Improve the awareness of specific sport disciplines and kinds of sport in the regions where the Corporation operates.
3. Focus on access to sport, including that for people with disabilities.
4. Integrate the sport component into the projects of Sistema CF.



RESULTS OF THE PROGRAM

Over the past year, the Foundation has completed three major projects. Two projects were focused on supporting sport federations - the Russian Rugby Federation and the Bobsleigh and Skeleton Federation of Russia - and one on the development of a sport culture among the employees of the Corporation's companies.

RUSSIAN RUGBY FEDERATION



As part of its efforts to popularize sport and healthy lifestyle, Sistema BF signed a cooperation agreement with the Russian Rugby Federation in August 2020. The Foundation assisted in organizing efforts to popularize rugby in the RF regions, set up a training camp for youth teams, created a series of videos to promote the sport, and supported the Russian national rugby competition among young people under the age of 18 in Krasnoyarsk (September 17-27).

BOBSLEIGH FEDERATION OF RUSSIA



As part of cooperation with the Bobsleigh Federation, we helped to purchase a monobob for the women's team of Russia and to improve technical conditions of work for the coaching staff. The aid from Sistema CF also allowed the federation to properly complete the 2021 season in the new discipline and to prepare for the 2022 Olympics.

CORPORATE SPORT CULTURE DEVELOPMENT

Sistema CF initiated the inclusion of the Games of Heroes team competition, which is at the peak of popularity in the corporate sport culture, into the program of the annual Sistema PJSFC Games ("Spartakiada"). Fifteen teams representing the companies of the Corporation participated in the Games of Heroes. This was the brightest event of the Spartakiada, which received a lot of positive feedback from the participants.



Nikita Khabarov
Captain of Sistema PJSFC team

«As the captain of the Sistema PJSFC team at the Games of Heroes that took place during the Spartakiada of Sistema, I would like to express my deep gratitude for the perfectly organized event. Our team enjoyed both the event and the atmosphere that was created in the course of the competitions. The task was quite difficult, as the space allotted to such an activity was quite limited. At least, that was our first impression. But you managed to organize everything so cool, it was super-interesting and demanded a lot of teamwork. Naturally, there were some minor injuries as it was a bit crowded at the start, but that was due to the lack of space. Otherwise, it was just superb. We will definitely participate in next events like this.»

PARTNER PROJECTS

Sistema Charitable Foundation renders annual support to social projects implemented by Russian charitable and volunteer organizations. The Foundation also engages partners from the non-profit sector to develop and roll out its own initiatives. Such cooperation allows to join best practices and expertise and to get synergies.

SUPPORT TO THE CHARITABLE FOUNDATION FOR ASSISTANCE TO CHILDREN DETSKY KINOMAY (CHILDREN'S CINEMA MAY)



On March 21 and 22, 2020, Rostov-on-Don and the Rostov Region hosted the 7th Charitable Cinema Forum for Children The Magic of Cinema. "I remember and I am proud" was a poetry recitation contest devoted to the 75th anniversary of the Victory in the Great Patriotic War that was held within the framework of the Forum. The contest was open to anyone aged from 9 to 15 years. Every participant was to recite from the memory a piece of poetry or prose devoted to heroes or events of the Great Patriotic War.

During the period when restrictions were partially eased, the organizers of Detsky KinoMay successfully ran the events in Smolensk, Kostroma and Nizhny Novgorod.



RATNIKI OTECHSTVA (WARRIORS OF THE MOTHERLAND)



The Ratniki Otechstva ('Warriors of the Motherland' in Russian) Charitable Foundation has been running the Borodino military-patriotic camp at the Borodino Field Museum and Reserve since 2014. One of the key themes of the camp in 2020 was the 75th anniversary of the Great Victory. In order to ensure comfortable field accommodation for children, we donated funds to buy army tents.

DESANTNOYE BRATSTVO (THE PARATROOPER BROTHERHOOD)



On 2 August 2020, the Alabino military training ground in the Moscow Region hosted special events devoted to the 90th anniversary since the establishment of the Russian Airborne Troops. Sistema CF supported the event.

BELY PAROKHOD (THE WHITE STEAM SHIP)



The festival was held from August 9 till August 31, 2020, and it was attended by 200 children from 23 regions of Russia.

CULTURE AND ARTS

The key objective of this focus area is to implement the technology philanthropy strategy within the culture and arts support program focusing on the promotion of knowledge and education, as well as projects that develop an inclusive environment and deliver a long-term social impact.

An important peculiarity of the 2020 program was the consolidation of partner practices that ensure synergies across the charitable initiatives of the Foundation, cultural establishments, governmental and non-governmental institutions, and the engagement of Sistema Group companies into joint implementation of projects.

MISSION

Facilitate educational projects in culture and arts.

Develop the digital museum environment.

Create a barrier-free and inclusive museum environment.

Popularize the Russian cultural heritage.

Establish new cultural projects in partnership with Russian museums.

Roll out the culture and arts promotion projects in the regions in partnership with local authorities and cultural establishments.

Share best practices of Sistema CF with partners in the regions.

Within this program, Sistema CF has been consistently implementing digital solutions and approaches that serve as efficient tools in making culture and arts more accessible. The new paradigm of existence during the COVID-19 pandemic stimulated the development of digital projects, which became dominant on the 2020 agenda and determined the program development vector for the year 2021.

The best state-of-the-art museums go beyond the traditional role of a treasury where cultural valuables are stored and transform into major cultural outreach centers with large-scale educational programs.

As suggested by up-to-date practices in museum philanthropy, Sistema CF supported new educational initiatives of the Russian Museum that are implemented in a variety of formats, including online.



SUPPORT TO THE RUSSIAN MUSEUM



Our most important project within this focus area is support to the State Russian Museum, and Sistema CF has been one of the standing partners of the museum for many years.

The digital transformation program certainly affected the development of an inclusive museum environment by means of implementing new tools that improve access for people with disabilities.

GOALS AND OBJECTIVES

1. Implement a long-term program of supporting the infrastructure projects of the Russian Museum with a focus on state-of-the-art technologies and best practices in museums.
2. Digitize museum infrastructure.
3. Support projects that create an inclusive museum environment.
4. Support cultural outreach and educational initiatives of the museum.





PROJECTS OF THE RUSSIAN MUSEUM

EXHIBITION: MEMORY! CELEBRATING THE 75TH ANNIVERSARY OF VICTORY

On July 21, the grand opening of the exhibition entitled “Memory! Celebrating the 75th Anniversary of Victory in the Great Patriotic War”, which was supported by Sistema Charitable Foundation, took place in the Benois Wing. Due to the COVID restrictions for museums, the exhibition was prolonged until 11 May 2021.

The idea behind the exhibition was to preserve the memory of the war - historical, family, individual memory. The exhibited paintings, sculptures and graphics from the Russian Museum’s collection were created after the war, from 1945 to the end of the 2010s.

On the occasion of the exhibition opening, Sistema CF presented to the Russian Museum a copy of the five-volume history and documentary album “At Victory Headquarters. 1941-1945. Main Documents of the Great Patriotic War” that had been published with support from Sistema PJSFC to celebrate the 75th anniversary of the Victory.

As part of the #STRANABEZVIRUSA event and aiming to enable the museum to comply with the recommendations from Rospotrebnadzor after the ease of the lockdown, Sistema CF donated thermal imaging devices and contactless e-ticket scanners to the Russian Museum to make visits to the museum safer.

The thermal imaging devices supplied by Sitronics, part of the Sistema Group, were installed at entrances to the museum and help to monitor the body temperature of visitors in real time.



EXHIBITION: ALEXANDER III. EMPEROR AND COLLECTOR

The Alexander III. Emperor and Collector exhibition was the seventh event in the large museum project called The Saga of the Romanovs initiated by the Russian Museum with support from Sistema CF. It was devoted to the 175th jubilee of the emperor dubbed The Peacemaker who had established the Russian Museum, which celebrated its 125th anniversary in 2020.

The jubilee exhibition displayed about 300 works of painting, graphics, sculpture and applied art from museums and archives of Russia: The State Russian Museum, The State Hermitage Museum, The State Tretyakov Gallery, The Museum of the History of Religion, Gatchina Palace and Estate Museum, The State Museum Pavlovsk, Tsarskoe Selo State Museum, The State Museum of the History of St. Petersburg, The Museum of Fine Arts of Karelian Republic, Pskov State United Historical, Architectural and Art Reserve Museum, The State Archive of the Russian Federation, The Russian State Archive of Literature and Art, and also from private collections.



PROJECTS OF THE RUSSIAN MUSEUM

VIRTUAL EXHIBITION AND GUIDE: THE POPULAR RUSSIAN STYLE IN THE EPOCH OF ALEXANDER III

The Artifact augmented reality application from the Ministry of Culture of the Russian Federation launched a virtual exhibition and guide entitled "The popular Russian Style in the Epoch of Alexander III" based on the "Alexander III. Emperor and Collector" exhibition.

While museums had to stop admitting visitors, the online lecture hall of the virtual Russian Museum remained open. Supported by Sistema Charitable Foundation, the State Russian Museum launched a daily online program accessible anywhere in Russia.

A visitor can use the application to see special 'points of interest' marked on exhibits that provide additional information on paintings and applied art items and focus attention on key points that help to understand the works of a particular artist. Detailed verbal descriptions are accompanied by illustrations, which include comparison of different works, and short videos, which enable the user to switch from rational perception to aesthetic contemplation of the piece of art.

ONLINE COURSE FROM THE RUSSIAN MUSEUM: IN SEARCH FOR MODERNITY: RUSSIAN ART OF THE 20TH CENTURY

On 7 June 2020, the Lektorium platform for open mass online courses launched an online course from the Russian Museum - "In search for modernity: Russian art of the 20th century" - created with support from Sistema CF. The course targets those willing to deepen their knowledge in the history of art, enrich their visual experience, and learn more about the collection and the exhibits of the Russian Museum.

Sistema CF funded the creation of the online course as part of the long-term Russian Museum support program that provides for the implementation of advanced technology solutions in the area of culture and arts.

The course comprises three sections and 10 video lectures, plus tests and a list of further reading materials.



VIDEO GUIDE OF THE EXHIBITION AREAS IN MIKHAILOVSKY AND MARBLE PALACES IN THE RUSSIAN SIGN LANGUAGE FOR DEAF AND HARD OF HEARING VISITORS

The State Russian Museum supported by Sistema CF developed a video guide of the exhibition areas of Mikhailovsky and Marble Palaces in the Russian sign language for deaf and hard of hearing visitors. The Russian Museum thus became one of the first facilities to have implemented this technology.

The digital tool is available as a free application on App Store and Google Play. To see a video that lasts up to two minutes and explains each exhibit in the Russian sign language, one need to scan the QR code next to the exhibit. Such a format became an additional communication tool for people with special needs.



The Russian Museum initiated a unique project focusing on the creation of a video guide that will make it possible for deaf and hard of hearing people to learn more about the exhibits of the Russian Museum. Access to the video materials is only possible during an actual visit to the museum, and this was done on purpose: the greatest possible socialization of the deaf and hard of hearing is an important component of the project,» - explains **Anna Tsvetkova**, Deputy General Director of the Russian Museum for Development, Outreach and Education.



PROJECTS OF THE RUSSIAN MUSEUM

GUIDED TOURS IN THE RUSSIAN SIGN LANGUAGE

In October, after Rospotrebnadzor partially lifted the restrictions on visits to cultural establishments, the Russian Museum resumed guided tours in the Russian sign language in the Benois Wing and the Ludwig Museum in Marble Palace that had been launched with support from Sistema Charitable Foundation.

The Benois Wing tours are devoted to the life and work of artists of the late 19th and the first half of the 20th century: Valentin Serov, Mikhail Vrubel, Vasily Kandinsky, Mikhail Larionov, Natalia Goncharova, Kazimir Malevich, Pavel Filonov.

The tours of the Ludwig Museum at Marble Palace feature the collection of modern art of the second half of the 20th and early 21st centuries from different countries. Each meeting was devoted to one of the streams: expressionism, pop art and conceptual art.



RESULTS OF THE RUSSIAN MUSEUM SUPPORT PROGRAM

Over **73 000** participants of the programs.

Support program budget – over **9,5** million roubles.

LENINO-SNEGIRI MILITARY HISTORY MUSEUM SUPPORT PROGRAM

Since 2017, under the agreement with the Moscow City Council of Veterans, Sistema CF has been supporting the Lenino-Snegiri Military History Museum that was established at the site of battles for Moscow at the 40th kilometer of the Volokolamskoye Motorway.

Over the period of cooperation, the Foundation has supported the restoration of the Artillery Alley with about 30 pieces of artillery from the times of World War II, purchased the equipment and tools needed to maintain the territory and to hold mass cultural events.

In 2020, the Foundation completed its first digital initiative - it supported the creation of a virtual 3D tour of all the exhibitions of the museum. The tour included video reviews of more than 20 thematic rooms of the museum and its outdoor areas with its main thematic exhibitions - the Tank Site and the Artillery exhibition.

Another important project was the restorative renovation of the memorial complex of the Lenino-Snegiri Military History Museum. Sistema CF financed the renovation of the gilded inscriptions and ornamental decorations on memorial stones - The Bulges of Memory, The Siberian Warriors Memorial - and at the memorial cemetery (around 5,000 symbols that required renovation in total).



RESULTS OF THE LENINO-SNEGIRI MILITARY HISTORY MUSEUM SUPPORT PROGRAM

Over **2 000** visitors of the virtual tour in December **2020**

1 million roubles of charity support donated to implement the projects.

SISTEMA CHARITY

In the context of its Strategy update, the Foundation launched Sistema Charity as its new focus area in June 2020. The key objective of this stream is to create an ecosystem of social activities and charitable initiatives of the Group's companies with the purpose to implement a joint coordinated program and to reinforce its social impact.



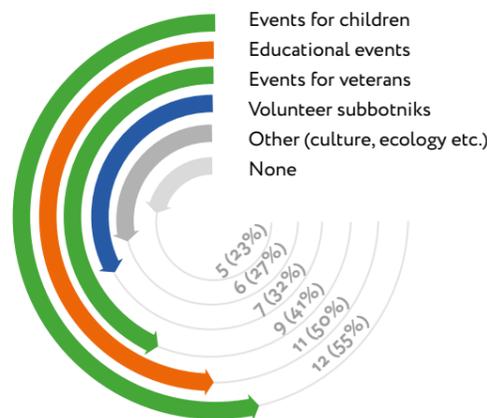
Anna Chechik
Development Director of Sistema CF

«While creating an ecosystem of partners and a shared platform of social projects, the Foundation consolidates the best charitable initiatives across the Group. The establishment of one platform will help to accumulate and promote the most efficient social practices, which will deliver synergies in terms of the social impact of the Corporation's projects».

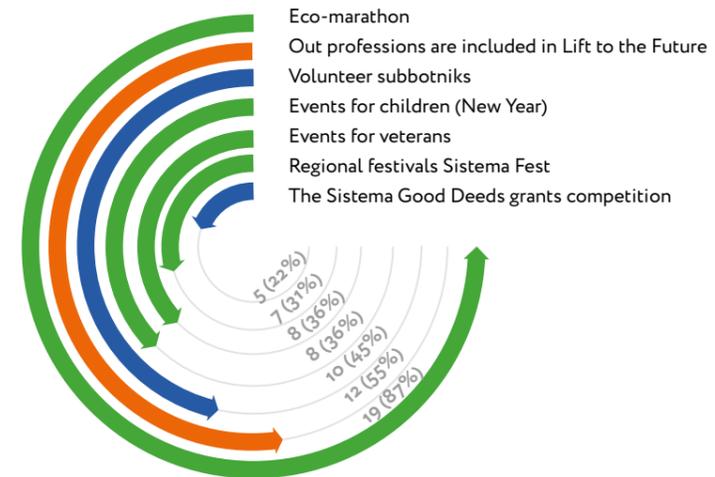
SURVEY OF GROUP COMPANIES KEY FINDINGS OF THE SURVEY

In November 2020, we ran a survey of Sistema PJSFC assets to identify priorities in the area of philanthropy and social support. Twenty-two companies of the Corporation took part in the survey

- Two thirds of the Corporation's assets have their own charitable and social projects. Almost one third of the assets (5 out of 22, or 23%) have no social agenda of their own so far.
- About a half of the companies conduct their own charitable events that focus on support to children (12 out of 22, or 55%) and education (11 out of 22, or 50%). The third most popular theme is support to veterans (9 out of 22, or 41%).



- Almost all assets participate in projects and events of Sistema CF. Over a half of the companies (12 out of 22, or 55%) are participants of the Lift to the Future project and volunteer subbotniks (10 out of 22, or 45%). Somewhat less popular are regional New Year parties for children and events for veterans (8 out of 22, or 36%). Eighty per cent of the Corporation's assets (19 out of 22, or 87%) are participants of the Green Marathon of Sistema.



- When answering the question "Which focus areas would you be prepared to promote in your company?" the absolute majority chose education (20 of 22, or 90%). More than a half said that they were ready to participate in common corporate events (13 out of 22, or 59%). A half of the survey participants said they were interested in programs for children (12 of 22, or 55%), more than 40% were interested in promoting art outreach projects and intellectual volunteering projects (10 of 22, or 45%).



SISTEMA CHARITY



Oksana Kosachenko
President
of Sistema Charitable Foundation

«The Corporation brings together more than twenty assets, and each of them has the objective to improve the sustainability of its business, including that by means of implementing its own projects in the social and environmental spheres. The year 2020 was the year when the Foundation consolidated the philanthropic activities of the Group. By consolidating all projects in the field of charity as far as possible, we both succeeded in improving the efficiency of the activities and started to develop a methodology for identifying the influence of social projects onto company capitalization..»



THE GREEN MARATHON

The first step in the development of corporate social activities was the launch of the Green Marathon Eco-Challenge by the companies of the Sistema Group.

The new initiative took place from October 29 to December 5, 2020. The key idea of the eco-marathon was to communicate the importance of each person's contribution to the climate change process. Sistema CF used a series of simple and easy to fulfill tasks in a game format that helped the employees to develop useful habits and to follow simple rules of a "green" lifestyle every day.

During the marathon, the participants learned:

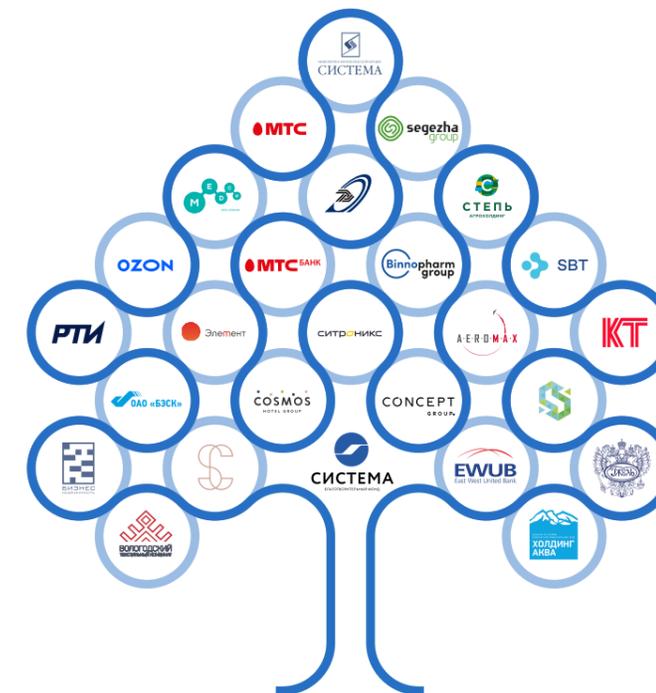
- what the environmental footprint is and what it is made up of;
- how to calculate one's environmental footprint and why it is important to reduce it;
- what simple steps will help to reduce one's environmental footprint.

The marathon started with the "How to live an eco-friendly life with ease?" webinar, where the facilitator Tatiana Chestina, Chairperson of the Board of ECA Movement, shared some hints about where to start one's eco-friendly path. The participants also did an "Eco-dictation" as one of the tasks during the marathon.

Over the period of one month, **1,254 employees of 21 assets** of the Corporation took part in a series of events that brought them closer to conscious consumption and a caring attitude to the environment. The initiative was of both educational and competitive nature. During the marathon, the participants fulfilled more than 20 tasks on environmental topics and got a score for each of them.

There were three nominations for team participants: the highest average score, the most proactive team, and the highest average score for teams of more than 50 persons from one company. Nine assets of the Corporation were declared the winners. An additional round was made for 130 marathon participants with the highest score. Twenty experts of the marathon with the score of 500 received memorable prizes from a partner of the project - the Prostiye Veshchi ('Simple Things' in Russian) inclusive workshops.

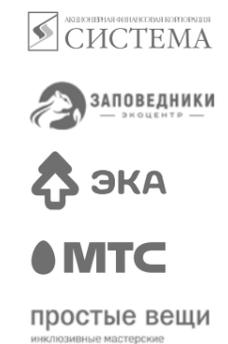
The environmental protection theme is becoming more relevant and is getting a lot of response across the assets of the Corporation. It was the first time when that many employees of the Corporation came together in one corporate online marathon.



WINNERS



MARATHON PARTNERS



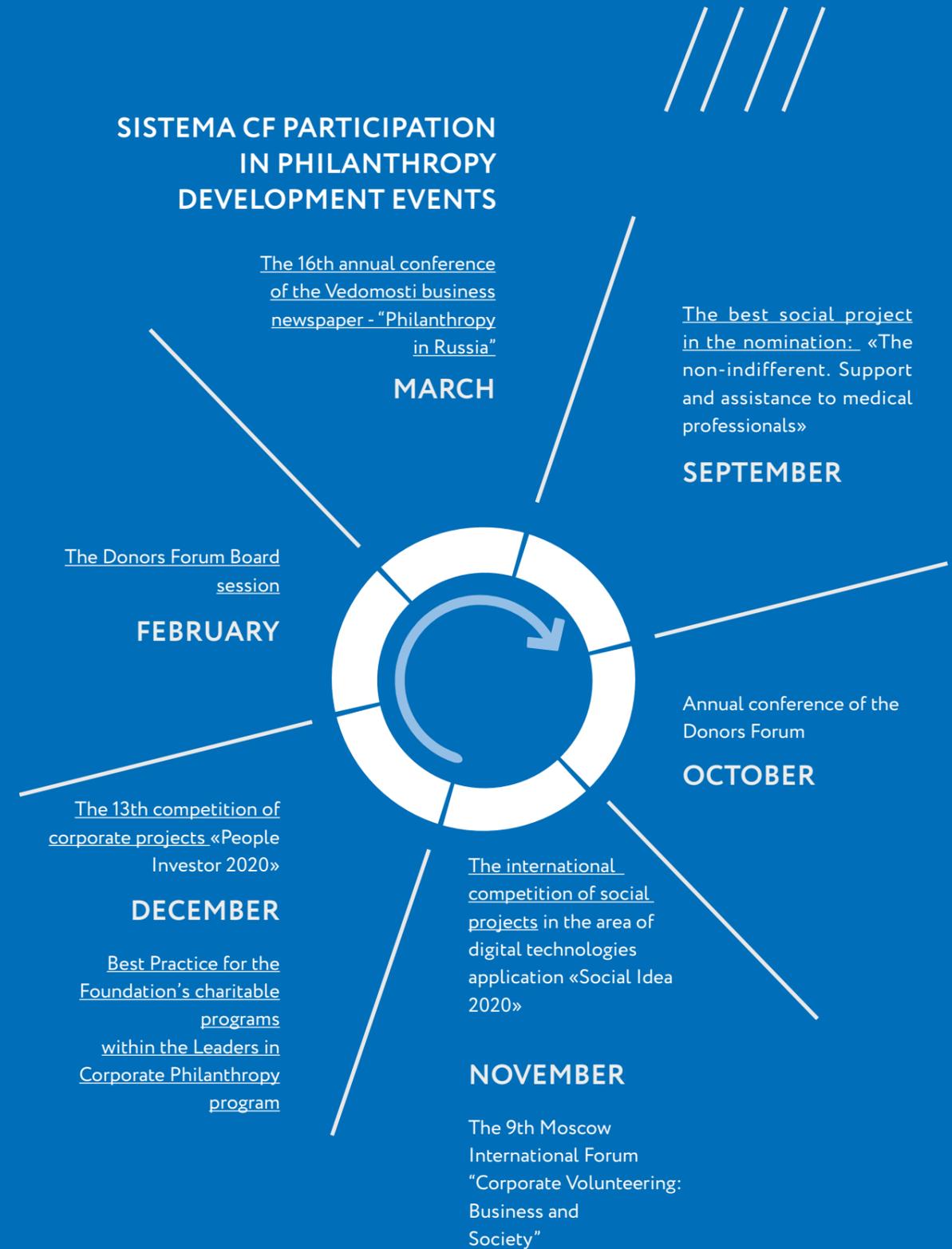
PHILANTHROPY DEVELOPMENT

The charity sector is currently facing a lot of new tasks that can be efficiently addressed with digital products and services. High-tech tools can only be implemented if the business takes a serious approach to the principles of corporate social responsibility.

Sistema Charitable Foundation won the silver award in the "Tochka otscheta" ('reference point' in Russian) national contest. It was the tenth all-Russian contest of public annual reports of non-profit organizations held by the Donors Forum with support from the Blagosfera ('the sphere of the good' in Russian) Center, the Agency for Social Information, the Ministry of Economic Development of the RF and the Presidential Grants Fund. The key objective of the contest was to improve the transparency and openness of the non-profit sector by means of stimulating the preparation of non-profit organizations' public annual reports.



SISTEMA CF PARTICIPATION IN PHILANTHROPY DEVELOPMENT EVENTS



ORGANIZATIONAL MODEL AND GOVERNANCE SYSTEM



THE BOARD OF TRUSTEES

Members of the Board of Trustees are authorized to supervise the use of the Foundation's funds and compliance with the legislation of the Russian Federation, to control the decisions made by its bodies and their execution. Meetings of the Board of Trustees are held as necessary at least once a year.

BOARD

The Board is the supreme governance body of the Foundation. The Board is authorized to determine the priority focus areas for the Foundation, to approve its annual charity program, to elect members of the governance bodies of the Foundation.

THE TEAM OF SISTEMA CHARITABLE FOUNDATION

All the staff are full-time employees of the organization in full compliance with the labor laws of the Russian Federation. The Foundation makes all the social security contributions in respect of the employees as required by the legislation, on time and in full. After the probation period, all employees get voluntary health insurance policies.

Social guarantees for the employees are codified in the Social Policy of the Foundation approved with an order from its President.

All employees have relevant academic degrees. Sistema Charitable Foundation does not discriminate against its employees on the grounds of gender, religion, race or other grounds.

MEMBERSHIP IN ASSOCIATIONS AND INDUSTRY ORGANIZATIONS

Sistema CF has been a member of the Donors Forum, the leading association of the major charitable (donor) organizations operating in Russia, since 2010.

TEAM OF THE FOUNDATION



Oksana Kosachenko
President
of Sistema Charitable Foundation



PROJECT TEAMS

LIFT TO THE FUTURE



Julia Selyukova
Educational Programs
Counselor



Vitaly Afonkin
Product Director



Anastasia Boos
Head of School Relations Block



Maria Milshina
Head of Partner Relations Block

SOCIAL PROJECT



Olga Popova
Social Projects Director*
*until June 2021



Sergey Aleksandrov
Head Culture and Arts Projects



Alexander Torovtsev
Sport Projects Manager

SUPPORT PROJECTS



Olga Rozhdestvenskaya
Finance Director



Kirill Zanchev
Legal Director



Anna Chechik
Development Director



Oksana Yemelianova
PR Manager

STAKEHOLDER ENGAGEMENT

The operation of the Foundation is based on the principle of due consideration of opinions and responsible behavior with regard to all stakeholders.

THE FOUNDATION IDENTIFIES THREE TIERS OF STAKEHOLDERS

- ➔ Stakeholders that are fundamental to the organization’s activities: beneficiaries, the team and governance bodies, donors and trustees.
- ➔ Stakeholders that produce a material impact on the organization’s activities and shape its strategic priorities without having direct influence on it: expert and professional communities, social partners, the society, the government, mass media.
- ➔ Stakeholders that are interested in the Foundation but produce no influence on its activities: contractors, suppliers.

The Foundation interacts with the representatives of its stakeholders in person or remotely. It is mandatory for decisions related to the change of priorities or amendments to the approved program, as well as spending money from the contingency fund, to undergo expert evaluation and to be submitted to the review of collective governance bodies. Relations with beneficiaries are based on a feedback system and regulated by the Foundation’s internal rules.

Aiming to deliver its programs at a high quality level and to timely respond to changes in key trends in charity, the Foundation participates in professional events and public meetings with expert and professional communities, representatives of non-governmental and governmental organizations and mass media on a regular basis. All materials on important events in the operation of Sistema Charitable Foundation are published in the web at bf.sistema.ru, in the corporate magazine of Sistema PJSFC, and in the databases of news and information agencies.

A monthly digest on the activities of Sistema CF has been issued for the employees of the Corporation since November 2020.

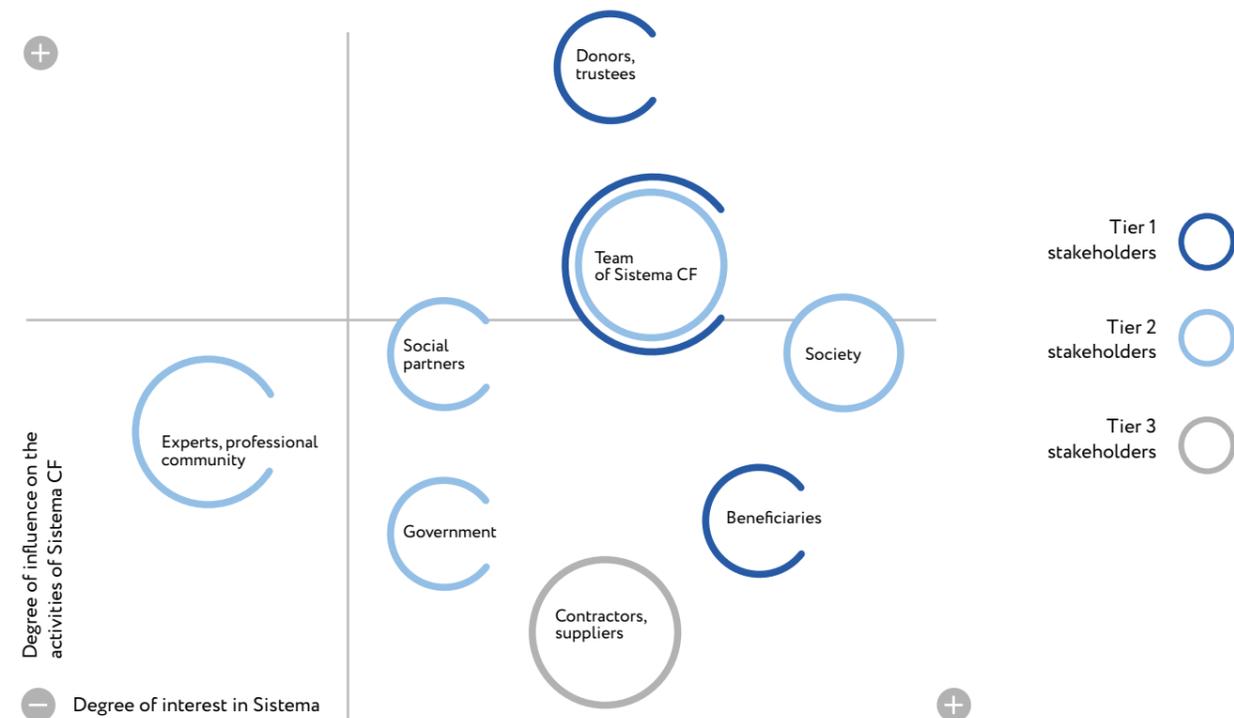
RELATIONS WITH DONORS AND BENEFICIARIES

Charitable assistance is rendered in strict compliance with the approved Procedure that regulates the whole process of reviewing external requests for charitable support, determines the areas of responsibility of the employees of the Foundation, establishes the procedure for the interaction with potential beneficiaries and their screening.

In accordance with the mentioned Procedure, each request that the Foundation receives on paper or electronically (if it is addressed to the Foundation and is not a bulk email) is to be registered and considered by the President of the Foundation. If a positive decision is made, the potential beneficiaries are screened by the Finance and Legal Services to verify their integrity.

Each donation agreement has a detailed cost estimate. Potential counterparts of the beneficiaries are additionally screened by the Compliance Department of the main donor of the Foundation in accordance with the interaction procedure.

Within the timelines specified in the donation agreement, the beneficiaries submit financial and substance reports to the Foundation in accordance with approved formats and with scanned copies of supporting documents attached. In respect of each reporting period, the Finance Service of the Foundation makes an expenditure report for the donors.



PROGRAM OF THE FOUNDATION

In 2020, the Foundation carried out its charitable activities on the basis of the Charitable Activities Program and Financial Plan approved with a resolution of the Board, which comprised five focus areas:



The approved cost budget also included a contingency fund of 70,000 thousand roubles. The procedure for using the contingency fund is strictly regulated in the Rules for Funds Expenditure approved by the Board.

In 2020, the total amount spent from the contingency fund on the grounds of Board resolutions was 30,700 thousand roubles. The amount spent from the contingency fund on the grounds of decisions taken at the sole discretion of the President was 650 thousand roubles. Besides implementing its own programs, the Foundation renders financial assistance to non-profit organizations and individuals in difficult circumstances on the basis of relevant requests. All requests undergo mandatory legal review and evaluation by social project experts. Additional documents to confirm the data in the requests are asked for as required. In 2020, the Foundation registered 413 requests.

RISK MANAGEMENT

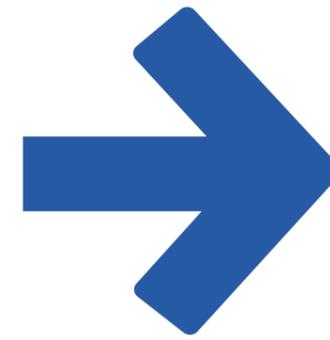
Risk management measures are based on control over compliance with the provisions and requirements of the Federal Law "On charitable activities and volunteering", appropriate expenditure of funds, and integrity of the counterparts. For the purposes of mitigating negative external and internal influence on the Foundation, all relations with stakeholders are subject to legal due diligence and financial transparency screening procedures. All employees of the Foundation undergo annual anti-bribery and corruption training and testing. The system of internal regulations of Sistema Charitable Foundation includes the following documents intended to mitigate potential management and operating risks:

- Anti-corruption Policy;
- Ethics Code;
- Rules for Funds Expenditure;
- Charitable Assistance Procedure;
- Regulations on the Prevention and Settlement of Conflicts of Interest.

There is also an additional tool to make the fight against the possible abuse, fraud and corruption more efficient, which is the special Hotline section on the website of the Foundation, where any person can anonymously report non-performance of undue performance by the employees of the Foundation of their duties, non-compliance with the requirements of the Charter or the laws of the RF. The system of control over appropriate expenditure of funds of the Foundation has a multi-level structure from initial legal screening of counterparts to mandatory external audit, ongoing control of expenditures by the benefactors, and internal audit of management, financial reports and the operation of the Foundation.

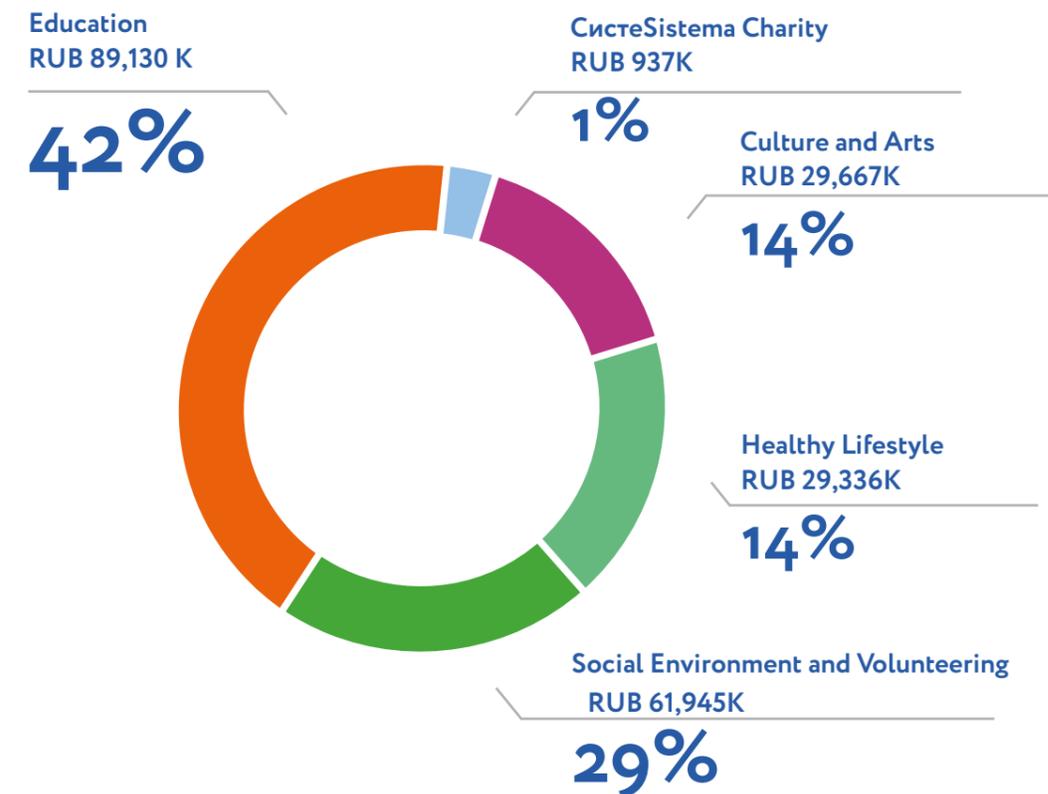
GENERAL INFORMATION ON THE ACTIVITIES OF SISTEMA CF

In 2020, Sistema CF operated in accordance with the program approved by its Board. The key source of funding for the charitable activities of the Foundation are donations from Sistema Group companies.



ALLOCATION OF FUNDING

In 2020, operating costs went 23% (RUB 9,948K) down year-on-year and amounted to RUB 33,811K. Total financing of the programs amounted to RUB 244,826K in 2020. The cost reduction was due to the lockdowns and restrictions on mass events, and the optimization of the Foundation's operating expenses.

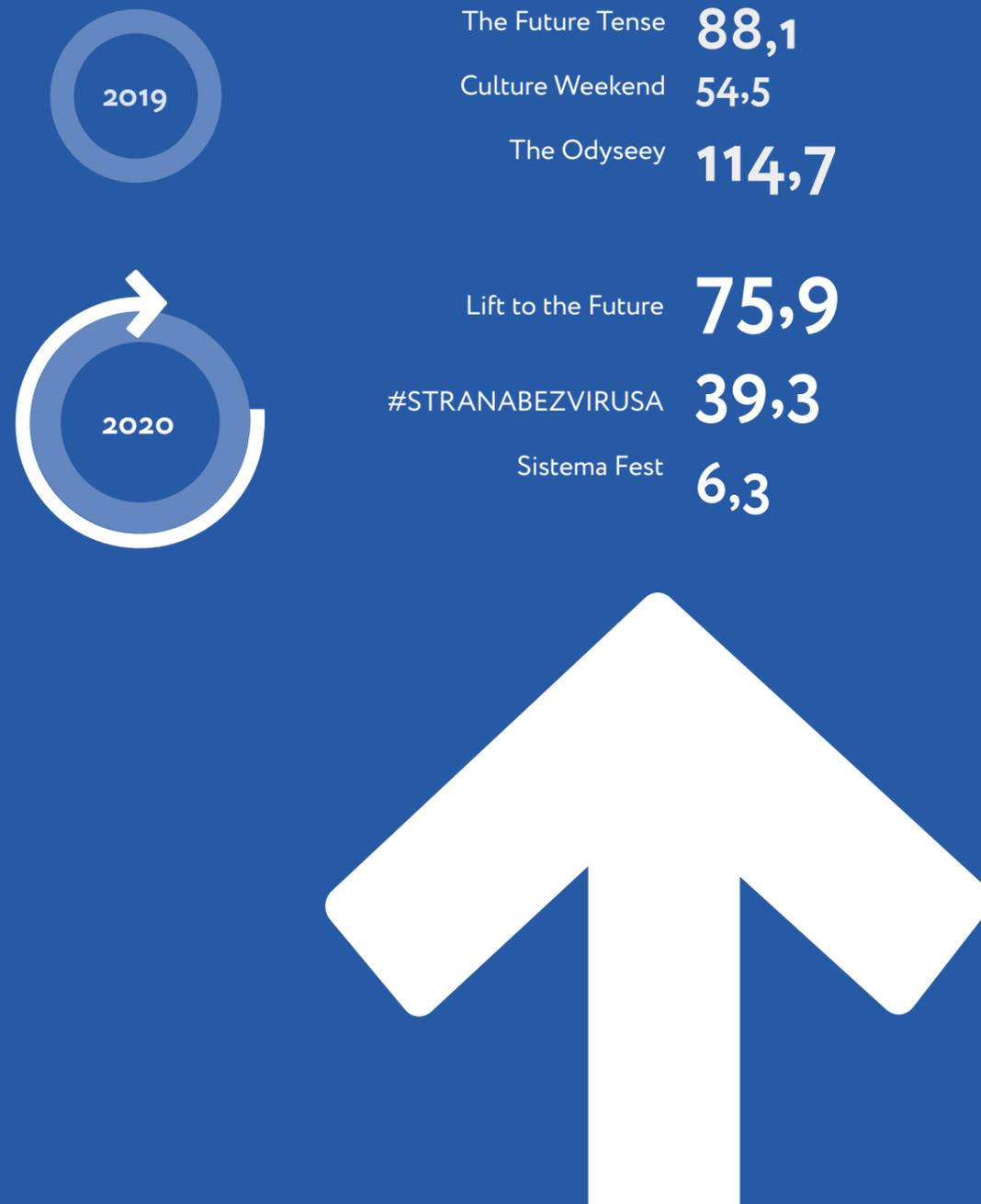


SISTEMA CF IN THE MEDIA SPACE

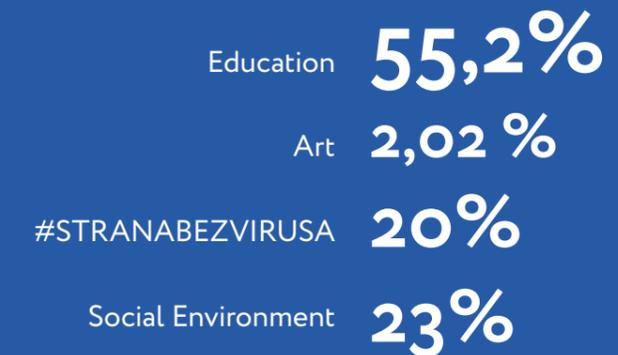
In 2020, we excluded commercial publications and views on YouTube from the calculations. We were mentioned less due to the transformation and changes in the projects of the Foundation, as well as the pandemic that media attention was completely fixed on for more than a half of the year.

In 2020, Sistema CF expanded the range of its own information resources as we relaunched the website and updated our social media, and regularly published news on joint projects with donor companies (MTS PJSC, Sistema PJSC, Segezha Group, Binnopharm JSC and others).

MOST POPULAR PROJECTS OF SISTEMA CF IN MASS MEDIA (MEDIA COVERAGE, MILLION VIEWS)



SHARES OF CATEGORIES IN MASS MEDIA PUBLICATIONS ON THE FOUNDATION (NUMBER OF MENTIONS, %)



MASS MEDIA THAT WROTE ABOUT THE FOUNDATION MOST FREQUENTLY (MEDIA INDEX)



COMPLIANCE WITH SUSTAINABLE DEVELOPMENT GOALS



It is extremely important for Sistema Charitable Foundation to focus its attention and resources on the areas where the Foundation has the greatest potential to produce a positive impact. Sistema CF interacts with all of its stakeholders, including beneficiaries and donors, on an ongoing basis to understand their interests and values and to make sure that it addresses broader social and environmental issues. As suggested by advanced international practices, the sustainability strategy of the Foundation is based on materiality assessment. This approach allows to identify the key opportunities and threats associated with the goals, and to develop and implement programs to achieve them.

Our priorities in sustainable development can be grouped into four categories:

- responsible choice of partners;
- environmental management;
- employee training and development;
- raising awareness and engagement.

This report is printed on recycled paper in a limited number of copies aiming to preserve natural resources. The Foundation implements initiatives in paper sorting and recycling, which promotes a responsible attitude to the environment.



You can get access to the electronic version of the report at your convenience by scanning the QR code below.



GENERAL INFORMATION ON THE REPORT

Our 2020 report is the 4th annual report of the Foundation that includes standard elements of sustainability reporting in accordance with the GRI (GR4) guidelines.

The content of the report was defined on the basis of the analysis of material aspects, opinions of the stakeholders, review of industry non-financial reports of Russian profit and non-profit organizations, and the principles of materiality and integrity of the disclosed data.

Material aspects analysis revealed the following topics that need disclosure:

Material topic	Boundaries of material topics	
	Inside the organization	Outside the organization
General information on Sistema CF	+	+
Mission and strategy of the Foundation	+	+
Structure and corporate governance	+	+
Stakeholder engagement	+	+
Focus areas	+	+
Financial performance	+	+
Social impact	+	+
Public recognition	+	+

Report quality was defined on the basis of the main principles of the GRI guidelines: balance, comparability, accuracy, clarity, and reliability.

TABLE OF REPORT ELEMENTS COMPLIANCE WITH GRI G4 GUIDELINES

Indicator index	Indicator name	Comments	Disclosure	Where to find in the report, page
STRATEGY AND ANALYSIS				
G4-1	Provide a statement from the President of Sistema CF about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability		Full	4
ORGANIZATIONAL PROFILE				
G4-3	Report the name of the organization		Full	5
G4-4	Report the primary brands, products, and services		Full	10
G4-5	Report the location of the organization's headquarters		Full	6
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report		Full	6
G4-7	Report the nature of ownership and legal form		Full	5
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)		Full	6
G4-9	Report the scale of the organization, including: • Total number of employees, • Total number of operations.		Full	10
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant seasonal variations in employment numbers.			68
G4-11	Report the percentage of total employees covered by collective bargaining agreements	No collective bargaining agreement is used	Full	68
G4-12	Describe the organization's supply chain		Not applicable	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain		Full	11-12
G4-14	Report whether and how the precautionary approach or principle in risk management is addressed by the organization		Full	72

G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	The #Giving Tuesday international initiative	Full	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 		Full	65-66

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	List all entities included in the organization's consolidated financial statements	Sistema CF	Full	69, 73-74
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content		Full	71, 73, 74
G4-19	List all the material Aspects identified in the process for defining report content		Full	79
G4-20	For each material Aspect, report the Aspect Boundary within the organization		Full	79
G4-21	For each material Aspect, report the Aspect Boundary outside the organization		Full	79
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements		Not applicable	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	Mission and strategy, focus areas, structure and corporate governance		5-8, 11-14

STAKEHOLDER ENGAGEMENT

G4-24	Provide a list of stakeholder groups engaged by the organization			70
G4-25	Report the basis for identification and selection of stakeholders with whom to engage			69-70
G4-26	Report the organization's approach to stakeholder engagement, including: <ul style="list-style-type: none"> • frequency of engagement by type and by stakeholder group; • an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. 			69-70

G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Sistema CF is a regular participant of specialist and industry events where relevant issues in the area of philanthropy, social development, arts, science, education and adjacent spheres are raised.	Full	
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REPORT PROFILE

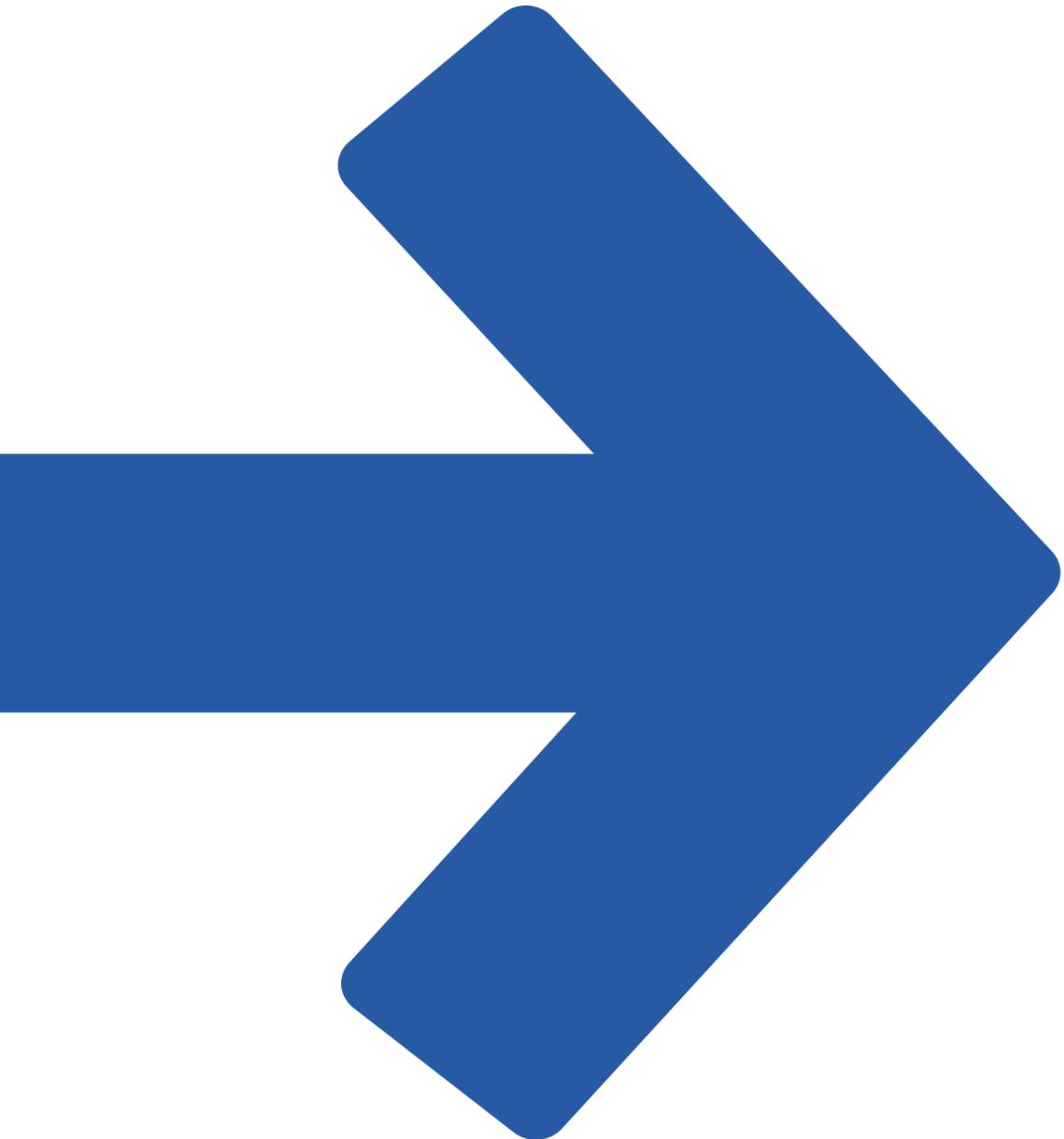
G4-28	Reporting period for information provided.	2020	Full	1-2
G4-29	Date of most recent previous sustainability report	2020	Full	
G4-30	Reporting cycle	Annual	Full	
G4-31	Provide the contact point for questions regarding the report or its contents		Full	83
G4-32	Report the 'in accordance' option of the GRI guidelines the organization has chosen	Basic version of the GRI4 guidelines	Full	
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report: <ul style="list-style-type: none"> • Report the scope and basis of any external assurance provided. • Report the relationship between the organization and the assurance providers. • Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report. 	When the report was prepared, no external assurance practice was applied	Full	

GOVERNANCE

G4-34	Report the governance structure of the organization, including committees of the highest governance body		Full	11-12
G4-38	Report the composition of the highest governance body		Full	11-12

ETHICS AND INTEGRITY

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics		Full	69-70
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines		Full	69-70



Contacts

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