

Anti-corruption

MegaFon views its anti-corruption commitment as a core principle of its responsible corporate practices and operates in strict compliance with Russian anti-corruption laws. The Company highly values its reputation, has zero tolerance to any form of corruption or bribery and expects the same attitude from its business partners.

MegaFon's Anti-Corruption Policy is a framework document regulating its anti-corruption efforts and providing anti-corruption guidance for all employees of the Company and third parties engaged by the Company. All employees are required to undergo mandatory anti-corruption training and take an online anti-corruption course.

The anti-corruption programme includes:

- Ensuring 'Tone on the Top' by management
- Anti-corruption training
- Assessing corruption risks and adopting anti-corruption controls
- Ensuring the availability of confidential (including anonymous) reporting on cases of corruption
- Appropriate investigation of each case and no retaliation against employees making a report in good faith

MegaFon raises anti-corruption awareness among all of its suppliers by incorporating anti-corruption clauses in contracts, sending out anti-corruption guides to bidders and posting the Direct Line contact details [on its official website](#).

Our approach to environmental protection

Caring about the environment

MegaFon is not engaged in an industry that has a significant negative impact on the environment. Nevertheless, we take our commitment to the environment very seriously, seeking to minimise our environmental footprint wherever possible.

Complying with the applicable Russian laws, adhering to precautionary principles, and implementing initiatives to encourage all employees to care about the environment, remain MegaFon's top environmental priorities.

By leveraging advanced technologies, MegaFon is able to develop and deploy solutions which encourage responsible production (by reducing greenhouse gas emissions, the amount of waste and the use of resources) and have an overall positive impact on society.

Use of alternative energy sources

MegaFon endeavours to employ alternative energy systems, such as wind turbines and solar panels, when constructing base stations. These technologies both minimise negative environmental impacts and enable us to bring mobile connectivity even to the most remote communities. Alternative energy systems currently supply power to several base stations operated by MegaFon in the Murmansk Region and in Dagestan.

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Resource conservation

MegaFon encourages its employees to use resources responsibly. Energy-efficient fluorescent and LED lamps have been installed in MegaFon's offices and stores, and lights and electrical appliances are switched off

outside business hours. To reduce power consumption, our offices use ventilation, heating, and air conditioning systems with recuperative heat-exchange and self-cooling features. The Company also promotes switching to electronic document management and has introduced comprehensive waste disposal programmes and equipment.

Paperless-2020

In 2019, we launched a project that will make MegaFon's document flow completely paperless by the end of 2020. Our HR function will adopt paperless processes for employment contracts, inventory movement, and expense claims forms, and will also introduce eSignature.

The project is being implemented through a cooperative effort with the Ministry of Labour and Social Protection of the Russian Federation under the project of Federal Law On Conducting an Experiment on Maintaining Employment Documents under the Labour Legislation in Electronic Form for Certain Employers.

Energy efficiency

MegaFon also runs an energy efficiency programme across its communications facilities, comprising the following technologies:

- Automated electricity metering system
- Advanced, high-performance energy equipment

- Balanced ventilation systems instead of air conditioning at base stations
- Optimisation of power supply systems
- Replacing incandescent light bulbs with LED lights
- Prioritising energy-saving features in radio equipment used in mobile networks
- Using equipment with wider operating temperature ranges.

Use of fuel and energy

Item	2019
Fuel and industrial fluids	
Boiler fuel, including:	
Diesel fuel, '000 litres	103
Gas (including condensate), '000 m ³	1,110
Technical equipment, including:	
Fuel, '000 litres	1,832
Oils and industrial fluids, litres	3,962
Motor transport/motor fuel:	
Fuel, '000 litres	3,147
Diesel fuel, '000 litres	764
Utilities	
Electricity, '000 kWh	12,616,475
Heat, Gcal	14,265