

SOCIAL RESPONSIBILITY

HMS Group fully recognises the responsibility to all of its stakeholders and communicates with them on a regular basis. The Group contributes to the social development and quality of life improvement in local communities in the regions where it operates.

People and their workplace

Employees are one of the core assets of HMS Group and we are committed to attracting and retaining the best people, encouraging and developing them to achieve their full potential.

Our HR policy is aimed at maintaining a healthy and diverse environment where employees feel valued and respected. The Group promotes cooperation between experts within production units as well as between subsidiaries.

In 2013, HMS Group personnel was reinforced by internal staff rotation as a growing number of internal candidates made the transition to senior and middle management roles. During the year, HMS Group companies continued to recruit apprentices in line with its carefully developed apprenticeship scheme. A number of students from universities and colleges undertake work experience with HMS Group companies, offering them a wide range of opportunities. As of 31 December 2013, HMS Group employed over 16 thousand people.

HMS Group has been improving its health and safety standards over the past year. Several courses and trainings on behavioral safety, fire and environment were held at all production sites and zero accident frequency rates were reported at every subsidiary comprising HMS Group.

Encouraging a healthy lifestyle is one of the Group's employee engagement priorities and sport is one its core values. In 2013, HMS Group held a number of family and sporting competitions and others events that over the years have become traditions in the corporate life of HMS Group subsidiaries.

Environmental initiatives

One of HMS Group's main priorities is a responsible approach to the consumption of natural resources. HMS Group strives to implement environmental and energy-saving technologies in the construction and operation of its production sites. Regardless of the fact that the environmental impact of HMS Group subsidiaries is low, all of the businesses focus on the efficient consumption of fuel, paper, water, electricity and heating.

Charity

HMS Group has a long-standing tradition of investing for the future by developing projects in local communities. On a broader scale, HMS Group seeks to support charity initiatives, create jobs and business opportunities that strengthen local economies and support community development projects.

Throughout 2013, HMS Group sponsored projects supporting culture and arts, healthy lifestyles and education. In Kazan (Russia), HMS Group supported the Federation of Ice-Hockey, in Minsk (Belarus), the Center of Culture and Sport, and, in Sumi (Ukraine), HMS Group provided for the needs of local hospitals and a charitable fund for the promotion of sporting activities among young people.

The main charitable focus is health care institutions, children from low-income and vulnerable families and orphanages. As a part of this commitment, HMS Group supports a number of schools and kindergartens in the Livny (Orlov region, Russia), and continues to be a dedicated sponsor of the boarding school #66 in Tyumen (Russia). In Moscow, HMS Group provides support for the Preobrazhensk cadet corps and assists in hosting "Music quarter" musical festivals for disabled children.

Throughout the past year, HMS Group companies helped to host local events, such as the City day in Livny and Goessnitz (Germany). Apollo Goessnitz, a newly acquired German subsidiary of HMS Group, also helped rebuild the city after major floods.

Average Headcount

(as of December 31, 2013)

	2007	2008	2009	2010	2011	2012	2013
Industrial pumps	5,249	5,635	5,862	6,868	6,877	8,449	8,757
Oil&Gas equipment	2,042	2,002	2,112	2,130	2,469	2,447	2,394
Engineering, procurement, construction	2,239	2,235	1,767	3,175	3,071	3,662	2,131
Compressors						2,370	2,647
Other	128	183	211	235	251	281	303
Total	9,658	10,055	9,952	12,408	12,669	17,209	16,232