

## CORPORATE SOCIAL RESPONSIBILITY

Projects in the social sphere are a key component of corporate social responsibility of Rostelecom at the federal and regional levels. The Company has been a good corporate citizen for over 10 years now, being socially active and contributing to solution of social problems and tasks.

Rostelecom sees its mission as not only providing quality communication services to its customers, but also fostering the growth of local communities within the Company's footprint, promoting a stable social environment and improving quality of life in the country.

With its own infrastructure, telecommunication resources, a broad spectrum of services rendered and close ties to regional authorities, Rostelecom is in a position to effectively address both problems of individual social groups, such as veterans or the disabled, and larger-scale tasks in such spheres of public life as public health, education, sports, environmental protection, and culture.

Rostelecom implements important long-term social projects throughout the Russian Federation territory – from Kaliningrad Region in the West to Sakhalin in the East, helping with the most urgent social issues.

As part of its social policy, the Company implements the following programmes: Education, Sports, Care, Environment, and Spiritual Heritage.

### Education Programme

#### *Support for industry-specific education*

In 2012, the Company provided assistance to industry-specific colleges and vocational schools – Moscow Technical University of Communications and Information Science, the Bonch-Bruyevich St. Petersburg National University of Telecommunications, the Siberian National University of Telecommunications and Information Science (SibGUTI), and the SibGUTI College of Telecommunications and Information Science. Using the facilities of five core schools, in 2012 Rostelecom opened its own departments under the programme for innovation-driven growth.

Support for industry-specific education establishments means, first of all, improving the physical infrastructure of the schools, supporting student initiatives and student unions, providing scholarships, and organizing trainee jobs in the Company's business units for students.

### *Use of state-of-the-art technologies for education and child creativity*

In February 2012, as part of the 5th International Winter Arts Festival in Sochi, Rostelecom organized a music master class series for young musicians in four cities across Russia – Sochi, Yaroslavl, Penza, Perm and Novokuibyshevsk (Samara Reg.) at the same time. This was possible thanks to multiparty video conferencing that linked the Chamber Music Hall of the city of Sochi and the cities' concert venues equipped with special state-of-the-art videoconferencing systems. As a result, young musicians and their teachers were given a unique opportunity to attend classes taught by great musicians such as Yuri Bashmet, Dmitry Vdovin and Maxim Vengerov, as well as to ask them questions about the secrets of musicianship in real time.

For a year the Company acted as a telecommunications sponsor of the First National Competition of Classical Music Performers, which is held under the auspices of Yuri Bashmet, the world famous violist and conductor. As part of its sponsorship, Rostelecom provided technical capability for young musicians to be given auditions in cities across Russia – Krasnodar, Sochi and Stavropol – at the same time. The competition over, the winners were formed into the Russian National Youth Symphony Orchestra, which gave its first performance in Sochi in November 2012.

In May 2012 Rostelecom provided a webcast of competition events at the 'Arts. Youth. Talent' Eleventh Youth Delphic Games of Russia. Thanks to the Company's IT solutions, they were made available for viewing not only to the participants and guests in the audience but also to all Internet users: for the duration of the Games, Rostelecom provided on its website live broadcasting of the Games nominations and events from 11 different sites.

### *Internet safety projects*

Since April 2012 the customers have been offered the 'Child at Home' option in all tariff plans of the Company to safeguard minors from web content illegal under Russian law. The Company is also implementing a federal project to provide the service of content filtration for general education schools.

In addition to its engineering solutions for the Web safety problem, the Company launched a series of communications projects for safer Internet outside the Moscow region in 2012 – 'Children on the Internet' parent guidance meetings, 'Safe Internet Tutorials at Schools', 'Children's Video Competition', 'Social Poster Competition', and 'Safe Internet' Russian National Competition of Teaching Aids – which are tailored for various audiences such as children, teachers, parents and the public. The problems that these projects target encompass malware management, spam, fraud, dangerous content etc.

### *Academic competitions and quizzes for young people*

Along with support for industry-specific education, in the provinces the Company sponsors a variety of competitions that are designed to encourage creative interest of school children and students in modern computer technologies and get them involved in practical application of web technologies and computer graphics.

A case in point is the active support provided by the Company to the 'IT-Planet' International Student Competition in 2012.

### *Granny Online/Grandpa Online Project*

Among the Company's most ambitious social projects in recent years are programmes to improve computer skills of the aged.

Rostelecom in coordination with the Inter-regional Non-Governmental Organization 'Association of Veterans, the Disabled and Retirees (AVDR INGO) and Intel Corporation have been implementing the Granny Online/Grandpa Online Project since 2012. As the Programme's Official Sponsor, Rostelecom will provide Internet access services using its own network to the ICT Training Centres (Centres) opened to teach basic IT and communication skills to senior citizen in Russian provinces.

The programme's primary objective is to facilitate the emergence of information-oriented society in this country, and in particular bring the aged into the ICT space. The programme's training courses and workshops are geared to address the problem of psychological barrier in elderly enrollees towards new technology, teach them how to use the computer and the Internet, including social networks, forums and IP services.

The Programme trainees learn the basics of using a personal computer, develop skills of searching online for the information they need, emailing, and using popular applications for online communications (ICQ, Skype), social media etc.

## **Sports Programme**

### *Social initiatives as part of sponsorship of Sochi-2014 Steering Committee*

Since 2009 Rostelecom has been the Title Sponsor of the XXII Olympic Winter Games in Sochi and has been contributing to the Olympic project in the spirit of "Olympics for Each and Every One!"

As part of this sponsorship, in 2012 the Company joined a number of the Sochi-2014 Steering Committee's social initiatives aimed at promoting and inculcating the Olympic values in Russian provinces.

Rostelecom's sponsorship of federal sports and educational events for children and young people has already become a good tradition. Since 2011, as a special part of its sponsorship of the Sochi-2014 Steering Committee 2014 in preparation for the XXII Winter Olympics, the Company has been implementing a programme of sports events and competitions for children and young people. Events take place twice a year: in winter and late spring, and are joined by dozens of cities throughout Russia. The programme enjoys active involvement of Olympic athletes, medallists and winners of competitions in various sports, and support from numerous local residents who attend these merry competitions.

In 2012 a programme of online Olympic education was launched with support from Rostelecom. The Company signed a Memorandum of Cooperation with the Steering Committee of the XXII Olympic Winter Games 2014 in Sochi and the Russian Olympic Committee (ROC) to implement on a federal scale a programme of Sochi-2014 Olympic education, which is designed for a year and a half and will be available throughout this country. Pursuant to the Memorandum, Rostelecom, as the telecommunications sponsor of the Sochi-2014 Olympic Education System, will provide videoconference-enabled locations in Moscow and elsewhere in Russia to hold training workshops for regional school teachers, methodologists etc.

At the beginning of the new school year 2012-2013, Rostelecom, the Russian Olympic Committee (ROC) and the Steering Committee of the XXII Olympic Winter Games 2014 in Sochi gave Russia's first innovative Olympic web class 'London 2012 – Sochi 2014' for school children. In Moscow, pupils went for their Olympic class to the Sochi-2014 Steering Committee headquarters, their peers in Sochi, Krasnodar and Saransk attended it online using a videoconferencing system, and children in Kazan and Rostov-on-Don used a web link. Also, all those who wished to do so could watch the class webcast at [www.rostelecom.ru](http://www.rostelecom.ru) and [www.soch2014.com](http://www.soch2014.com). During the class, schoolchildren learned about the Olympic and Paralympic Games in London, as well as about the preparations for the Sochi Games at first hand.

### *Cooperation with the Figure-Skating Federation of Russia*

Since 2009, Rostelecom has been the Title Sponsor of the Figure-Skating Federation of Russia (FSFR). Every year the Company provides financial assistance to organize and hold the Federation's events, to train the Russia's national team members for the Olympic Games, European and world championships, for ISU Grand Prix rounds and finals etc.

In December 2011, Rostelecom and FSFR kicked off the joint programme of Rostelecom's 'Star Track' master classes. In 2012 the programme held events in major cities of the European Russia, as well as Siberia and the Far East – in Stary Oskol, Chelyabinsk, Kaliningrad, Rostov-on-Don, Omsk and Khabarovsk. The programme is designed to scout for young talent far and wide across this country. During master classes, high-profile sports stars share their professional

secrets with young figure-skaters, and young athletes get a unique opportunity to show off their talents and skills to famous coaches.

## Care Programme

### *Aid to sponsored childcare centres*

Rostelecom actively helps a great number of welfare institutions such as hospitals and children's homes.

The Company buys medical equipment and pays for urgent medical interventions, funds the repairs of buildings and acquisition of essentials, helps organize festivities and sessions with children's psychologists for orphanage inmates, and provides communications channels to study online for children.

Assistance is provided both in responses to one-off requests from institutions and on a regular basis. Many of these institutions are sponsored by the Company's hub branches.

### *New Year's charity programme for sponsored orphanages and boarding schools*

In the run-up to 2013, Rostelecom implemented a one-of-a-kind nationwide charity programme for orphanage and boarding-school inmates in dozens of regions across Russia.

In all, the programme was joined by 60 childcare centres in this country, which have about 5 thousand inmates.

The Company opted out of purchasing corporate Christmas gifts for its customers and partners and used all of these savings to buy what is most urgently needed by the inmates of regional childcare centres – clothing and footwear, furniture, educational, sports and special needs equipment.

Also, in thirty cities across Russia the staff of Rostelecom's branches took part in a large-scale volunteer New Year project, 'Be Father Frost'. Christmas trees were set up in the Company's offices and decorated made unusually – Christmas tree ornaments and handcrafted items made by children in orphanages. Attached to the decorations were children's requests to Father Christmas. This way, every Rostelecom employee could choose a request and make a child's dream come true by buying the present.

In the run-up to New Year 2013, Rostelecom threw open the doors of the nation's main playhouse for the inmates of 23 orphanages and boarding schools, as well as large families in and around Moscow – on 27 December 2012 the Company organized a charity performance of the 'Nutcracker' ballet at the Bolshoi Theatre of Russia. It was the first charity performance of the show at the Bolshoi Theatre of Russia on such a grand scale.

At the same time, the Company provided a series of New Year webcasts of the best Russian ballet shows for patients at a number of children's hospitals in and around Moscow, who had to stay there during New Year festivities. The ballets 'Nutcracker' at the Mikhailovsky Theatre and 'Cinderella' at the Stanislavsky and Nemirovich-Danchenko Musical Theatre were shown to little inmates of the Rogachev FNKTs [federal clinical research centre (FCRC)], RDKB [Russian Children's Clinical Hospital (RCCH)], NII [Research Institute (RI)] of emergency paediatric surgery and traumatology, headed by Leonid Roshal, and the Children's Hospital in the town of Kolomna.

### *New opportunities for disabled children*

Rostelecom traditionally facilitates integration into society for people with disabilities and, specifically, handicapped children. Rostelecom implements, both at the level of its Corporate Centre and hub branches, an online education programme for disabled children at home and special care institutions alike.

In 2012, for example, Rostelecom was involved in implementing online education programmes in many areas within its footprint, as part of which the Company provided disabled children with Internet access, as well as arranged delivery and installation of necessary equipment.

### *Support for veterans*

As is customary, on the eve of Victory Day Rostelecom and its subsidiary Zebra Telekom held a traditional meeting with the Russian Committee of Veterans of Wars and Military Service (RCVWMS). In 2012, the veterans were presented with new universal cards of Zebra Telekom, which enable them to make free calls to other cities not only via a landline but also via a mobile line.

Rostelecom also organized a number of multi-party video conferences for veterans of the Great Patriotic War during the year.

## **Environment Programme**

### *Preservation of ecosystems*

In whatever it does, Rostelecom tries its best not only to eliminate adverse environmental impact, but also to minimize its environmental footprint.

In and of itself, telecommunications infrastructure produces no polluting emissions or industrial waste, but construction of new facilities can have short-term adverse environmental effects. On a regular basis, when building telecommunications infrastructure, Rostelecom implements a package of environmental measures that makes it possible to minimize atmospheric emissions and preserve soils and water bodies, and arranges purification and revitalization of the soil.



Also, the Company's volunteers regularly take part in federal and regional events aimed at inculcating an attitude of care towards the environment as part of the so-called 'environmental task force', which remove rubbish and waste from the environment.

## **Spiritual Heritage Programme**

### ***Support for national arts***

Since 2008, Rostelecom representatives have been sitting on the Board of Trustees of the National Academic Bolshoi Theatre of Russia.

The priority tasks of the Board of Trustees are to find funding sources other than the public purse, assist the Bolshoi Theatre in staging new performances, organizing tours, bringing in stars and young performing talent, as well as in improving the theatre's governance and financial and operating management.

Thanks to Rostelecom, thousands of spectators in Moscow can now enjoy performances by established and rising stars of the world-famous Russian ballet school, which appear on the Bolshoi Theatre's historic stage newly opened in 2011 after a long refurbishment.

### ***Support for sectoral museums***

For many years Rostelecom has been affiliated with the Russian Communications History Foundation, whose annual programmes provide for facilitation of the development of the Popov Central Museum of Communications in St. Petersburg. The Museum is one of the earliest science and technology museums in the world. It has a unique collection showcasing the evolution of telecommunications, including exhibits highlighting the history of post, telegraph and telephony, radio communications and radio broadcasting, television, mobile, space and satellite communications.

Also, Rostelecom's hub branches annually provide aid to regional museums of communication, both bankrolled by branches and set up by municipalities and enthusiasts using own funds. The museums provide tours, do research, and expand their expositions on a regular basis.