



**ЮНУ
ПРО**

2019 ANNUAL REPORT

Pre-approved by
the Board of Directors
of Unipro PJSC
on 6 May 2020
(Minutes No. 288)

Approved by
the Annual General Shareholders'
Meeting of Unipro PJSC
on 10 June 2020
(Minutes No. 24)

Chairman of the Annual
General Shareholders' Meeting

 A. Schierenbeck

Unipro PJSC

2019 Annual Report

Chief Executive Officer



M. Shirokov

Table of Contents

	Address of the Chairman of the Board of Directors	4
	Address of the CEO	6
Company Profile		8
	1.1. About Us	10
	1.2. Geographical Reach	11
	Branches	12
	1.3. Key Results	22
	1.4. Key Events 2019	24
	1.5. Awards and Ratings	27
Strategic Report		28
	2.1. Power Markets	32
	2.2. Strategy and Prospects of Development	40
	2.3. Business Model	43
	2.4. Finance and Economics	46
	2.5. Operations	52
	2.6. Information Technologies	64
	2.7. Procurement	66
Corporate Governance		70
	3.1. Corporate Governance Practices	72
	3.2. Structure and Results of Work by Corporate Governance Bodies	76
	3.3. Relations with Shareholders and Investors	111
	3.4. Compliance	117
	3.5. Risk Management	119
	3.6. Business Ethics and Anti-Corruption	127

Sustainable Development/Sustainability	128
4.1. Approach to Sustainable Development	130
4.2. People in Unipro	130
4.3. Occupational Health and Safety	150
4.4. Process Safety	162
4.5. Operational Excellence	166
4.6. Environmental Responsibility	167
4.7. People Surrounding Unipro	178
4.8. Stakeholders	191
Information about the Report	193
Disclaimer	193
Glossary	194
Abbreviations	196
Contact Information	199
Annexes	200
Links to Additional Information	202
1. Independent Auditor's Report	204
2. Accounting (Financial) Statements for 2019	211
3. Participation of Unipro in Profit-Making and Non-Profit Organizations	215
4. Report on Existing Related-Party Transactions	217
5. Report on Compliance with the Principles and Recommendations of the Code of Corporate Governance	221

Address of the Chairman of the Board of Directors



Dear shareholders,

One of the most significant achievements in 2019 was the selection of three gas-fired generating units of Surgutskaya GRES-2 to take part in the modernisation programme. Unipro will accomplish these works until 2025. The planned investments will total about RUB 10 bln. These investments will secure us attractive capacity payments for a period of 16 years. We are also considering our participation in further auctions, including deep modernisation projects.

Another core project for Unipro is the completion of repair works at Power Unit No. 3 of Berezovskaya GRES. Due to high technical complexity of the repair works at the final stage and strict focus on the quality of work performed, we have to delay the Berezovskaya GRES third unit launch.

In 2019, Unipro PJSC demonstrated stable results in operating activities. The total output of the Company's plants remained the same as in 2018

In 2019, Unipro PJSC demonstrated stable results in operating activities. The total output of the Company's plants remained the same as in 2018 and amounted to 46.4 bln kWh.

and amounted to 46.4 bln kWh. Though Unipro faced a challenging macro environment, the Company has managed to achieve stable financial results. According to the accounting statements prepared in compliance with the Russian Accounting Standards, the EBITDA amounted to RUB 29 bln for 2019.

Unipro is focusing on adherence to high standards of corporate governance to achieve steady development of business. The Company takes various measures to legitimate the interests of shareholders and other interested parties. Following our transparent and predictable dividend policy approved in 2019, Unipro will make reliable dividend payments.

Health and safety of Company and contractors' employees are the key values of our corporate culture. In 2019, Unipro demonstrated an exceptional safety performance through 'felt leadership and employees' engagement at all levels, and achieved the strategic targets – zero work-related fatalities among own and contractors' employees and, significantly, a 38% decrease in the Total Recordable Injuries Frequency level compared to the previous

year. For sure, in 2020 we will continue to develop and deliver our safety improvement programmes in a systemic way.

Employee development and training are one of the priorities at Unipro, and we will keep on implementing such programmes as the creation of talent pool, development of young specialists, and lifelong learning.

Yours sincerely,
Andreas Schierenbeck,
Chairman of the Board of Directors,
Unipro PJSC

Address of the CEO



In 2019, we fulfilled all of our obligations to electric power consumers.

Dear shareholders, investors and colleagues!

This was a difficult year. External challenges, excess capacity and zero growth of electric power consumption had a rather negative effect on the Company's performance. Despite this challenging economic environment, Unipro PJSC keeps the lead in the Russian heat power industry in terms of efficiency.

In 2019, we fulfilled all of our obligations to electric power consumers.

The Company is ensuring safe and efficient operation of generating equipment. Over the course of the year, we carried out all the repair works we had scheduled, and subjected our existing capacities to a large variety of technical refurbishment activities. Starting from 1 January 2019, we subjected the CCGT at Shaturskaya GRES branch to remarking, which increased its installed capacity by 6.6 MW and brought it to the current 400 MW. In addition, Surgutskaya GRES-2 increased the capacity of CCGT Power Unit No. 8 by 10 MW. Thus, Unipro PJSC installed capacity reached 11,245 MW in 2019.

The repair and refurbishment of Power Unit No. 3 at Berezovskaya GRES reached its final stage. The particular attention we give to the safety and reliability of the works we perform has forced us to reschedule the commissioning of the unit, but this will not affect the amount of dividends that we will pay to our shareholders. We have no plans to deviate from the dividend policy adopted a year ago.

Unipro PJSC joined in the electric power industry modernisation programme. In 2019, two SPU units of Surgutskaya GRES-2 and another steam-power unit of this power plant were selected for the programme for 2020. In accordance with our modernisation projects, all the selected power units will increase the installed capacity up to 830 MW each.

We are continuously focusing on occupational health and safety issues. This concerns both our staff and our contractors' employees. I am proud to say that in 2019, Unipro PJSC took a well-deserved place among the safest companies of Uniper Group, as it had zero severe workplace incidents. Once again, we demonstrated that our Company applies quite demanding standards to the performance of the Health and Occupational Safety Management System when we successfully passed a supervisory audit on compliance with OHSAS 18001-2007 that took note of high personal involvement on the part of managers at all levels and specialists of the Company branches.

Unipro PJSC has a comprehensive approach to the development of our staff – the Company's primary value. The staff training and talent pool development programmes implemented in 2019 contributed to improvements in the quality of the Company's human capital. The Company worked hard to both create a positive image of the employer in the labor market and to attract young specialists.

Environmental protection is among Unipro PJSC priorities in the area of sustainable development. In 2019, in accordance with the requirements of Russian legislation, the Company proceeded with the implementation of projects aimed at creating an automatic system to continuously monitor emissions at Berezovskaya GRES and erecting fish-protection works at Surgutskaya GRES-2 and Yaivinskaya GRES. The Company made the first evaluation of greenhouse emissions calculations for validity, which is the first step toward the creation of a corporate control system for such emissions. In addition, the Company successfully passed a recertification audit of the environmental management system and renewed its certificate until 2022.

Similar to past years, Unipro PJSC took energetic steps to improve the living standards of the population. We are continuously promoting educational, healthcare and sports projects. In

2019, Unipro PJSC sponsored the purchase of medical equipment for healthcare facilities in the regions of the Company's operations. We give special attention to the development of programmes in the field of culture. Thus, thanks to our Company's support, Sharypovo hosted the Golden Mask Festival in 2019 for the first time in its history.

Unipro PJSC sponsored the exhibition of works by great Russian painter V. I. Surikov, that turned into a centerpiece of the Krasnoyarsk Winter Universiade 2019.

In 2020, we are planning to maintain our title of the most efficient company in the sector of heat power generation in Russia. To do so, we should prepare the capacities of Surgutskaya GRES-2 for the forthcoming modernisation and commission Power Unit No. 3 at Berezovskaya GRES. In addition, we will have to ensure reliable supplies of electric power for the national economy. This will require maximum commitment and coordinated effort from us. I am certain that the unparalleled professionalism of Unipro PJSC employees and its wise management system at all levels will enable us to secure all of the targets we have set.

Dear shareholders! On behalf of all employees of Unipro PJSC, I would like to express my gratitude for your trust. Your active support will enable us to succeed in meeting the Company's targets.

**Best regards,
Maxim Shirokov,
Chief Executive Officer,
Unipro PJSC**

COMPANY PROFILE

6%

**of the total electric
power generation**

across Moscow and Moscow Region is
provided by Shaturuskaya GRES

100th

anniversary

of Shaturuskaya GRES will be
celebrated on 25 July 2020



SKIING

Shaturuskaya GRES received a thanks video message from Olympic champions Nikita Kryukov and Evgeny Dementiev for the financial support of the skiing club for children and teenagers in 2019.



MUSIC FESTIVAL

In 2019, Unipro first became the general partner of the Vivacello international cello festival that took place in Moscow.





VOLUNTEER VISITS

In 2019, the headquarters employees made corporate volunteer visits to the F.M. Dostoyevsky memorial estate and to the A.S. Pushkin Vyazemy estate.



ENVIRONMENTAL AWARENESS BUILDING

In September 2019, Unipro PJSC participated in the environmental awareness building campaign for Moscow primary school children ("Do Not Waste the Air!").

MOSCOW AND MOSCOW REGION

Due to its environmental safety, the 400 MW CCGT at Shaturskaya GRES became the first Russian project approved by the United Nations Organization under the Kyoto Protocol.

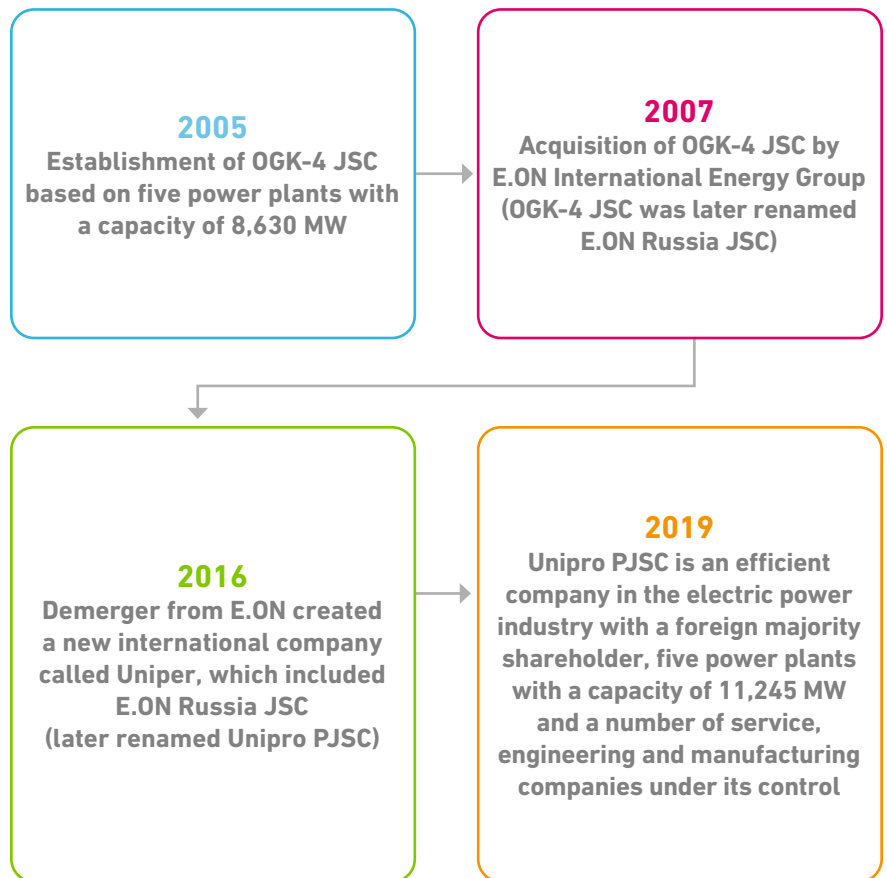
1.1. About Us

Unipro Public Joint Stock Company¹ is the most efficient company in the sphere of heat power generation in Russia.

The Company focuses on the production and sale of electric power and capacity, as well as heat power. Unipro PJSC is also present in the Russian markets for distributed generation and engineering.

The Company's efficient operation in the wholesale electricity market is due to its well-developed grid infrastructure and specific energy balances within the power zones. The drivers of demand for Unipro PJSC power plants are as follows:

- » participation of **Smolenskaya GRES** in providing Belarus with an export electric power exchange;
- » location of **Shaturskaya GRES** in the Moscow Region representing an under-served market;
- » participation of **Yaivinskaya GRES** in supporting a power balance in the Bereznykovsko-Solikamsky hub.



Unipro PJSC has an important competitive advantage, as it holds Surgutskaya GRES-2 and Berezovskaya GRES with power units of large single-unit capacities (810 and 800 MW respectively) in its assets: these power plants are considered

the most economically and operationally efficient among gas and coal power units using steam power technologies. As part of the investment programme, the Company put the most efficient and sought-after steam gas equipment into operation.

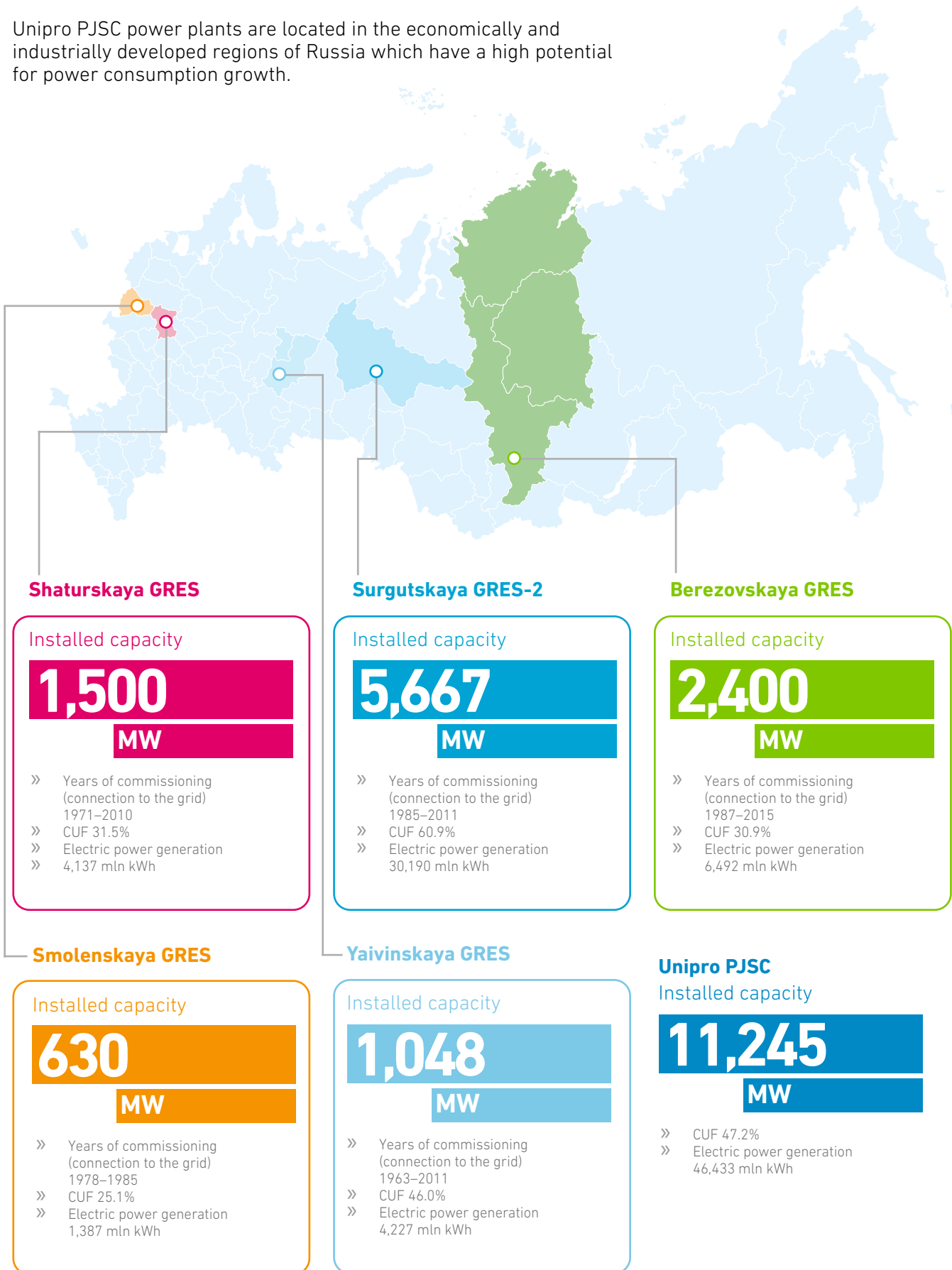


Uniper Group, a major shareholder of Unipro PJSC, is one of the global leaders in the traditional electric power generation sector. Uniper includes hydroelectric, gas-fired and coal power plants with a total capacity of 34 GW. The Group has assets in more than 40 countries around the world. Due to its large number of plants, the use of various different types of fuel and innovative solutions, Uniper is a reliable supplier of electric power, a large portion of which is produced using environmentally friendly technologies.

¹ Hereinafter referred to as Unipro PJSC, Uniper or the Company.

1.2. Geographical Reach

Unipro PJSC power plants are located in the economically and industrially developed regions of Russia which have a high potential for power consumption growth.





SHATURSKAYA GRES



3,861

Net electric
power output,
mln kWh



6%

of the total electric
power output in
Moscow and the
Moscow Region



4.5%

of the working-age
population of Shatura
works at the plant



855

Average staff number as
of 31 December 2019

SHATURSKAYA GRES BRANCH OF UNIPRO PJSC

Shaturskaya GRES is one of the oldest power plants in Russia

On 25 July 2020, Shaturskaya GRES will celebrate its 100th anniversary. It is one of the first power plants constructed according to the GOELRO plan (Russian State Electrification Programme) in 1920.

Today, Shaturskaya GRES generates 6% of the total electric power output in Moscow and the Moscow Region. The entire output of electric power is sold in the wholesale electricity market. MK Shatura JSC, a furniture plant, is one of the largest consumers. Besides,

Shaturskaya GRES supplies heat to the entire residential and hospitality sector in Shatura and the Kerva Microdistrict. 98% of the plant employees are locals, accounting for 4.5% of the total working-age population of the Shatura Urban District.

Shaturskaya GRES CCGT has an efficiency factor of around 56%, which is more than one-third higher than the figures for the power units operating in the Russian heat generation sector. Due to its environmental safety, the 400 MW CCGT at Shaturskaya GRES became the first Russian project approved by the United Nations Organization under the Kyoto Protocol.

In 2019, we secured the key production and financial indicators, successfully completed the previous heating season and awarded the best heat power consumers.

This was an eventful year that included events of historical significance. The staff of Shaturskaya GRES branch celebrated an important date — the 80th anniversary of the Order of Lenin earned by the plant.

We continued doing good things: we traditionally took part in forest planting, voluntary community work, Donor's Day, and collected over a tonne of waste paper as part of the environmental campaign.

Sergey Bakurin,

Director of Shaturskaya GRES Branch, Unipro PJSC



SMOLENSKAYA GRES



1,278

Net electric
power output,
kWh



27

Net heat
power output,
thousand Gcal



9%

of the population of
Ozerny works at the
power plant



495

Average staff number as
of 31 December 2019

SMOLENSKAYA GRES BRANCH OF UNIPRO PJSC

Smolenskaya GRES is a pillar of the local economy. It employs 9% of the population of Ozerny Settlement.

Smolenskaya GRES generates 10% of the electric power produced by all power plants operating in the region. The power plant supplies electric power to the Tver Region districts, takes part in controlling the capacity flows to the Republic of Belarus, supplies Ozerny Settlement with heat and hot water.

Smolenskaya GRES is a generating supplier for the wholesale electricity market.

In 2018, work began on the replacement of the overhead trunk pipeline from the Smolenskaya GRES to the Ozerny to ensure reliable heat supply and reduce heat loss. It is planned to replace 1,401 meters of the main pipeline with a diameter of 530 mm with the installation of polyurethane foam insulation and metal coating.

In 2019, Smolenskaya GRES implemented all production programmes and reduced the incident rate figures as compared to 2018.

Health and occupational safety are among the Company's priority areas. The plan to improve the level of occupational safety was accomplished: similar to 2018, Smolenskaya GRES had no disabling accidents involving its own staff and contractors' employees in 2019.

We implemented all activities scheduled by reference to the involvement survey: revised the salaries for key production specialists, were implementing the retention programme for young employees, and hired 15 subject matter specialists during the year.

Alexandr Peremibeda,
Director of Smolenskaya GRES Branch, Unipro PJSC



BEREZOVSKAYA GRES



6,034

Net electric
power output
kWh



433

Net heat
power output
thousand GCal



>5%

of the population
of Sharypovo works
at the plant



1,088

Average staff number as
of 31 December 2019

BEREZOVSKAYA GRES BRANCH OF UNIPRO PJSC

Berezovskaya GRES is the most powerful thermal power plant of the Krasnoyarsk Territory. It generates 11% of the total electric power output there and 3% of the total electric power output in the IDO of Siberia operating zone. Berezovskaya GRES employs 5% of the working-age population of Sharypovo.

The power plant is operated as part of the unified energy system of Siberia. The power

units of the branch are involved in the provision of SO UES JSC with the services aimed at ensuring overall reliability of the national energy system in the part of RPFC.

In 2019, the total output of Power Unit No. 2 reached the level of 100 bln. Power Unit No. 1 reached this level back in 2017.

Committed to the principles of social partnership, we are continuously assisting the municipal, district and territorial authorities with the development of our region's social sector. Apart from ongoing support of youth education and leisure, Unipro PJSC allocated funds to the implementation of important cultural projects in the Krasnoyarsk Territory: the Golden Mask Theatre Festival in Sharypovo and Surikov exhibition in 2019.

Last year saw a significant strengthening of the volunteering movement. Volunteers take part in outdoor cleaning and plant trees. The youth association organises charity fairs and fund-raising for lonely senior citizens and children under care of the municipal orphanage. People have a very high opinion of Unipro's social activities and try to take part in charity projects themselves.

Sergey Raikhel,

Director of Berezovskaya GRES Branch, Unipro PJSC



SURGUTSKAYA GRES-2



29,418

Net electric
power output
kWh



901

Net heat
power output
thousand Gcal



~40%

of the total electric
power output in
the Khanty-Mansi
Autonomous Area –
Yugra



1,187

Average staff number as
of 31 December 2019

SURGUTSKAYA GRES BRANCH OF UNIPRO PJSC

Surgutskaya GRES is the largest producer of electric power in Russia and the third most powerful power plant in the world.

The plant supplies the districts of West Siberia and the Urals with electric power. Surgutskaya GRES-2 accounts for about 40% of the total electric power output in the Khanty-Mansi Autonomous Area – Yugra. Surgutskaya GRES-2 supplies electric power to ensure uninterrupted operation of the oil and gas fields in the Khanty-Mansi Autonomous Area, supplies heat to the

eastern district of Surgut with a population exceeding 130 thousand people.

In 2019, Unipro PJSC Surgutskaya GRES-2 branch was included in the Russian national modernisation programme for electric power plants.

In 2019, N.V. Komarova, Governor of the Khanty-Mansi Autonomous Area – Yugra, paid a visit to Surgutskaya GRES-2. The Governor reviewed the forthcoming modernisation programme for the plant's generating equipment – CSA-2.

This was a difficult year, and yet I would characterise it as efficient. We made good progress: Surgutskaya GRES-2 was included in the federal equipment modernisation programme.

Our team has already embarked upon this challenging endeavor that we will have to accomplish within a relatively short timeframe. I am quite certain that my colleagues are able to cope with this task. It is thanks to the highly-competent specialists that our Company holds the title of the most efficient company in our country's heat generation industry.

The branch had no serious workplace incidents this year. Our people managed to save their life and health. Most of the employees are perfectly aware of the fact that nobody is looking for accomplishment at any price.

Valery Svetushkov,

Director of Surgutskaya GRES-2 Branch, Unipro PJSC



YAIVINSKAYA GRES



4,012

Net electric
power output
kWh



52

Net heat power
output
thousand GCal



10%

of the working-age
population of Yaiva
works at the plant



500

Average staff number as
of 31 December 2019

YAIVINSKAYA GRES BRANCH OF UNIPRO PJSC

Yaivinskaya GRES is a pillar of the local economy. It employs 10% of the total working-age population of Yaiva.

The plant ranks third in the Perm Territory for installed capacity and is a key player in ensuring reliable power supply of the region's major enterprises such as Uralkali PJSC, UCC URAL-CHEM JSC Azot Branch, VSMPO-AVISMA Corporation PJSC, Solikamskbumprom JSC, Sverdlovsk Railway – Branch of Russian Railways JSC, as well as of the towns and communities in the Upper Kama area.

Yaivinskaya GRES fully covers the heating needs of Yaiva Settlement that has a population of 10 thousand people.

In 2019, Yaivinskaya GRES was visited by Maxim Reshetnikov, Governor of the Perm Territory, line ministers and the Director of the Perm RDO of SO UES, who were impressed with the condition and composition of the equipment despite the plant's age.

2019 was a stable year for Yaivinskaya GRES, despite the unusual conditions and complexity of equipment repairs. The team of the branch and of the Moscow office demonstrated high cohesion in addressing their relevant tasks.

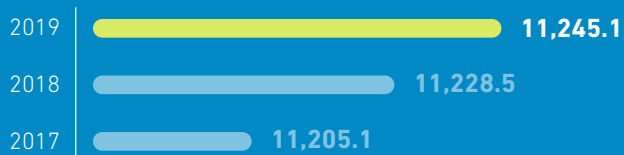
The plant prepared the Yaiva heat grid for operation during the heating season in good time and in a competent manner, and obtained the Report of Grid Readiness and the Certificate of Plant Readiness for operation in the winter season in a timely manner.

Evgeny Inozemtsev,
Director of Yaivinskaya GRES Branch, Unipro PJSC

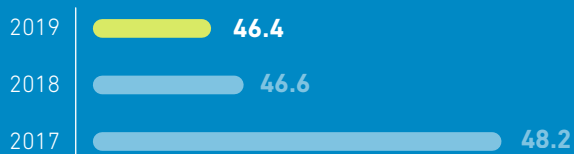
1.3. Key Results



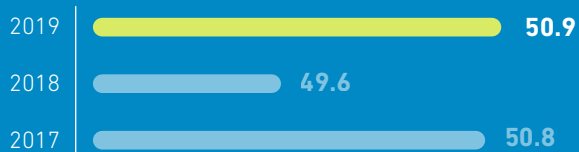
Installed capacity, MW



Electric power generation, bln kWh



Electric power sale, bln kWh



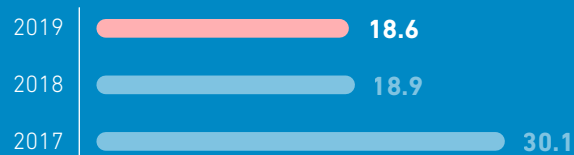
46.6

bln kWh

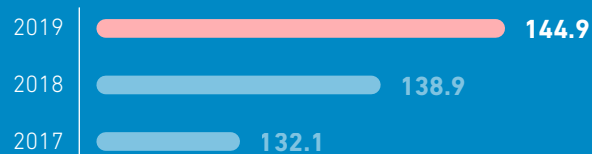
electric power generation in 2019



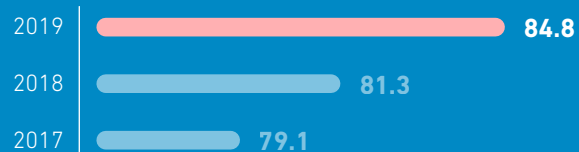
Net profit, RUB bln



Asset value, RUB bln



Revenue, RUB bln



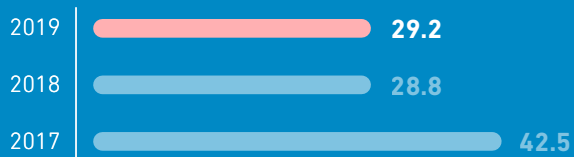
18.6

RUB bln

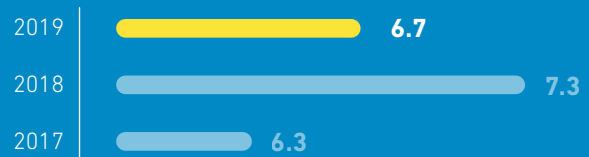
net profit in 2019



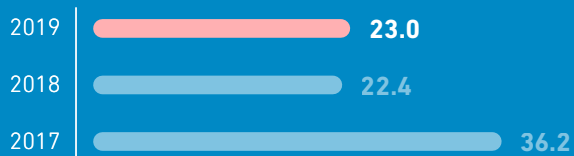
EBITDA, RUB bln



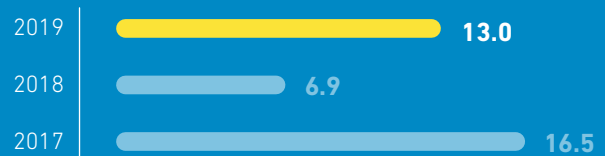
HR costs, RUB bln



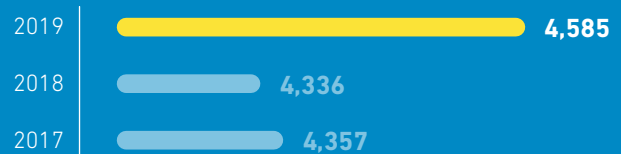
EBIT, RUB bln



Tax payments, RUB bln



Number of employees, individuals

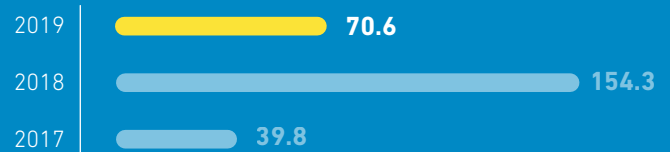


6.7

RUB bln

personnel costs in 2019

Donations to charitable and social projects, RUB mln



1.4. Key Events 2019

January

Resolution of the Government of the Russian Federation No. 43 "On Selecting Power Plants' Generation Assets for Modernisation Projects" was published on 25 January 2019. SPU-810 MW Power Unit No. 1, SPU-810 MW Power Unit No. 6 and SPU-810 MW Power Unit No. 4 of Surgutskaya GRES-2 were included in the Russian national modernisation programme for electric power plants

March

Shaturskaya GRES subjects the CCGT to the first remarking. Thanks to the modernisation, the capacity has gained 6.6 MW and currently equals 400 MW

Unipro PJSC earned the Special Diploma "Inspiration" by the Ministry of Culture of the Krasnoyarsk Territory for major contribution in the development of culture in the Krasnoyarsk Territory

Approval of the new dividend policy

February

An exhibition titled Surikov: Conquest of Snow Fortress was opened in the Krasnoyarsk Art Museum. Unipro PJSC served as the general sponsor of the exhibition

May

The Golden Mask Theatre Festival was opened in Sharypovo. Over the course of 5 days, the residents of a small town in Siberia had a chance to see Russia's best theatrical shows (from Moscow, St. Petersburg and Novosibirsk). Unipro PJSC served as the general sponsor of the project

April

Maxim Shirokov, CEO of Unipro PJSC, presented the investment projects of agricultural production development in the Sharypovsky District to Dmitry Kozak, Deputy Prime Minister of the Russian Federation

The staff of Shaturskaya GRES branch celebrated the 80th anniversary of the Order of Lenin earned by the plant

June

Berezovskaya GRES completed hydraulic tests of the boiler reheater on Power Unit No. 3

All power plants of Unipro PJSC were certified to weld refractory steel: from now on, they may weld steam and hot water pipelines with a working steam pressure above 0.07 MPa and water temperature above 115°C. The certificate issued by the National Agency of NDT and Welding (NAKS) is valid until 2023

July

Shaturinskaya GRES performed the rewedging of the generator at Power Unit No. 7

Surgutskaya GRES-2 subjected CCGT 400.2 MW Power Unit No. 8 to remarking, resulting in an increase of the installed capacity up to 410.243 MW

During his work trip to the Aleksandrovsky District, Maxim Reshetnikov, Governor of the Perm Territory, visited Unipro PJSC Yaivinskaya GRES branch

The funds donated by Yaivinskaya GRES to a local hospital were used to purchase three cardiographs and a 24-hour heart monitoring device. They were added to the stock of diagnostic equipment

The Company has successfully passed the compliance audit regarding the occupational health and safety management system in accordance with the requirements of the OHSAS 18001:2007 standard.

August

Surgut held joint professional workmanship competitions among operating crews of Unipro PJSC branches – this was the first time when the teams of both the BTS and the GSTS functions competed simultaneously

October

An ultrasonography apparatus was purchased for Ozerny District Hospital No. 1

Surgut-based MBEI Secondary School No. 19 that implements the School – University – Enterprise programme sponsored by Unipro PJSC in the Khanty-Mansi Autonomous Area earned the diploma of a prizewinner of the contest “Russia’s 100 Best Schools.” The awarding ceremony was held in October in St. Petersburg. The educational institution earned the award for its experience of collaboration with Unipro PJSC Surgutskaya GRES-2 branch

November

Total generation of Berezovskaya GRES Power Unit No. 2 since start-up reached 100 bln kWh

Surgutskaya GRES-2 earned three award diplomas from Surgut administration in civil defense and emergency response, including for the best protection works and for the best volunteer emergency response team

September

Unipro PJSC and RUSAL settled their legal disputes related to the accident at Berezovskaya GRES in the Krasnoyarsk Territory

The combined team of all branches and the Moscow Representative Office of Unipro PJSC took part in the charity run of the Moscow marathon in favour of children with disabilities

A fitness ground gifted to the residents by Berezovskaya GRES under the social investment programme was inaugurated in the Bely Park in Sharypovo

Yaivinskaya GRES athletes took part in a charity race in the Perm international marathon to support disabled children

Surgutskaya GRES-2 branch held the 24th Surgutskoye Koltso all-Russian track-and-field semi-marathon. Over 190 athletes took part in the race

December

Unipro PJSC obtained the Certificate of Conformity of the Company’s Environmental Management System to the requirements of the updated version of ISO 14001:2015 international standard as it regards electric and heat power generation and heat power transportation valid through 13 December 2022

Berezovskaya GRES completed hydraulic testing on the Power Unit No. 3 boiler

Yaivinskaya GRES took part in the annual festival for children with disabilities “Beacon of Hope” as a permanent partner

N. V. Komarova, Governor of the Khanty-Mansi Autonomous Area – Yugra, paid a visit to Surgutskaya GRES-2. The Governor reviewed the forthcoming modernisation programme for the plant’s generating equipment – CSA-2

1.5. Awards and Ratings

The Company management traditionally values excellence and outstanding performance on the part of Unipro PJSC employees, who receive the relevant awards from the Ministry of Energy of the Russian Federation for their achievements. In 2019, 10 employees received the awards:

The Company earned the Intercomm 2019 award in the Territory of the Good category for the “Uniproshka for Kids” project.

In addition, 95 employees earned Unipro PJSC awards in 2019: 35 employees – Unipro PJSC Certificates of Excellence, and 60 employees – the Company’s Letters of Appreciation.

Social responsibility is very important for Unipro PJSC. The Ministry of Energy of the Russian Federation took note of the Company’s proactive social policy and rewarded it with relevant diplomas in 2019. The list of awards and successes in this area includes:

- » the Diploma of the Ministry of Energy of the Russian Federation “For Proactive Social Policy,” based on the result of the contest for the best socially-oriented power engineering company in 2019;
- » the Best Project Diploma awarded to the “Uniproshka for Kids” communication project based on the result of the contest for the best socially-oriented power engineering company in 2019.

**Acknowledgement by the Ministry of Energy of the Russian Federation
3 persons**

**Certificate of Excellence of the Ministry of Energy of the Russian Federation
7 persons**

STRATEGIC REPORT

10%

**of the total electric
power generation**

in the Smolensk Region
by the Smolenskaya GRES

0

accidents

among personnel and contractors
in 2019



TAEKWONDO CLUB

Smolenskaya GRES supported trips of taekwondo practitioners of the Unipro Dukhovshchinsky District Club to European-level competitions.



SUPPORT TO THE HOSPITAL

In 2019, the Company allocated about RUB 2.5 mln to Ozerny District Hospital No. 1 for acquisition of ultrasonic diagnostics equipment.



ENVIRONMENTAL LECTURES

In 2019, environmental lectures entitled "Ecology. Separate Waste Collection" were held in preschool and school institutions of the Ozerny village settlement.



#IAMENERGY (#ЯЭНЕРГИЯ)

The #IAMENERGY sport competitions took place at Smolenskaya GRES for its employees and their family members.

SMOLENSK REGION

Smolenskaya GRES is the largest thermal power plant in the region, generating 10% of the electric power of all the power plants operating in the region.

Macroeconomic overview

The growth rate of the world economy and Russia's economy has a significant impact on the country's electricity sector and the results of activities at Unipro PJSC.

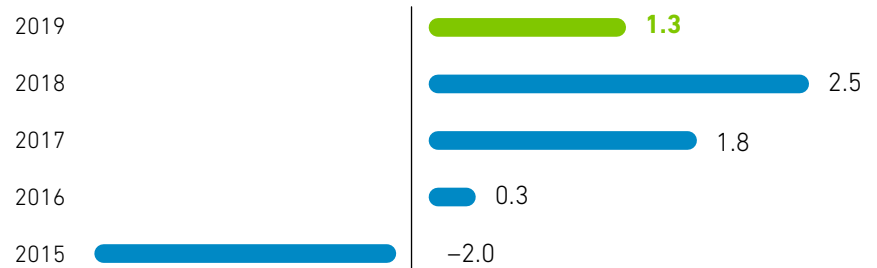
According to the estimates by the International Monetary Fund (IMF),¹ the global economic growth rate in 2019 amounted to 2.9%, which is the decade's low. The economic growth was restrained by international trade conflicts.

According to the estimates by the Federal State Statistics Service of Russia,² in 2019, Russia's economy was continuously in the uptrend that started in 2017 after the recession of 2015–2016. In 2019, Russia's GDP grew by 1.3%. The inflation rate in 2019 amounted to 3% (or 2.2% if adjusted for the increase of the base VAT rate starting from 1 January 2019).

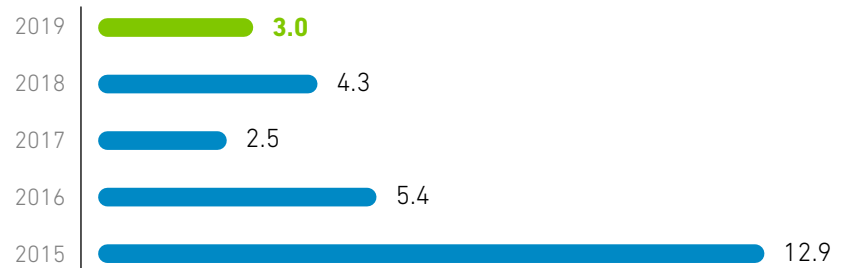
The list of the key deterrents to economic and inflation rate growth in 2019 included contraction of foreign demand for Russian exports in the context of the global economic slowdown, control of inflation in the countries representing Russia's key trade partners and low consumer demand growth.

As of the results of 2020, the Ministry of Economic Development is expecting the acceleration in the GDP growth up to 1.7%, and up to 3.1% in 2021.

GDP growth in Russia, %



Consumer Price Index in Russia, %



According to SO UES JSC,³ power consumption in 2019 increased by 0.4% as compared to 2018. In 2019, there were only two unified energy systems (UESs) where power consumption grew. In the UES of the East, the growth rate amounted to 18% due to connection of the Central and Western areas of Yakutia to the energy system in the reference period. In the UES of Siberia, the growth rate amounted to 0.6% primarily due to the commissioning of the second out of the four stages of Boguchany Aluminum Smelter. As for other UESs, power consumption was lower in 2019 than last year. This low power consumption was caused by weather conditions: a chilly summer and an abnormally warm December.



The dynamics of electric power consumption is one of the key elements affecting the energy market, especially under conditions of surplus of generating capacity created after the generators had achieved their objectives within the programmes for commissioning new power units under capacity supply agreements (CSAs).

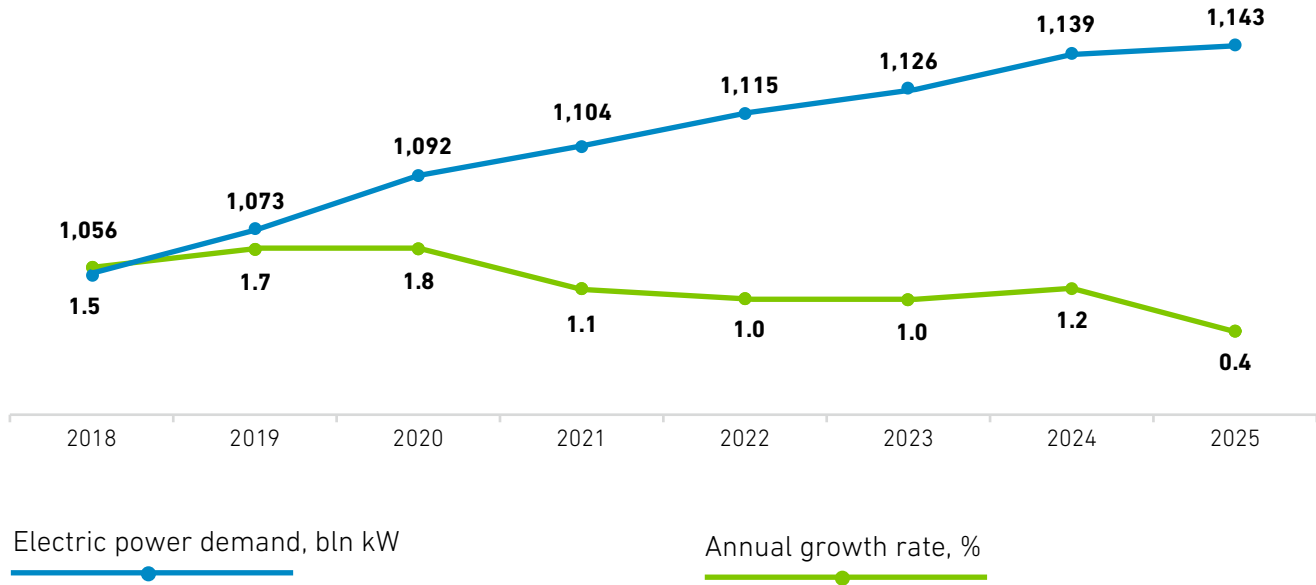
¹ The Bulletin "Prospects for the development of the world economy" as of 17 January 2020.

² The Federal State Statistics Service.

³ System Operator of the Unified Energy System Open Joint-Stock Company, hereinafter referred to as the System Operator.

In the context of poor economic growth and weather conditions, the 2019 volume of power consumption of 1,059.4 bln kW is lower than the value predicted by the Scheme and Programme of Development of the Unified Energy System of Russia developed by the Ministry of Energy of the Russian Federation.

Electric power demand forecast (UES of Russia) until 2025



Source: The Scheme and Programme of Development of the Unified Energy System of Russia 2019–2025.

The impact of events after the reporting date which are independent of the activities of Unipro PJSC

At the beginning of 2020, a number of circumstances such as the epidemic of coronavirus infection, the fall of the stock market, the decline in oil prices, and the weakening rouble, influenced

the economic situation in Russia and in the world. The Company's management closely monitors the potential impact of these events and, in the case of a negative impact, will take comprehensive measures to reduce the potential consequences. Nevertheless, the impact of all the consequences of these events on the Company and the industry as a whole cannot be fully predicted.

2.1. Power Markets

The electric power industry is a basic branch of the Russian economy, providing electric and heat power to the national economic enterprises and the population, as well as exporting electric power to the CIS countries and far abroad.

The Unified Energy System of Russia (UES of Russia) consists of 7 integrated power systems (IPSs): the East, Siberia, the Urals, the Mid-Volga Region, the South, the Centre and the North-West. The list of isolated power systems includes the Chukotka Autonomous Area, the Kamchatka Territory, the Sakhalin and Magadan regions, the Norilsk-Taimyr and Nikolaevsk power regions, and the power systems of the central and northern parts of the Republic of Sakha (Yakutia).

The total installed capacity of power plants in the UES of Russia at year-end 2019 amounted to 246,342.45 MW, with 67% accounted for by thermal power plants (TPPs).

According to SO UES JSC, the electric power consumption in the UES of Russia amounted to 1,059.4 bln kWh in 2019, which is 0.4% higher than the consumption in 2018.

Electric power output in the UES of Russia amounted to 1,080.6 bln kWh in 2019 (0.9% more than in 2018), with 63% accounted for by thermal power plants.



Andrey Zhukovsky,

Director for Energy Markets,
Unipro PJSC

2019 may be nicknamed the year of market expectations, as everyone expected the adoption of regulatory documents determining a future direction of the modernisation programme, in which our Company takes an active part. However, most of the decisions that will shape the Company's market strategy, including those associated with the in-depth modernisation based on CCGT, were rescheduled for 2020. This implies that nobody will be bored in the new year.

At year-end 2019, the share of Unipro PJSC

in the Russian
electric power
output amounted to

4.3%

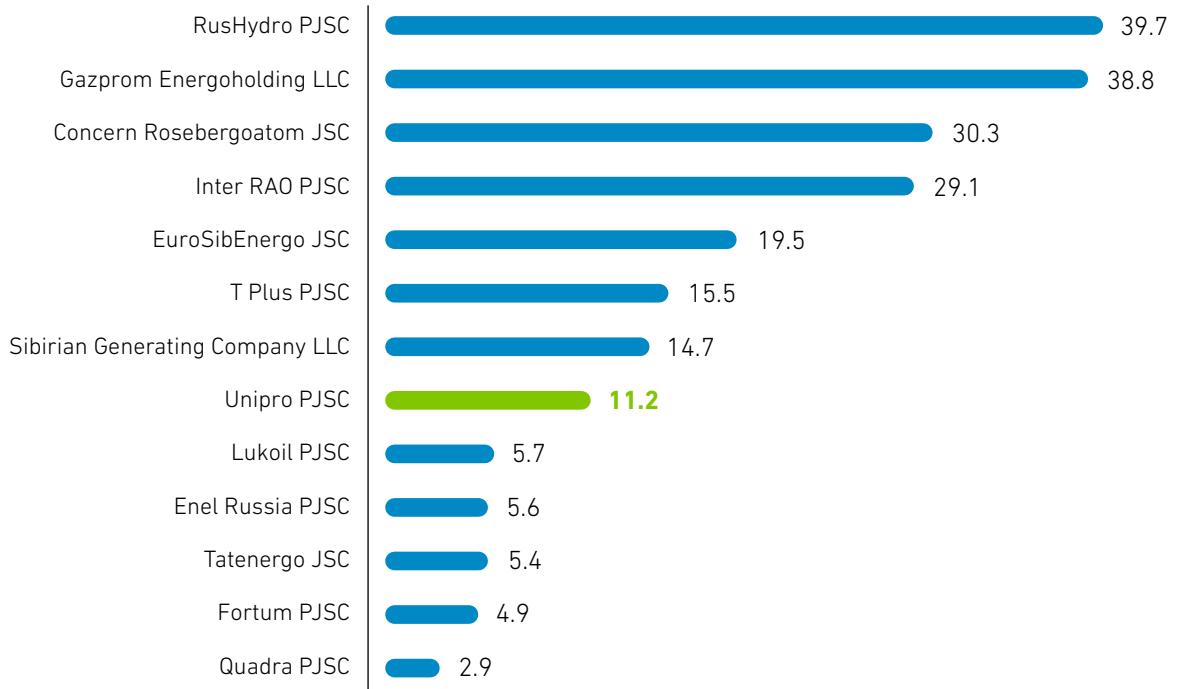
in the installed
capacity – to

4.6%

and in the output
of thermal power
plants – to

6.8%

Installed capacity of the largest Russian generation companies by asset in the Russian Federation, GW



Electric power and capacity market

The Russian electric power and capacity market is divided into two levels – the wholesale

market and the retail market. Wholesale market participants are generation companies (retailers of electric power and capacity), sales companies, grid companies, and large consumers

(buyers of electric power and capacity). Electric power in the retail market is traded under free bilateral contracts with consumers.

Unipro PJSC operates in the wholesale electric power and capacity market.

Electric power and capacity are bought and sold in accordance with the Rules of the Wholesale Electric Power and Capacity Market Operation and the Agreement on Adherence to the Wholesale Electric Power and Capacity Market Trading System established by Resolution of the Government of the Russian Federation No. 1172 dated 27 December 2010.

According to the legislation, electric power and capacity volumes to be supplied to households and equivalent consumer categories under regulated contracts were stipulated for each seller in the wholesale market.



Pursuant to Resolution of the Government of the Russian Federation No. 1178 dated 29 December 2011 "On pricing in regulated prices (tariffs) in the electric power industry", a tariff-setting procedure with calendar breakdown was introduced from 2012, based on the principle of non-exceedance of the prices (tariffs) value and their limits in the first half of the next annual regulatory period over the value of corresponding prices (tariffs) and their limits in the second half of the previous annual regulatory period. When setting tariffs, growth indices were applied according to the socio-economic development forecast approved by the Ministry of Economic Development of the Russian Federation.

The remaining generated electric power and capacity volumes are supplied at non-regulated prices in the wholesale market.

Tariffs for the supply of electric power and capacity under regulated contracts are set by the federal executive body for tariff regulation.

Dynamics of tariffs on electric power set for Unipro PJSC power plants, RUB/MWh

Branch name		2017		2018		2019	
		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2	Power Units No. 1–6	711.25	725.58	725.58	750.01	750.01	759.34
	Power Unit No. 7	522.58	530.16	530.16	547.34	546.40	546.40
	Power Unit No. 8	522.81	530.32	530.32	547.43	546.60	546.60
Bereзовskaya GRES	Power Unit No. 1	347.46	361.79	354.00	354.00	354.00	382.14
	Power Unit No. 2	315.43	328.58	322.09	322.09	322.09	346.89
	Power Unit No. 3	–	–	–	–	400.53	449.80
Shaturskaya GRES	Power Units No. 1–6	1,486.20	1,515.98	1,515.98	1,574.39	1,574.39	1,611.67
	Power Unit No. 7	743.97	766.94	766.94	787.00	787.00	803.08
Smolenskaya GRES		1,258.22	1,285.53	1,285.53	1,329.32	1,329.32	1,371.27
Yaivinskaya GRES	Power Units No. 1–2	1,142.72	1,165.14	1,050.70	1,108.86	1,108.86	1,128.54
	Power Units No. 3–4	1,031.58	1,050.70	1,050.70	1,108.86	1,108.86	1,128.54
	Power Unit No. 5	620.33	631.93	631.93	656.07	651.16	651.16

The regulated tariffs for electric (heat) power (capacity) set for Unipro PJSC power plants vary considerably depending on a number of factors, including performance, location, fuel used, investment plans and when the regulation period commences. Smolenskaya GRES and

Shaturskaya GRES have historically had higher tariffs compared to the power plants located in the Ural Federal District, the Volga Federal District, and the Siberian Federal District, where gas and coal prices are lower than in Central Russia.

Dynamics of capacity tariffs set for Unipro PJSC power plants, RUB/MWh per month

Branch name		2017		2018		2019	
		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2		93,382.77	96,994.97	96,994.97	100,894.49	100,894.49	104,998.45
Berezovskaya GRES	Power Unit No. 1	168,107.24	176,213.63	176,213.63	183,262.18	183,262.18	191,142.45
	Power Unit No. 2	166,130.33	173,660.21	173,660.21	180,606.62	180,606.62	188,372.71
Shaturskaya GRES		145,096.94	151,513.27	151,513.27	157,584.65	157,584.65	164,230.38
Smolenskaya GRES		106,331.19	110,651.27	110,651.27	115,098.78	115,098.78	119,771.93
Yaivinskaya GRES	Power Unit No. 1	129,014.00	129,014.00				
	Power Unit No. 2	129,024.00	129,024.00	164,811.88	176,217.51	176,217.51	187,825.19
	Power Units No. 3-4	154,444.57	167,422.50				



The bulk of the Company's output is sold in the free sectors of the electric power and capacity markets. Within its own power hubs, the main competitors of Unipro PJSC's power plants are similar generating capacities: other state district power stations, which do not have a significant share of heat power output.

The demand for the Company's power plants also depends on:

- » characteristics of the energy zones where they are located;
- » structure of the electric power produced depending on a type of power plant (thermal, steam-turbine, nuclear, and hydroelectric power plants);
- » reliability of the system's conditions (grid and system limitations);
- » repair operations for generating and electrical grid equipment, carried out between the autumn and winter periods.

Seasonal factors have a considerable influence on the performance of Unipro PJSC. Thus, snow floods in spring and rainfall floods in summer, which increase the electric power production at the hydroelectric power plants located in the same region where Berezovskaya GRES operates, have an impact on the level of demand for its production capacities.

In recent years, the impact of electrical grid equipment repairs on demand for electric power has increased significantly. In the case where there is an excess of generating capacity in certain regions of the power system, repairs of power grids can significantly restrict the transmission of electric power to regions in short supply and bring down the market price for the regions with excess energy supplies.

System services market

Since the beginning of 2011, the market for services that provide system reliability (the system services market) has been operating in the Unified Energy System of Russia; its goal is to maintain the required level of reliability and operational quality for the UES of Russia.

Unipro PJSC has been a participant in the system services market since it was launched, rendering the service of rated primary frequency control (RPFC).

Primary frequency control limits frequency deviations in the power system after the emergence of a power imbalance in any of its parts. The RPFC is performed by automated frequency and active

capacity control systems of power units that have more advanced control system features than the standard equipment.

This service provides for maintaining the constant readiness of the power units to change the active capacity with the required speed and accuracy in case of frequency variation in the power system.

Surgutskaya GRES-2, Shaturskaya GRES and Berezovskaya GRES are participants in the RPFC system services market. The System Operator deploys the primary control reserve at these power plants (reserve for equipment loading/unloading in terms of active capacity).

Structure of electricity and capacity sales by market sector

Indicators	2018	2019	2019/2018, %
Electric power sales, mln kWh, including	49,645	50,889	2.5
regulated sector	11,278	10,669	-5.4
competitive sector	38,367	40,220	+4.8
Capacity, MW per month, including	9,889	9,901	0.1
under regulated contracts	2,500	2,578	3.1
based on competitive capacity selection	2,584	4,963	92.1
under capacity supply agreements	1,537	1,554	1.1
under free bilateral contracts	3,268	806	-75.3

In 2019, electricity sales by Unipro PJSC power plants amounted to 50.9 bln kWh, which is 2.5% more than in 2018.

The capacity sales remained at the level of 2018 and amounted to 9,901 MW per month.

In 2019, regulated contracts accounted for 21.0% of electricity sales and for 26.0% of power sales.

The revenue from sales of electric power and capacity in the regulated segment of market amounted to RUB 14 bln (14% of the total revenue from electric power and capacity sales by Unipro PJSC).

The entire margin from electric power sales was secured by operation in the competitive sectors of the wholesale market.

The Company is constantly improving its business strategy for the competitive sectors of the market in order to gain maximum profit.

Heat power market

The sale of heat energy in accordance with legislation of the Russian Federation is a fully regulated type of activity.

Heat tariffs are set by executive authorities of Russia's constituent entities that deal with state tariff regulation.

The price of heat power is a significant public concern in the regions where power plants are located. That is why the

affordability of this product and the consumer's solvency are taken into account in the regulation process.

Dynamics of tariffs on heat power set for Unipro PJSC power plants, RUB/thousand Gcal

Branch name		2017		2018		2019	
		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2	for heat power (capacity) at headers of the source of heat power (without VAT)	514.48	536.09	536.09	536.09	535.95	535.95
	for heat power (capacity) at headers of the source of heat power (without VAT)	322.32	334.89	334.89	448.95	448.95	473.70
Bereзовskaya GRES	for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	734.38	763.02	763.02	991.91	991.91	1,046.60
	population (VAT included)	866.57	900.36	900.36	1,170.45	1,190.29	1,255.92
Shaturskaya GRES	for heat power (capacity) at headers of the source of heat power (without VAT)	700.91	736.65	736.65	773.50	773.50	810.93
	heat in steam (from 2.5 to 7 kg/cm ²)	1,908.81	2,006.16	2,006.16	2,106.50	Non-regulated price	
	heat in steam (from 7 to 13 kg/cm ²)	1,990.66	2,092.18	2,092.18	2,196.80	Non-regulated price	
	consumers connected to the heat network without additional conversion at heat points operated by a heat-supplying organisation (without VAT)	1,215.22	1,286.97	1,305.10	1,384.70	1,384.70	1,440.83
	population (VAT included)	1,433.96	1,518.62	1,540.02	1,633.95	1,661.64	1,729.00
	consumers connected to the heat network after heat points (at heat points) operated by a heat-supplying organisation (without VAT)	1,737.84	1,815.24	–	–	–	–
	population (VAT included)	2,050.65	2,141.98	–	–	–	–

Branch name		2017		2018		2019	
		H1	H2	H1	H2	H1	H2
Smolenskaya GRES	for heat power (capacity) at headers of the source of heat power (without VAT)	941.33	963.95	963.95	967.13	967.13	1,071.16
	for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	1,561.78	2,369.23	2,369.23	2,374.11	2,374.11	2,418.77
	population (VAT included)	1,842.90	1,912.00	1,912.00	1,992.30	2,026.17	2,066.69
Yaivinskaya GRES	for heat power (capacity) at headers of the source of heat power (without VAT)	872.29	889.56	889.56	917.61	917.61	945.37
	for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	1,440.04	1,510.39	1,510.39	1,555.63	1,555.63	1,586.80
	population (VAT included)	1,699.25	1,782.26	1,782.26	1,835.64	1,866.76	1,904.16

Heat generation and sales are not the key business area for Unipro PJSC. Following the results of 2019, revenue from heat power sales was about 1.8% of the Company's total revenue. Nevertheless, Unipro PJSC devotes a lot of attention to ensuring the reliability and

continuity of the heat power supply, as this is essential to support local consumers living in the nearby communities.

Consumers of heat power produced at the branches of Unipro PJSC are the general population, local industry, as

well as enterprises and entities funded from budgets at all levels. The material terms and conditions of contracts with consumers for unified heat-supplying organisations (UHSOs) are specified on the corporate website of the Company at <http://www.unipro.energy/en/>.

Sales of heat power, thousand Gcal

	2018	2019	2019/2018, %
Surgutskaya GRES-2	952.7	901.0	-5.4
Berezovskaya GRES	450.1	435.0	-3.3
Shaturskaya GRES	370.3	308.4	-16.7
Smolenskaya GRES	32.9	31.7	-3.6
Yaivinskaya GRES	54.9	51.5	-6.2
Total, Unipro PJSC	1,860.9	1,727.6	-7.2

The amount of heat supplied to consumers in 2019 was 7% less than in 2018. The lower net output was due to weather conditions.

Regulatory support and development of power markets

Unipro PJSC carries out its activities in an environment of in-depth statutory regulation of the Company's target markets consisting of federal laws, Russian Government decrees, orders of federal executive authorities, etc.

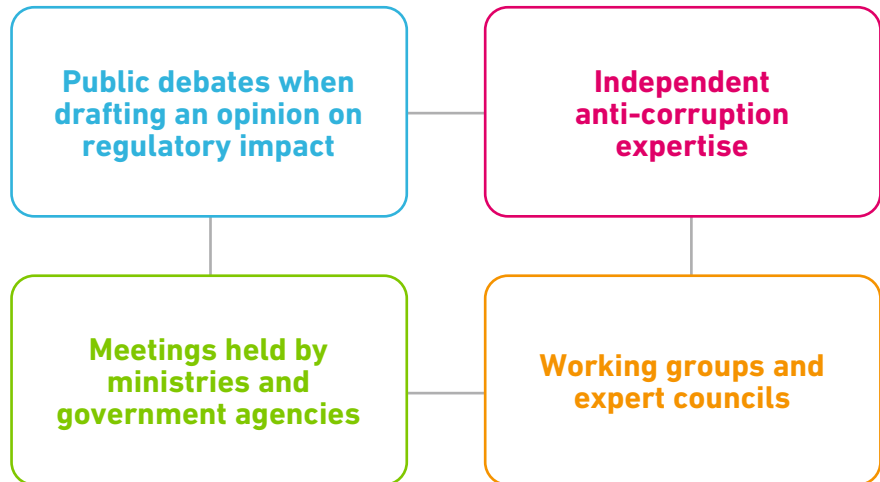
It is the statutory regulation that determines the rules and procedures for the Company's operation in the market, which in turn affects its financial performance.

As part of the regulatory work, the Company's subject matter specialists and lawyers take part in the drafting and discussion of regulatory legal acts to ensure that Unipro PJSC interests are taken into account.

Comprehensive legal review by Unipro PJSC legal function makes it possible to identify risks in a timely manner, eliminate or reduce them as early as at the public debate

stage and to ensure a comfortable regulatory environment for the Company's business.

Unipro PJSC actively engages in public and social debates in compliance with legal requirements:¹



In 2019, a large-scale programme was launched to modernise the generation assets of thermal power plants. This is a new mechanism, and therefore, it was quite natural to expect that the implementation process would reveal the aspects requiring adjustments, both at the level of the Wholesale Electricity and Capacity Market Procedures and at the level of the Resolution of the Government of the Russian Federation. Unipro PJSC energy markets function is proactively involved in working groups and initiates necessary changes and adjustments in this programme.

¹ In accordance with Resolution of the Government of the Russian Federation No. 1318 dated 17 December 2012 "On the Procedure for Assessment by Federal Executive Authorities of the Regulatory Impact of Draft Regulatory Acts and Draft Resolutions of the Eurasian Economic Commission, and On Amending Certain Acts of the Government of the Russian Federation" (together with the Rules for Assessing the Regulatory Impact of Draft Regulatory Acts and Draft Resolutions of the Eurasian Economic Commission by Federal Executive Authorities); Resolution of the Government of the Russian Federation No. 851 dated 25 August 2012 "On the Procedure for Federal Executive Authorities to Disclose the Information about the Drafting of Regulatory Acts and Public Debate Results" (together with the Rules for Federal Executive Authorities to Disclose the Information about the Drafting of Regulatory Acts and Public Debate Results).



In 2019, all branches of Unipro PJSC (except for Surgutskaya GRES-2) supplied heat power directly to consumers under direct contracts or through entities providing housing and utility services. Surgutskaya GRES-2 supplies heat power to Surgut City Grid LLC.

To supply consumers with adequate quality heat, the Company repairs and upgrades its heat supply systems on a regular basis.

Unipro PJSC modernisation projects have successfully passed the competitive selection for 2022–2025. Preparations for and participation in the selection is a multi-stage process that requires involvement of the majority of the Company's functions. The energy markets function administers this area and ensures the mitigation of regulatory risks at the stages of selection, construction, commissioning and future operation of facilities to be modernised.

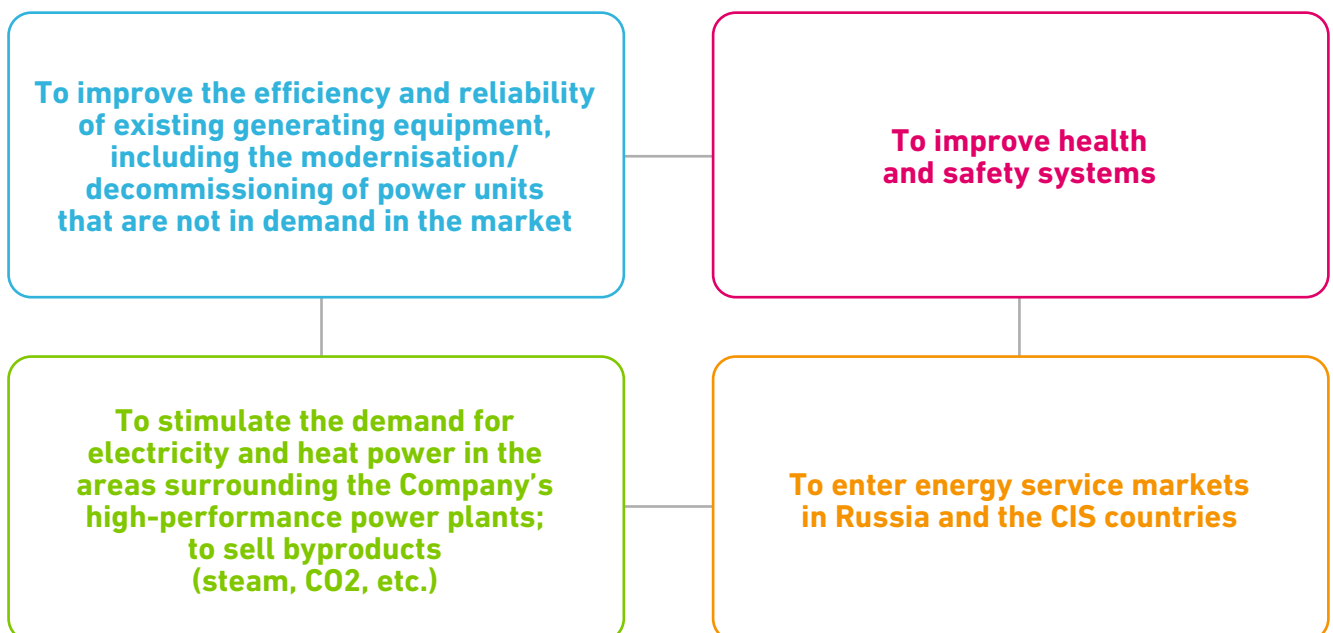
The most notable RLAs in the electric power industry adopted in 2019 that were drafted with contribution from Unipro PJSC specialists are as follows:

1. Resolution of the Government of the Russian Federation No. 43 dated 25 January 2019 "On Selecting Power Plants' Generation Assets for Modernisation Projects";
2. Resolution of the Government of the Russian Federation No. 1211 dated 18 September 2019 "On Amending Clause 1 of Resolution of the Government of the Russian Federation No. 1509 dated 26 December 2014";
3. Resolution of the Government of the Russian Federation No. 1654 dated 12 December 2019 "On Amending Clause 40 of the Rules of Wholesale Electricity and Capacity Market";
4. Resolution of the Government of the Russian Federation No. 1655 dated 12 December 2019 "On Amending Clause 278 of the Rules of Wholesale Electricity and Capacity Market";
5. Resolution of the Government of the Russian Federation No. 287 dated 20 March 2019 "On Amending Certain Acts of the Government of the Russian Federation Regarding Operation of Demand Management Aggregators for Electric Power in the Unified Energy System of Russia and Enhancement of the Mechanism for Price Responsive Reduction of Electricity Consumption and Provision of System Reliability Assurance Services".

2.2. Strategy and Prospects of Development

The development strategy of Unipro PJSC is aimed at maximising the shareholder value while ensuring that generating equipment has a high level of reliability and ensuring strict compliance with OHS standards.

Strategic goals of Unipro PJSC



Implementation of the Company's business priorities in 2019

Priority tasks	Progress
<p>To complete the repair of the boiler of Power Unit No. 3 at Berezovskaya GRES</p>	<p>Substantial progress has been made with the repair of the boiler of Power Unit No. 3 at Berezovskaya GRES.</p> <p>The commissioning of the power unit is scheduled for Q3 2020¹.</p>
<p>To prepare for the modernisation of generating capacities under the modernisation programme envisaged by the Russian Government</p>	<p>In 2019, Unipro PJSC took part in the auction held to select generating equipment modernisation projects that the Government of the Russian Federation is planning to implement in 2019. As a result of the auction, the modernisation projects of Surgutskaya GRES-2 Power Units No. 1, 4 and 6 were selected. The timeframe of the modernisation programme is 10 years. In 2020, the Company will embark upon a large-scale effort to prepare the power plant industrial site for the implementation of basic modernisation activities. In addition, the Company will develop design and estimate documentation for SPU-810 MW Power Unit No. 1 that will be the first power unit to launch modernisation in August 2021.</p> <p>Unipro PJSC is planning to take part in selections of modernisation projects in the years that will follow.</p>
<p>To improve the operational efficiency of power units which are not included in the modernisation programme</p>	<p>The construction of a heating boiler at Smolenskaya GRES branch is nearing completion. The commissioning is scheduled for Q3 2020.</p> <p>The implementation of this project will reduce the amount of equipment operated at Smolenskaya GRES during the periods when the power units are used to supply heat, but electricity prices do not support break-even operation in the day-ahead market.</p>
<p>To assist the development of agro-industrial clusters in the territories adjacent to thermal power plants</p>	<p>As part of the understanding reached with the investor, the parties signed a memorandum of understanding to cooperate on the construction of an advanced wheat processing factory (150,000 tonnes per annum) and launched works on the intended site (by ensuring the registration of the land plots and launching the surveys). The investor is engaged in fund-raising.</p> <p>The greenhouse construction project attracted one of the largest industry investors in the Russian Federation. The investor secured the Russian Agricultural Bank's approval of soft financing for the project. The kick-off is scheduled for early 2020, and the commissioning of the greenhouse complex – for Q4 2021.</p> <p>During the reporting period, the project was included in the Yenisey Siberia Integrated Investment Project by Order of the Government of the Russian Federation No. 571-R dated 29 March 2019. The Government of the Krasnoyarsk Territory made adjustments in the legal framework regarding promotion of investments in the agro-industrial sector. Based on the earlier understandings and cooperation agreement, the Financial Research Institute (FRI) and the Minister of Finance drafted a proposal of the Krasnoyarsk Territory to create a Priority Social and Economic Development Area (PSEDA) in the Sharypovsky District of the Krasnoyarsk Territory. The Government of the territory approved the proposal.</p>

¹ This information is current as of 31 December 2019.



Siberia AIP Investment Project in the Sharypovsky District

The project provides for the erection of a year-round greenhouse complex to grow vegetables under cover, poultry processing facilities, and advanced wheat processing factories in Siberia Agro-Industrial Park. The project is part of the Yenisey Siberia Integrated Investment Project and is supposed to be implemented in the Sharypovsky District where Berezovskaya GRES is located.

For the purpose of this project, Unipro PJSC established a subsidiary (Siberia Agro-Industrial Park LLC) responsible for attracting investors for the construction of agro-industrial enterprises in the Sharypovsky energy hub and stimulating the creation of an agro-industrial park in the Krasnoyarsk Territory. In addition, the Company conducted a comprehensive consulting review of the prerequisites for successful operation of an agro-industrial cluster in the

Sharypovsky District on a pro bono basis, and is willing to provide investors with the necessary infrastructure in the vicinity of Unipro PJSC Berezovskaya GRES branch on concessionary terms.

The Company is interested in promoting agricultural production in Sharypovo with a view to developing the overall level of development in the region. Creation of new production facilities will help reduce the drain of young people from the district and will consequently ensure an increase in consumption of the heat and electric power produced by Berezovskaya GRES.

On the sidelines of the Krasnoyarsk Economic Forum 2019, Maxim Shirokov, CEO of Unipro PJSC, presented the project to Dmitry Kozak, Deputy Prime Minister of the Russian Federation.

Modernisation projects for Surgutskaya GRES-2 power units

Power unit	Scope of work	Installed capacity before modernisation, MW	Installed capacity after modernisation, MW	Anticipated commissioning date
Power Unit No. 1	HPC+IPC+Generator	810	830	1 March 2022
Power Unit No. 4	HPC+IPC+Generator	810	830	1 December 2025
Power Unit No. 6	HPC+IPC+Generator	810	830	1 September 2024

* HPC – high-pressure cylinder.

IPC – intermediate pressure cylinder.

Prospects for Company development

Unipro PJSC key development plans involve increasing the efficiency and reliability of plant equipment, participating in competitive selections of modernisation projects for generation facilities of thermal power plants, attracting investments in agro-industrial cluster development projects in the Sharypovsky District of the Krasnoyarsk Territory near Berezovskaya GRES, as well as developing the energy service business.

2.3. Business Model

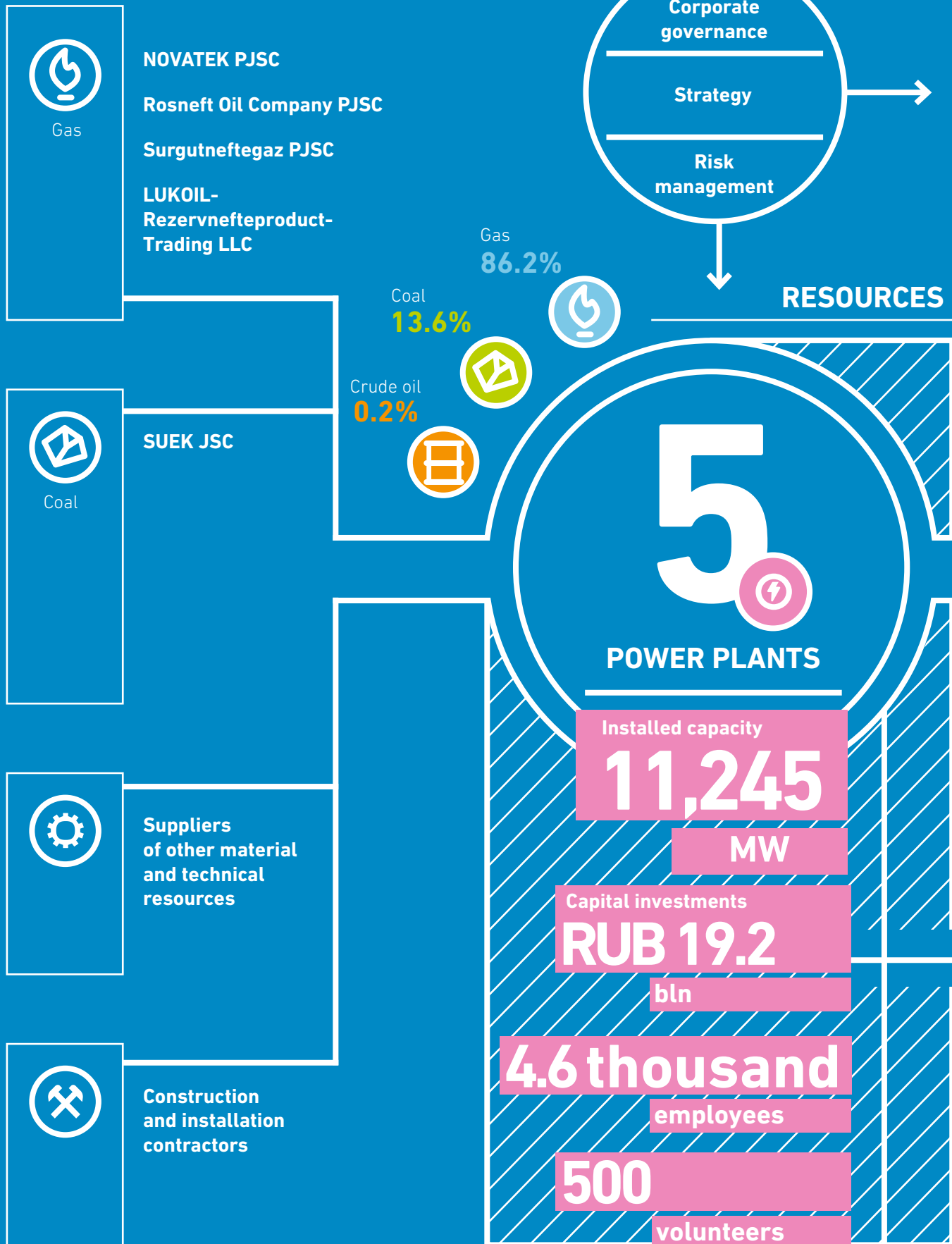
Electric power is generated during standard operating activity at the plants, which is sold in the wholesale electricity and capacity market across several sectors that are governed by different terms of transaction and delivery terms.

The revenue from sales of electric power and capacity accounts for 97.8% of the Company's total revenue. The Company's auxiliary activity is the production and sale of heat. Moreover, the Company operates in several other business areas through equity investment in profit-making and non-profit organisations.

Unipro PJSC manages five generating power plants and purchases fuel, material and technical resources, as well as services for construction, installation and repair works necessary for the plants to operate.

SUPPLIERS

SHAREHOLDERS



UNIPRO PJSC ACTIVITIES

PRODUCTS AND SERVICES

RESULTS

Electric power
generation

46,433
mln kWh

Electric power

Electric capacity

Heat
generation

2,053
thousand Gcal

Heat power

Energy services

Repairs

Engineering
services

Investment
programme

Sustainable
development efforts

Revenue

RUB 84.8
bln

Tax payments

RUB 13.0
bln

Dividends for 9M 2019

RUB 7.0
bln

Training

TRIF = **0.39**

Reduction of pollutant
emissions

4.7%

Reduction of waste
generation

15.8%

Charity
and social projects

RUB 70.6
mln

2.4. Finance and Economics¹

Since the Company produces and sells electric power and capacity in Russia using the Russian rouble as its payment currency, the EBITDA and EBIT are taken net of volatile factors, in particular, of currency differences, which ensures the most accurate assessment of Unipro PJSC performance.

2.4.1. Revenue

The Company's revenue in 2019 consisted of proceeds from the sale of electric power, heat and other commercial and non-commercial products and services. At year-end 2019, Unipro PJSC revenue grew by 4.2% as compared to 2018 and amounted to RUB 84.8 bln.

84.8

RUB bln

revenue grew
by 4.2% as compared
to 2018

Ulf Backmeyer,

Deputy CEO for Finance and Economics, Deputy Chairman of the Management Board, Unipro PJSC



In the present-day world, advanced companies rely on promotion of the continuous improvement culture and digital technologies as benchmarks.

In 2019, we continued the effort to upgrade the Operational Excellence System and launched ERP system modernisation and digitalisation projects. We realise that the key prerequisite for successful implementation of our plans is maximum utilisation of human potential through their professional development, motivation and involvement in these projects. These efforts will enable us to strengthen the Company's financial stability and ensure a long-term competitive edge that will be hard to replicate.

¹ The data used in the current section is given according to the RAS.

Indicator, RUB mln	2017	2018	2019	2019/2018, %
Electric power and capacity sales revenue, including:	77,365.3	79,364.1	82,920.5	4.5
» sale of electric power	46,575.2	46,607.5	50,038.6	7.4
» sale of capacity	30,790.1	32,756.6	32,881.9	0.4
Sale of heat power, including:	1,293.0	1,380.5	1,417.4	2.7
» sale of generated heat power	977.1	1,085.2	1,048.4	-3.4
» transportation of heat power	315.9	295.3	368.9	24.9
Sale of other works, services, including:	477.6	570.4	423.8	-25.7
» other commercial sales	464.2	568.2	422.8	-25.6
» other non-commercial sales	13.5	2.2	1.0	-55.5
Total revenue	79,136.0	81,315.1	84,761.7	4.2

Profit indicators

Indicator	2017	2018	2019	2019/2018, %
Revenue, RUB mln	79,136.0	81,315.1	84,761.7	4.2
Prime cost, RUB mln	57,280.3	60,149.3	60,149.5	0.0
EBITDA (excl. exchange difference), RUB mln ²	42,527.0	28,847.5	29,215.4	1.3
EBITDA margin (excl. exchange differences), %	53.7	35.5	34.5	-
EBIT (excl. exchange differences), RUB mln ³	36,244.0	22,433.0	22,960.9	2.4
EBIT margin (excl. exchange differences), %	45.8	27.6	27.1	-
Net profit, RUB mln	30,134.3	18,872.9	18,612.4	-1.4
Net profit margin, %	38.1	23.2	22.0	-
Exchange difference balance, RUB mln	-295.1	-22.0	-229.9	by a factor of 9

Electric power and capacity sales revenue

At year-end 2019, the revenue from electric power and capacity sales increased by 4.5% to RUB 82.9 mln as compared to 2018 (RUB 79.4 mln).

The revenue from electric power and capacity sold in the regulated market (net of capacity supply agreements) as a share of Unipro PJSC total revenue declined slightly in 2019 (by 0.7%) and amounted to RUB 11.8 bln (share in the

total revenue – 14%). At that, the share of sales revenue from the competitive sector reduced by 1 p. p. to 84%, amounting to RUB 71.1 bln.

² EBITDA = Profit (loss) from sales + Other income – Other expenses – Net balance of exchange rate differences + Depreciation.

³ EBIT = Profit (loss) from sales + Other income – Other expenses – Net balance of exchange rate differences.

A higher revenue from electric power and capacity sales in 2019 is primarily due to a higher revenue from electric power sales resulting from the price increase in the day-ahead market (DAM) caused by:

- » lack of electric power imports from Kazakhstan to Russia;
- » increase in electric power exports from Russia to Finland and Baltic states;
- » lower transmission constraints in Siberia and in the Urals;
- » indexing of natural gas and coal prices.

Heat power sales revenue

At year-end 2019, the revenue from heat power sales grew by 2.7% as compared to 2018 and

amounted to RUB 1.4 bln. A higher revenue was due to larger sales of heat transportation services, in particular, on the part of Shaturskaya GRES and Berezovskaya GRES. Overall at year-end 2019, the revenue from heat power sales accounted for 1.7% of the Company's total revenue.

Other income

At year-end 2019, the Company's other income (from commercial and non-commercial sales) contracted by 25.7% to RUB 424 mln (as compared to RUB 570 mln in 2018). This was due to lower income from contractor rental services and lower income from rated primary frequency control (RPFC) system services in the market of system reliability assurance services.

At year-end 2019, the other income accounted for 0.5% of Unipro PJSC total revenue.

2.4.2. Costs

Indicator, RUB mln	2017	2018	2019	2019/2018, %
Fuel for producing electric and heat power	33,647.2	34,550.3	34,346.9	-0.6
Other material costs	6,661.1	6,863.3	8,344.0	21.6
Market operator service fees	1,273.6	1,299.2	1,351.3	4.0
Labor costs	4,910.3	5,716.9	5,280.0	-7.6
Contributions to non-budgetary funds	1,218.6	1,394.8	1,355.3	-2.8
Taxes and levies	1,225.9	1,708.1	1,030.2	-39.7
Depreciation	6,283.1	6,414.5	6,254.5	-2.5
Other costs	2,060.5	2,202.1	2,187.3	-0.7
Total costs	57,280.3	60,149.3	60,149.5	0.0

Fuel expenses

In 2019, fuel expenses accounted for 57.1% of the Company's operating expenses. In general, fuel expenses in 2019 decreased by RUB 203 mln (-0.6%) as compared to 2018 and amounted to RUB 34.3 bln (excluding the cost of fuel used for commissioning and recovery work). At that, the annual fuel indexing affected the increase of natural gas and coal prices (by 1.4% and 4% accordingly as compared to 2018).

Despite the rising prices for the key energy sources in Russia, the decline in the Company's fuel expenses in 2019 as compared to 2018 was due to the following factors:

- » a 0.5% decline in electric power generation;
- » a 0.7% decline in specific fuel consumption for electric power output due to higher utilisation of efficient power units (CCGTs) and operation of equipment in a more efficient mode.

Gas expenses (for electric and heat power production) accounted for 91.3% of the Company's total fuel expenses. Coal expenses (for electric and heat power production) accounted for 7.9% of the Company's total fuel expenses.

Other material expenses

Other material expenses included: structural maintenance costs for buildings, construction and equipment, M&R costs of new power units, cost of procuring electricity and power, cost of raw materials and materials for operational and economic needs, transport and office equipment maintenance, and purchase of materials for health and safety in the workplace.

At year-end 2019, other material expenses of Unipro PJSC amounted to RUB 8.3 bln or 14% of the Company's total expenses. The increase in expenses by 21.6% as compared to 2018 was due to higher expenses on electric power and capacity.

Market operator service fees

Market operator service fees include the Company's contractual payments to the Grid Operator, Trading System Administrator, Centre of Financial Settlements.

At year-end 2019, Unipro PJSC expenses on the market operator service fees rose slightly as compared to 2018 (RUB 1.4 bln as compared to RUB 1.3 bln in 2018). In 2019, expenses on the market operator service fees as a share of the Company's total costs remained at the 2018 level (2%).

Labour costs

Labour costs include all costs associated with salaries, including estimated liabilities.

At year-end 2019, the Company's labour costs dropped by 7.6% as compared to 2018, amounting to RUB 5.3 bln (RUB 5.7 bln in 2018).

The labour costs accounted for 8.8% of the Company's total costs in 2019.

Contributions to non-budgetary funds

Contributions to non-budgetary funds include social and pension contributions to Russian state funds.

In 2019, total contributions to non-budgetary funds, including estimated liabilities, amounted to RUB 1.4 bln (2.3% of the Company's total costs).

Taxes and levies

Unipro PJSC is one of the largest taxpayers in Russia.

Taxes and levies paid by the Company comprise property tax, transport tax, land tax, water tax, and mineral-extraction tax, as well as levies covering the use of water bodies, environmental pollution, and duties. Full information about the Company's tax payments is provided below in Clause 2.4.7.

At year-end 2019, the Company's tax charges contracted by 39.7% as compared to 2018 and amounted to RUB 1.0 bln (against RUB 1.7 bln in 2018) due to lower property tax charges resulting from removal of movable property from the asset subject to tax and

lack of adjusted declarations for back property taxes for past years in 2019. In 2019, the property tax charges amounted to RUB 771 mln (as compared to RUB 1,485 mln in 2018).

In 2019, taxes and levies accounted for 1.7% of the Company's operating expenses.

Depreciation

Depreciation of the Company's fixed assets is calculated on the straight-line basis over the useful life of assets.

At year-end 2019, Unipro PJSC depreciation accruals declined by 2.5% to RUB 6.3 bln (against RUB 6.4 bln in 2018). In 2019, the Company's depreciation charges accounted for 10.4% of the Company's operating expenses.

Other costs

Other costs include expenses on communication and data transmission services, IT services, staff training, utility services for business needs, security, insurance and other administrative and managerial expenses.

At year-end 2019, Unipro PJSC other costs virtually remained at the 2018 level, amounting to RUB 2.2 bln (0.7% below the 2018 level). In 2019, the Company's other costs accounted for 3.6% of the total operating expenses.

2.4.3. EBITDA

At year-end 2019, Unipro PJSC earnings before interests, taxes and depreciation amounted to RUB 29.2 bln, 1.3% higher than in 2018 (RUB 28.8 bln). EBITDA rose in 2019 due to higher revenue from

electric power sales, primarily at the expense of higher electric power prices in the DAM and reduction of variable expenses caused by lower generation volumes. As a result, despite a 4.2% increase in revenue in 2019, the cost of sales was kept at the 2018 level.

The 2019 EBITDA margin remains high at 34.5%.

2.4.4. EBIT

At year-end 2019, Unipro PJSC earnings before interests and taxes amounted to RUB 23.0 bln, 2.4% higher than in 2018 (RUB 22.4 bln). The 2019 EBIT dynamics is due to the same factors as the EBITDA dynamics.

The 2019 EBIT margin is 27.1%.

2.4.5. Net Profit

In 2019, the Company's net profit amounted to RUB 18.6 bln, which is 1.4% below the net profit figures for 2018. In 2018, Unipro PJSC net profit amounted to RUB 18.9 bln.

At year-end 2019, Unipro PJSC net profit margin was equal to 22.0% (against 23.2% in 2018).

2.4.6. Taxation and Contributions to State and Non-budgetary Funds

Taxes, RUB mln	2017	2018	2019
VAT	3,063.2	3,597.9	5,657.8
Income tax	10,962.3	492.3	5,003.0
Dividend income tax	588.8	588.7	589.1
Water tax	3.9	1.6	1.7
Property tax	1,151.1	1,378.7	1,008.1
Personal income tax	624.0	753.8	719.4
Personal dividend income tax	26.9	11.5	26.4
Transport tax	2.6	2.6	2.6
Land tax	33.8	33.8	31.6
Other	2.2	2.5	0.7
Total	16,458.8	6,863.5	13,040.4
Fee for negative impact on the environment	12.9	101.5	24.0
Charge for usage of waterbodies	153.0	292.9	291.5
Insurance contributions to state non-budget funds	1,174.2	1,378.9	1,386.4

2.4.7. Significant Changes in the Assets Profile

In 2019, the assets of Unipro PJSC increased by 4.4% and amounted to RUB 144.9 bln. This increase is caused by the following changes.

The **non-current assets** of the Company as of the date of the Report for 2019 grew by 7.0% to RUB 125.4 bln from RUB 117.4 bln as of 1 January 2019. The Company is building new facilities and is reconstructing the existing ones. The increase

in the non-current assets in 2019 vs. 2018 is mostly caused by a 44.3% growth of assets in the Construction in Progress line – up to RUB 51.8 bln vs. RUB 35.9 bln as of 1 January 2019. The significant growth in the Construction in

Progress line is caused by the increase in capital construction on the project for repair and refurbishment at Power Unit No. 3 of Berezovskaya GRES and construction of the new Fuel Receiving Station (FRS). After the FRS commissioning, coal will be supplied continuously to the three units of Berezovskaya GRES at once. All production processes at the new FRS will be fully automated and, once it is commissioned, integrated with the new fuel supply process control system at Berezovskaya GRES.

The Other Non-Current Assets line reflects recurring major repair expenses on power units arising after certain long intervals. The 15.2% growth of assets in the Other Non-Current Assets line in 2019 vs. 2018 up to RUB 3.5 bln from 3.0 bln as of 1 January 2019 is caused by reflection of capitalised repairs (mostly overhaul of power unit No. 6 in Surgutskaya GRES-2 branch).

The **current assets** of the Company as of 31 December 2019 decreased by 9.0% – to RUB 19.5 bln from RUB 21.5 bln as of 1 January 2019.

The decrease in the current assets is mostly related to: the reduction of short-term financial investments by 16% – to RUB 0.9 bln from RUB 1.1 bln as of 1 January 2019 as the result of repayment of the loan

granted to Unipro Engineering LLC, a subsidiary company; the reduction of current assets in the Cash and Cash Equivalents line by 35.2% – to RUB 3.0 bln from RUB 4.7 bln as of 1 January 2019, which is related to the dividend payment in 2019 and the implementation of the Company's investment programme, including the project of Repair and Refurbishment at Power Unit No. 3 of Berezovskaya GRES.

2.4.8. Significant Changes in the Liabilities Profile

In 2019, Unipro liabilities increased by 4.4% to RUB 144.9 mln.

The change in the liabilities profile is caused by the following changes.

As of the date of the Report for 2019, the Company's **capital and reserves** increased by 3.8% – up to RUB 129.6 bln from RUB 124.9 bln as of 1 January 2019; this growth was caused by an increase in the retained earnings of RUB 4.7 bln, resulting from the net profit in the reporting year.

As of the date of the Report for 2019, the Company's **long-term liabilities** dropped by 6.6% – to RUB 5.9 bln from RUB 6.4 bln as of 1 January 2019, resulting from decrease in the deferred tax liabilities of the Company.

The Company's **short-term liabilities**. Most changes in the Company's liabilities profile in 2019 vs. 2018 are related to an increase in the short-term liabilities of 23.3% – to RUB 9.4 bln from RUB 7.6 bln as of 1 January 2019. The growth of the short-term liabilities was caused by receiving a loan from Uniper SE in the amount of RUB 2.5 bln. However, as of the reporting date of 2019, the payables decreased by 13.6% to RUB 5.5 bln from RUB 6.3 bln as of 1 January 2019, resulting from decrease in the taxes and levies payable as well as decrease in the payables to suppliers.

2.4.9. Liquidity and Equity Capital

Financial stability at Unipro PJSC is ensured by the positive value of the Company's working capital, the absence of borrowed funds, as well as the high share in the Company's own capital, ensuring financial independence and an absence of significant financial risks. Balance liquidity is currently positive.

The significant increase of capital expenditures in 2019 is mainly related to electric and heat power generation, as well as upgrades to the existing generating assets within the framework of the approved Investment Programme of the Company.

2.5. Operations

2.5.1. Key Performance Indicators for 2019

Installed capacity

As of 1 January 2019, the installed capacity of the power plants of Unipro PJSC was 11,228.5 MW. During the reporting year, the total installed capacity increased by 16.6 MW, and as of 31 December 2019 it amounted to 11,245.1 MW.

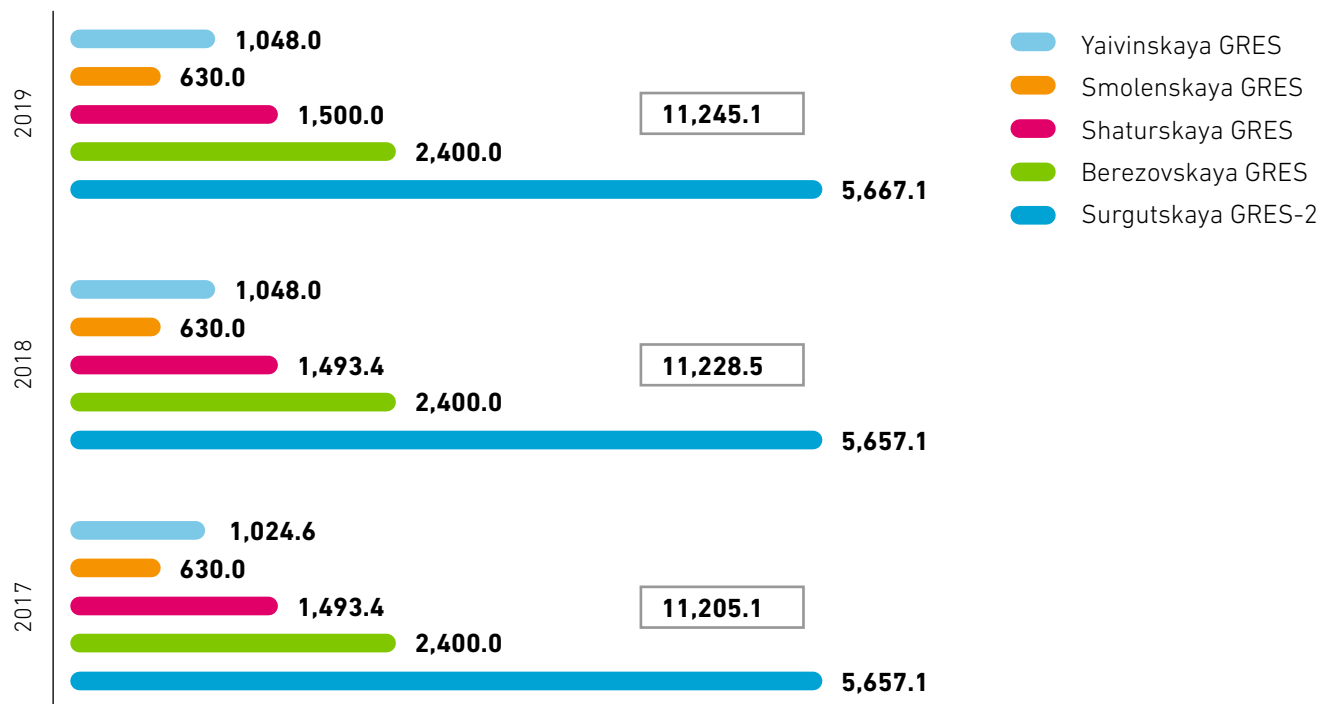
The increase in the installed capacity of the Company is caused by capacity requalification, resulting from successful tests of the combined cycle gas turbine plant (CCGT) of Power Unit No. 7 of Shaturskaya GRES from 1 January 2019 (an increase of 6.6 MW) and the CCGT of Power Unit No. 8 of Surgutskaya GRES-2 from 1 July 2019 (an increase of 10 MW).

11,245

MW

**Installed capacity of
Unipro PJSC power
plants in 2019**

Installed capacity, MW

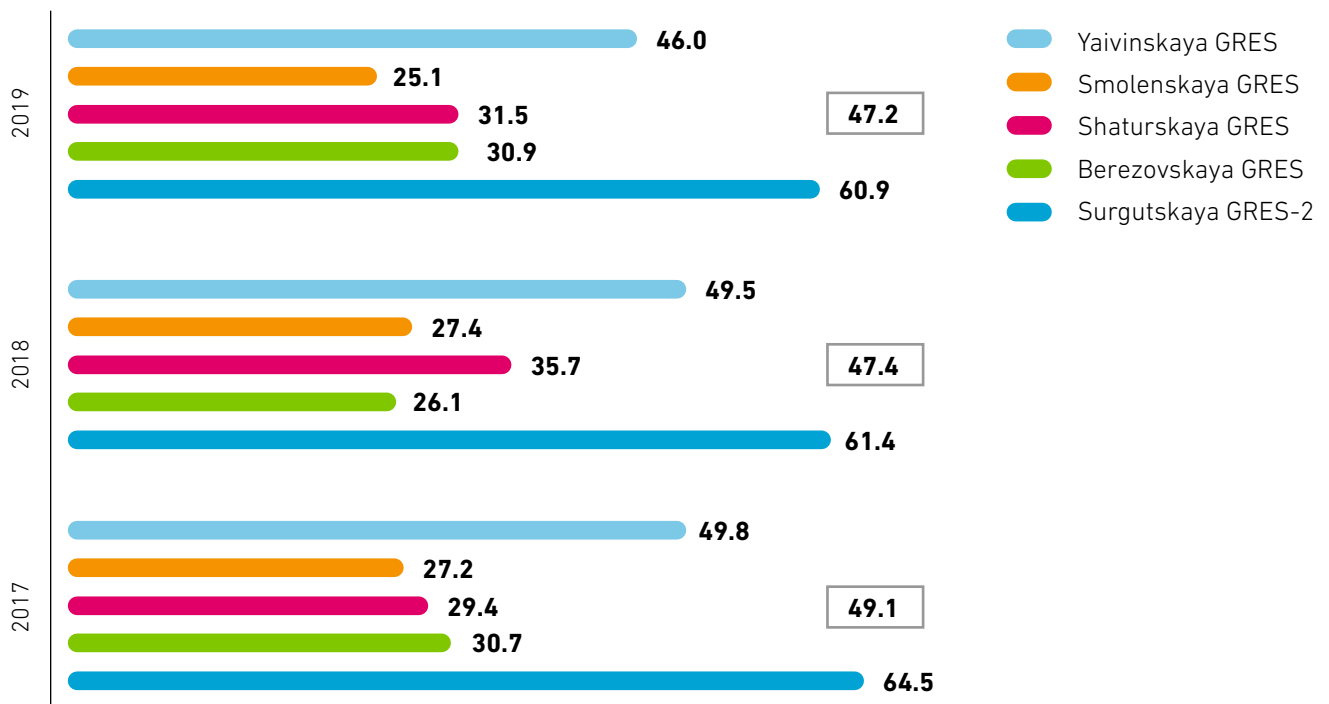


Electric power generation

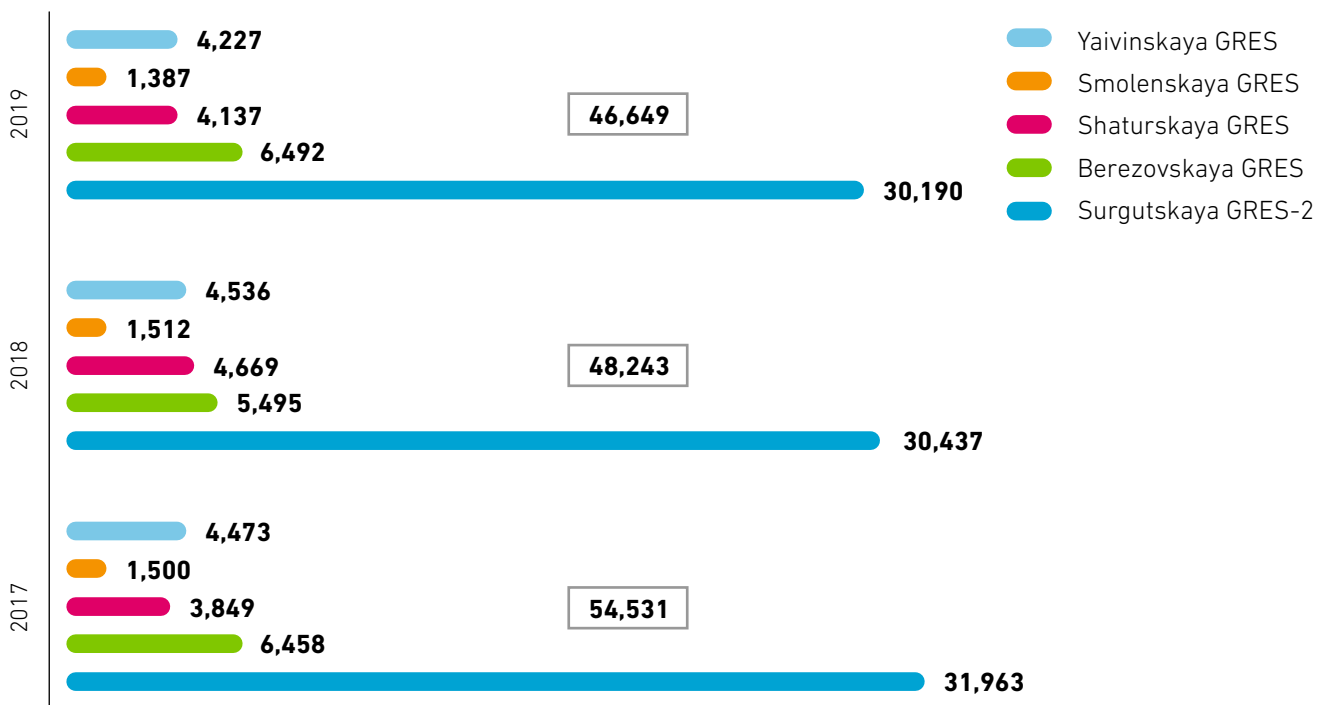
In 2019, Unipro PJSC power plants generated 46,433 mln kWh of electric power, which is by 0.5% (216 mln kWh) below the 2018 output.

The main factors that influenced the change in electric power generation is the result of shutdowns of generating equipment to cold reserve in accordance with dispatching the System Operator of power units with steam power units (SPUs) of Surgutskaya GRES-2, Shaturskaya GRES, and Smolenskaya GRES, as well as extension of the repair site due to unscheduled repair of the T-5 unit transformer of Yaivinskaya GRES.

Installed capacity utilisation factor, %

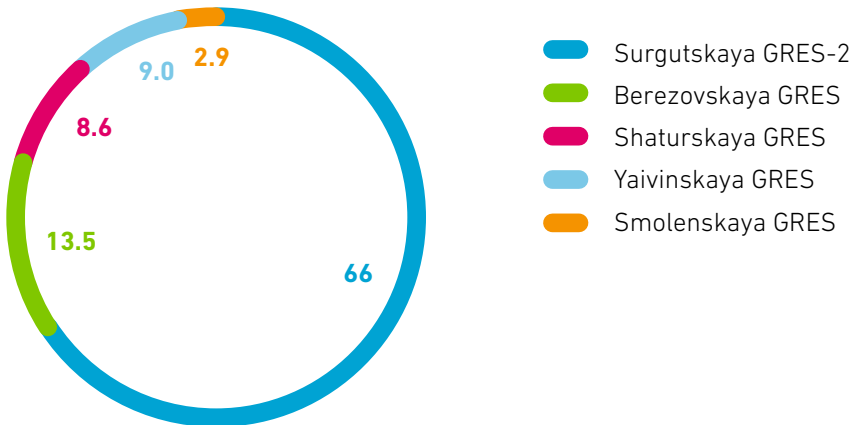


Electric power generation (output), mln kWh



The Unipro PJSC capacity utilisation factor (CUF) indicating the actual utilisation of the power plant capacity remains high, and for 2019 amounted to **47.2%**.

Structure of net electric power output, %



2,053
thousand Gcal

Total volume of heat power output from Unipro PJSC headers in 2019

Net electric power output, mln kWh

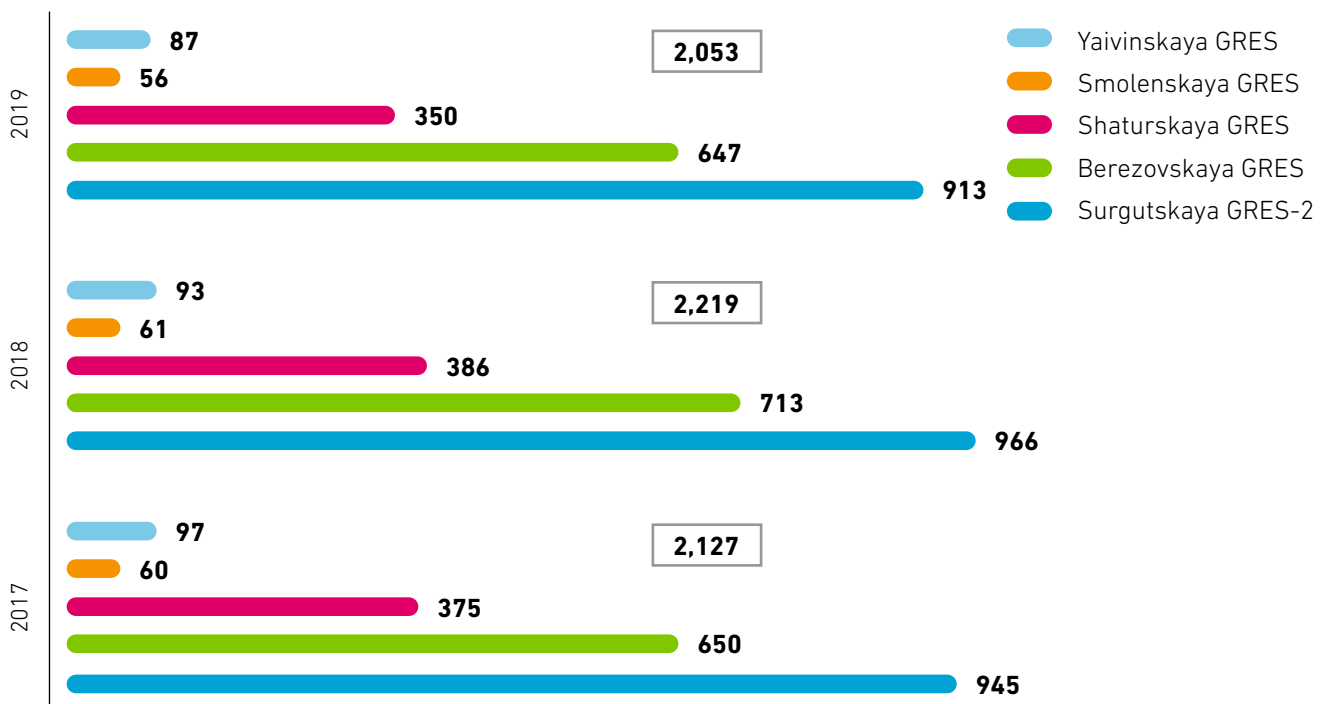


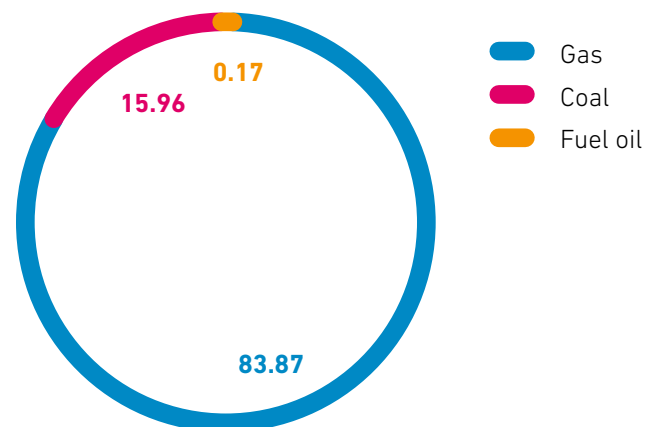
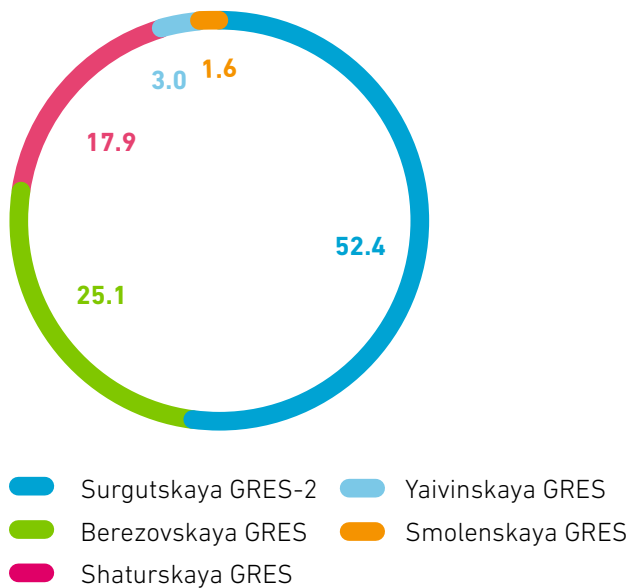
Heat power output

The total volume of heat power output from Unipro PJSC headers in the reference period was 2,053 thousand Gcal, which is 7.5% (166 thousand Gcal) higher than the result of 2018.

The decrease in heat output is determined by the increase in the average outdoor temperature during the heating period in all the regions where the Company's branches are located. The highest decrease in the heat output took place in Berezovskaya GRES (by 66.6 thousand Gcal or 9.3%).

Heat power output, thousand GCal



Net heat power output, thousand GCal**Fuel mix structure in 2019, %****Structure of net heat power output, %****2.5.2. Fuel Mix Structure**

Unipro PJSC power plants use gas, coal, and fuel oil as the process fuel.¹ The main share of fuel in the Company's balance sheet is gas, the consumption of which in 2019 amounted to 83.87% of the total volume of fuel consumption.

¹ Fuel oil is used for start-up operations only.

The amount of fuel used by Unipro PJSC power plants in 2019

Branch name	Fuel type	Volume, mln ³ or thousand tonnes	Volume, thousand tonnes of fuel equivalent
Berezovskaya GRES	Coal	4,125.44	2,189.59
	Fuel oil	15.80	22.12
Smolenskaya GRES	Gas	412.15	476.57
	Coal	2.15	1.41
	Fuel oil	0.18	0.24
Surgutskaya GRES-2	Gas	7,472.80	8,629.84
Shaturskaya GRES	Gas	1,052.67	1,226.68
	Coal	0.12	0.08
	Fuel oil	1.17	1.60
Yaivinskaya GRES	Gas	964.52	1,183.67
	Coal	0.20	0.12
Total at Unipro PJSC	Gas	9,902.14	11,516.77
	Coal	4,127.91	2,191.20
	Fuel oil	17.16	23.97

Berezovskaya GRES applies a unique fuel supply scheme. The main coal volume is supplied to the power plant directly from the Berezovskoye field of the Kansk-Achinsk basin by two 14-kilometre open conveyors.

The major gas consumer is the mono-fuel Surgutskaya GRES-2 (74.9% of the total gas use).

Berezovskaya GRES uses lignite as primary fuel. Coal is supplied to the power plant by the ground conveyor from Berezovsky-1 coal pit located 14 km away from the branch. Coal consumption by Berezovskaya GRES was 4,125.44 thousand tonnes in 2019 (99.9% of the total coal use).

Shaturskaya GRES, Smolenskaya GRES, and Yaivinskaya GRES can use various types of fuel for technological purposes. However, taking into account the prices over the last years, gas is the primary fuel for these branches. In 2019, its share in the fuel mix of Smolenskaya

GRES was 99.65%, Shaturskaya GRES – 99.86% and Yaivinskaya GRES – 99.99%.

Following the results of 2019, Unipro PJSC spent a total of 9.9 bln cub m of gas, 4.1 mln tonnes of coal and 17.2 thousand tonnes of fuel oil for process purposes. The cost of fuel consumed by the branches of Unipro PJSC for the production of electricity and heat power was RUB 34.3 bln, net of VAT.

Key fuel suppliers

The main fuel supplier to the power plants of the Company in 2019 was the independent gas producer NOVATEK PJSC. Its share in the total fuel cost procured for Unipro PJSC power plants reached about 75.5%.

In addition, in 2019 the Company purchased gas from Rosneft Oil Company PJSC, Surgutneftegaz PJSC and Lukoil-Rezervnefteproduct-Trading LLC.

The key coal supplier of the Company was SUEK JSC, which supplied lignite to the Berezovskaya GRES. In 2019, its share in the total fuel cost procured for Unipro PJSC power plants reached about 7.9%.

The fuel procurement strategy of Unipro PJSC is aimed at strengthening long-term relations with major resource suppliers, while keeping an optimal degree of diversification.

2.5.3. Investment Programme

Unipro PJSC investment activities are implemented based on economic feasibility of projects, maintaining the Company's competitiveness and equipment operational reliability.

Goals of the investment activity:

1. Provision for equipment compliance with the requirements of the regulatory documentation in terms of industrial safety, improvement of the occupational safety and industrial safety level.
2. Improvement of economic efficiency of equipment operation (reduction of specific fuel equivalent consumption, reduction of auxiliary electric power and capacity consumption by the plants, reduction of water charges, optimisation of repair and maintenance costs, reduction of transmission heat losses).
3. Reduction of losses on the capacity market, resulting from unscheduled non-availability of power units.
4. Reduction of losses on the day-ahead market resulting from utilisation of power units in the periods when the day-ahead price does not cover the fuel costs.
5. Provision for power units' participation in the ancillary services market.

Igor Popov,

Deputy CEO for Production,
Member of the Management Board, Unipro PJSC



In 2019, the number of accidents with the Company's equipment decreased by 25% vs. the previous year in line with the long-term trend of equipment reliability improvement in the recent four years.

This result is achieved by focused efforts of the whole production team of the Company aimed at the implementation of the repair and investment programme and the target programmes for equipment reliability improvement.

The implemented repair and retooling and modernisation programmes implemented allowed to reach the target state of the equipment as well as to carry out projects related to environmental protection and equipment operation efficiency. Thus, modernisation of burners on one of the boiler units of Surgutskaya GRES-2 made it possible to reduce NOx emissions by 30%.

These projects are not of a single project nature, they will be replicated at the Company's power plants in the subsequent years.

The most important event of 2019 for the Company was the start of implementation of the programme for modernisation of the Company's main equipment. The starting point was winning the equipment modernisation award by three power units of Surgutskaya GRES-2. We stand on the verge of very challenging, but professionally interesting work.

Refurbishment of Berezovskaya GRES Power Unit No. 3

Due to the fire on 1 February 2016, an emergency stop of the plant boiler at Power Unit No. 3 occurred. This caused serious damage to the supporting iron of the main building frame and to the boiler. Power Unit No.3 was shut down for unscheduled repairs.

Immediately after the accident, a preliminary survey was carried out, which led to the conclusion that it was necessary to carry out major repairs.

As part of the overhaul of Power Unit No.3 in 2019, the following measures were implemented:

- » the boiler bottom hopper pre-assembly and connection to the boiler furnace screens were completed;
- » the boiler elements (left and right convective shafts, furnace, bottom hopper) were installed to the design position;
- » installation of the boiler inner pipelines was completed;
- » the primary and secondary boiler circuits underwent successful hydraulic testing;
- » installation of pulverising fans No. 4 and 5 was completed;
- » installation of the boiler furnace screens and wingwalls of stages I, II, and III was completed;

Main areas of the investment activity:

- » investments in occupational health, industrial safety and information security systems to meet the requirements of the law and improve the labour conditions in terms of safety;

- » investments in existing equipment:

- replacement of life-expired equipment items;

- replacement of equipment items with improved ones in order to enhance operational efficiency.

- » construction of boiler houses, making it possible to reduce the number of generating equipment items required to sustain the heat load in the period of low day-ahead prices;

- » modernisation of automatic control systems and information systems, making

it possible to participate in the ancillary services market;

- » equipment modernisation in the course of competitive selections of modernisation projects.

Construction of the Fuel Receiving Station at Berezovskaya GRES

The station is designed to receive coal from Berezovsky Open-Pit via the main conveyors and distribute it to the coal depot or to the power units of the power plant.

The currently functioning temporary fuel supply scheme has open areas, and the most critical elements operate without a backup and are technically obsolete. In this regard, there is a threat of disrupting the shipment of coal and, as a result, stopping the operation of the entire plant.



199 projects are included in the investment programme of Unipro PJSC production section in 2019.

Berezovskaya GRES **67** projects; Surgutskaya GRES-2 **43** projects; Yaivinskaya GRES **39** projects; Shaturskaya GRES **24** projects; Smolenskaya GRES **26** projects.

- » refurbishment of foundations of pulverising fans No. 2, 3, 6, and 7 was completed, installation of these pulverising fans was carried out;
 - » a set of engineering and organisational measures (SEOM) were prepared in accordance with the risk-oriented model, whose application made it possible to reduce the size of the metal structures of the main building frame subject to fire protection;
 - » application of the fireproof coating to the metal structures was completed in accordance with the SEOM;
 - » the works for installation of cable metal structures, laying cables and installation of electric equipment were continued;
 - » the works for application of thermal insulation on the boiler elements, the DGAP circuits, and the pipelines were carried out.
- 100% of the boiler elements were delivered under the contract with ZiO JSC. ENNOVA JSC, a contractor, was carrying out the works related to equipment adjustment and setting the hanger-support system and was exercising the functions of the main commissioning organisation.
- Due to the enhanced requirements to the quality of works aimed at avoiding unscheduled shutdowns caused by insufficient quantity of skilled labour force, general complexity of project as well as aggressive planning, completion of the repair works and commercial commissioning of Power Unit No. 3 is planned in Q3 2020¹.

Commissioning of the Fuel Receiving Station (FRS) will allow for:

- » providing the necessary technological backup of each element of the fuel supply system;
- » round-the-clock acceptance of fuel with its simultaneous shipment both to the operating units and to the coal storage facility;
- » eliminating open areas of the system and reducing

the amount of fuel loss with mechanical entrainment;

- » ensuring a high level of automation of the fuel supply and distribution, as well as compliance with the current fire safety and labour safety standards.

The Fuel Receiving Station has been under construction since 16 July 2012. Currently, 72% of the total work scope has been completed. The construction of the facility is expected to be completed 20 months after

approval of the type of fire-retardant coating for the steel structures of the building and approval of key project parameters.

The following milestones of construction of the station were completed in 2019:

- » floor levelling works (arrangement of safe passages);
- » engineering survey of the FRS building structures.



In June 2019, all the branches of Unipro were certified for heat-resistant steel welding. R91 heat-resistant martensitic steels are used in piping systems of power generating equipment and are intended for high-temperature operating conditions. Now the branches may weld steam and hot water pipelines with a working steam pressure above 0.07 MPa and water temperature above 115°C. The certificate issued by the National Agency of NDT and Welding (NAKS) is valid until 2023.

¹ This information is current as of 31 December 2019.

In addition, in 2019 works related to the installation of metal structures for additional protection of bunkers, sealing of passages through the FRS building frame structures were completed; drawbacks in the metal structures of the FRS building envelop and the coal dust protection structures were eliminated. Currently, the works for facility construction have been suspended until approval of the updated key parameters of the project.

Plans for 2020:

- » approval of the key project parameters;
- » start of work with the updated project parameters:
 - installation of dust protection metal structures in the outer part of the FRS building bunker space;

- reinforcement of wall envelop framing of the FRS building;
- works related to dismantling/installation of electrical equipment and instrumentation preventing from fire retardant application to metal structures of the FRS building;
- fire and corrosion protection of the FRS building metal structures;
- installing the steel structures of additional service platforms;
- installing aspiration systems in the FRS building.

Retooling and modernisation of the existing operating facilities

The results of implementation of the retooling and modernisation of the existing production facilities

R&M milestones in 2019

Branch name	Measures
Berezovskaya GRES	Refurbishment of the standby stator of the TVV-800-2EU3 turbine generator
	Introduction of an acoustic boiler cleaning system
	Modernisation of the TVV-800-2EU3 turbine generator rotor
	Introduction of an automatic system of environmental monitoring stations
Surgutskaya GRES-2	Technical refurbishment of the complex generating unit and protective equipment of the power unit of stage 1
	Modernisation of Kosmotronika-Venets HSS with replacement of the combustion automatic control system DCS of unit No. 6
	Technical refurbishment of Mark VIe HSS, units No. 7, 8, 2*CCGT-400
Yaivinskaya GRES	Technical refurbishment of the TP-92 gas ducts of the power unit of stage No. 1
	Modernisation of AIS 110/220 kV, including the replacement of an air switch with a gas-insulated switch
	Modernisation of the system for the automated control of boiler burners, stage No. 3
Shaturskaya GRES	Full rewedging of the TG-7 turbine generator
	Technical refurbishment of the TDTs-250000/220 standby transformer
	Modernisation of CCGT DCS HSS of the power unit of stage No. 7
	Modernisation of prefabricated induced-draft fan downtaking ducts behind the demisters and up to the surge line of unit No. 1
Smolenskaya GRES	Modernisation of the TG-3 excitation control system
	Replacement of tanks of the lower level of K-3A airheater of the TPE-208 boiler
	Modernisation of the TGB-200MUZ turbine generator of the power unit of stage No. 3

in 2019 are caused by the postponement of a number of investment projects to the subsequent years due to the need for elaboration of the technical solutions planned to be applied.

Implementation of the R&M programme in 2019

Branch name	R&M progress, %
Smolenskaya GRES	99
Berezovskaya GRES	83
Yaivinskaya GRES	86
Shaturskaya GRES	115
Surgutskaya GRES-2	75
Total at Unipro PJSC	84

Capital investments

In 2019, the Company's capital investments in the implementation of the investment and repair programme amounted to more than RUB 19.2 bln, including in the following areas:

- » retooling and modernisation – 15%;
- » new construction – 0%;
- » repair and refurbishment of Power Unit No. 3 at Berezovskaya GRES – 80%;
- » capitalised repairs – 5%.

2.5.4. Repairs

Maintenance in conjunction with timely and quality repairs of the generating equipment at the power plant ensures its reliable and safe operations and extend its service life.

In connection therewith, Unipro PJSC on an ongoing basis improves the quality of repairs, increases the reliability of equipment and contributes to the reduction of accidents. The Company drafts, approves and implements the repair programmes for main production facilities on an annual basis.

The Company is implementing a 6-year maintenance cycle for all power units and has introduced a maintenance planning system based on the assessment of financial risks related

to the emergency shut-down of equipment.

This system of repair arrangements makes it possible to adapt repairs to the conditions for the Company's activities in the competitive electricity market, reduce time and money spent on repairs and minimise the risk of emergency shutdowns of equipment during the overhaul period. This approach to planning helps to optimise shutdowns of power units to perform repairs and carry out works to extend the life of technical devices; perform repairs of equipment affecting load bearing, and also exposed to the greatest wear during operation.

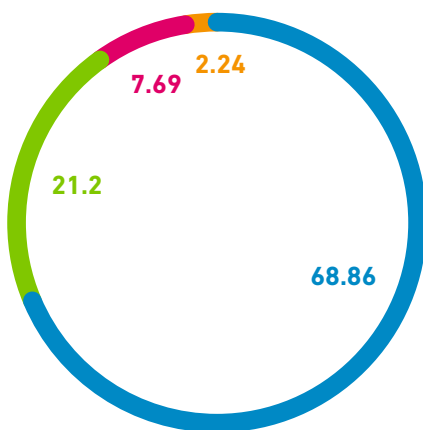
Since 2018, all plants of the Company have expanded the list of contracts to be concluded with a three-year implementation period. In 2019, 24 procurement procedures took place. The impact of saving resulting from conclusion of three-year contracts can be estimated as RUB 25–56 mln (8–18 mln in the average annual terms) or 3.5–7.5%. The advantages of multi-year contracts are:

- » reduction of the time for procurement procedures, which involve specialists from both the production and procurement departments;
- » getting additional "economy of scale" (additional discounts due to enhancement of the scope);
- » fixing the fixed rates for a long-term period (minimisation of the inflation impact);
- » guaranteed presence of high-skilled contractors for performance of works;
- » labour saving;
- » contractor's commitment to high-quality of the works;
- » establishment of physical infrastructure by the contractor at the customer's site to reduce the time for fabrication and supply of the required equipment and materials.

The schedule of repairs at Unipro PJSC branches is based on preliminary surveys of the technical state of production facilities, applicable regulations, as well as long-term experience in operating the equipment. The repair programme is created in an automated mode in the equipment maintenance and repair module (SAP TOPO) based on the analysis of the full range of identified defects and the need to eliminate the root causes of their occurrence.

In accordance with the annual schedule of repairs, power units with a total capacity of 11,228.5 MW were repaired in 2019, including overhaul – 1,360 MW, intermediate maintenance – 1,170 MW, and current repairs – 7,898.5 MW. Reconstruction works are underway at Power Unit No. 3 of Berezovskaya GRES to eliminate the consequences of the accident having occurred in 2016 – 800 MW.

Unipro PJSC Repair Schedule Structure in 2019, %



- Repairs of power units
- Repairs of BOP equipment
- Repairs of buildings and structures
- Repairs of heat networks

The total amount of repair works costs at Unipro PJSC power plants amounted to RUB 3.848 bln in 2019, including the current production – RUB 3.053 bln, and new production – RUB 0.795 bln. All the scheduled repairs have been made in full.

47% of repairs was done using the Company's own resources,

RUB 3.9
bln

total amount of repair works costs at Unipro PJSC power plants in 2019

47%

of repair work performed by own forces of the Company

and 53% through contractors. The contractors were selected through tenders in order to ensure that contracted terms and conditions were most favourable for the Company.

Significant events related to repair works in 2019

During the repair campaign of the reference period, in addition to the typical scope of equipment repair, a number of significant works were performed.

Berezovskaya GRES

As a part of the project for Power Unit No. 3 reconstruction capital repair of turbine No. 3 was completed. The turbine set was installed for rotor barring, welding wheels were grinded. Depreservation was completed and the auxiliary equipment of the turbine unit (heat, electrical) was checked in operation. Equipment readiness for commissioning and further start-up of power unit No. 3 was provided for. Start-up of the power unit is scheduled for 1 August 2020.

Yaivinskaya GRES

In the course of the scheduled overhaul of Power Unit No. 1, the works for repair of rotors:

low-pressure rotors with neck boring and balancing were arranged; high pressure with neck boring and balancing at the contractor's production facilities. Repeated lining of seven out of eight turbine bearings was arranged. During the CCGT No. 5 power unit repair unit transformer overhaul was carried out.

Smolenskaya GRES

During the period of scheduled repairs, the following main works were performed:

- » overhaul of the PEN-3A PE-380-185/3 feed pump with modernisation of the flow part;
- » standard repairs of boiler screens in Power Units No. 1 and 3;
- » replacement of the expansion joints (DN 1,600 mm) of the circulation water piping – 4 ea (2 ea in unit No. 3, 1 ea in unit No. 2, 1 ea in unit No. 1).

Shaturskaya GRES

In accordance with the scheduled repair programme, overhaul of generators in Power Unit No. 1 and No. 3 was arranged with rotor removal

and retaining rings revision. The TU-3 IPC distributor was replaced, the protective and strengthening layer was applied to working blades of stages 27 and 31 of TU-1, the TU-3 control stage was replaced. In the course of scheduled repair of the power unit of CCGT No. 7 full rewedging of the generator stator was arranged.

Based on the results of NDT during the scheduled repair defective, weld joints in steam supply pipes of the RSP in the power unit of CCGT No. 7. Unscheduled repair of weld joints was arranged to eliminate all the defects.

Surgutskaya GRES-2

As a part of the repair campaign, replacement of four main steam piping headers in Power Unit No. 6 was arranged (the instruction of the Safety Expert Review of 2016). In the course of overhaul of Power Unit No. 6, the erosion-resistant protective and strengthening layer of the V3K stellite and BK60M metal ceramic alloy was applied to the working blades of 5 stages of Low Pressure Rotors 1, 2, 3. As a result, the blades of stages No. 35, 40 (Low

Pressure Rotor 1), 45, 50 (Low Pressure Rotor 2), 55, 60 (Low Pressure Rotor 3) of the K-800-240 LMZ turbine are suitable for guaranteed operation for six years from start-up of the turbine unit after repair, subject to observation of the nominal operating modes.

No. 1 is planned to include the following works exceeding standard ones:

- » replacement of the pipeline from the inlet header to PSH-2 and from PSH-2 to PSH-3;
- » repair of BSA composite joints;

A planned examination of industrial safety of boiler inspection facilities and equipment life extension was carried out at all branches.

Plans for 2020

For the next reference period, the overhaul, intermediate maintenance or current repairs of all the power units of the branches are scheduled according to the repairs schedule.

At STU units:

Berezovskaya GRES:

Intermediate (extended) maintenance of Power Unit

- » replacement of the convection reheater.

Surgutskaya GRES-2:

- » electro-spark alloying of the blades of LPR-1,2,3 low pressure rotors of TG-5;
- » replacement of low pressure desuperheater of the upper part of stage No. 4 boiler;
- » replacement of low pressure desuperheater of the upper part of stage No. 5 boiler;
- » replacement of the 4th pass coils in the HP CSH-2 of unit No. 5;
- » replacement of the 4RVP-B bearing pedestal; 5RVP-A,B;
- » replacement of the 4RVP-B, 5RVP-A,B pilot bearing;
- » replacement of couplings of induced-draft fans-A,B, Power Unit No. 5.

Shaturskaya GRES:

- » overhaul of TG-2 generator with rotor removal and revision of rotor retaining rings;



Colour marking

In the course of the repair campaign, colour marking of the plant equipment is used in accordance with the Regulation on the Rules of Colour Marking of Work Places and Equipment in the Branches of Unipro PJSC. Colour marking (marking paint) is applied in order to provide for consistent visual perception and identification of control and service work places by the personnel based on the associated perception of colours with respect to operational and dispatching numbering of the equipment. Bright lines seen from a distance are required to designate and mark the equipment storage places as well as to make personnel's movements safer.

- » overhaul of TG-5 generator with rotor removal and revision of rotor retaining rings; Replacement of the rotor retaining ring on the turbine side is also planned;
- » replacement of stage 13 blades of TU-5;
- » replacement of TU-2 control valves;
- » replacement of diaphragms 2, 7, 9 of the TU-5 HPC;
- » replacement of the TU-5 IPC distributor;
- » color marking of the equipment of power units No. 2 and No. 5.

Yaivinskaya GRES:

Overhaul of Power Unit No. 2 is planned to include the following works exceeding standard ones:

- » safety expert review of the boiler drum, hot reheat, main, and cold reheat steam pipes and the bleeder lines;
- » replacement of gas ducts;
- » replacement of steam piping headers.

For other power units standard repairs are planned.

Smolenskaya GRES:

- » preparatory works are planned for the purpose of safety expert review and metal control of Power Units No. 1, 2, and 3 and the common plant equipment in accordance with the approved schedules;
- » overhaul of the PEN-1A PE-380-185/3 electrical feed pump with adjustment of the 11-stage pump to the 10-stage version;
- » overhaul of piston compressor No. 2;
- » repair of the standby stator of the induced-draft fan electrical motor.

At CCGT units:

- » boroscopic inspection of Power Unit No. 6 of Surgutskaya GRES-2;
- » inspection of hot gas circuit No. 2 of Power Unit No. 7 of Surgutskaya GRES-2;
- » boroscopic inspection (in 16,000 hours after the ITGG), PK, TR of auxiliary equipment of Power Unit No. 7 of Shaturskaya GRES;
- » minor inspection of the gas turbine, overhaul of the circulating pump of Power Unit No. 5 of Yaivinskaya GRES.

2.6. Information Technologies

Significant of information technologies for the Company

Digitisation in the energy sector where enhanced requirements to accessibility, reliability, and quality of power supply exist will become an absolute must in the near future.

In Unipro PJSC, digitisation includes both implementation of new digital technologies using modern gadgets and running routine business processes with connection of programme robots

and automation of end-to-end integrated chains of business process on the basis of the Microsoft Dynamics 365 modern information platform.

To be a success and retain the leading positions, the Company needs much more than just to automate its business processes and implement modern digital tools. The global trend of performance improvement in all the industries, including the energy sector, is building a "digital enterprise".

Results of implementation and improvement of informational technologies in 2019

Smart monitoring of the Company's critical information systems using the RPA (robotic process automation) was launched to restore system operation in case of a failure. This made it possible to reduce the system downtime.

A pilot of the IT Hotline Chat Bot project was launched to improve the service level of the internal

Company users and, in the long run, to improve the quality and reduce the time of serving requests.

In order to improve production safety and occupational health automation of receiving instructions and control of this process was introduced.

Productivity of the automated system of commercial dispatching was improved due to an increase in the data volume processed by the system.

Internal workflow processes were automated by means of digitisation. As a result of the project implementation, full cancellation of paper documents for some processes became possible. Functional prototype of incoming correspondence automated recording was implemented in Unipro PJSC for the Headquarters.

In addition, the functionality of document exchange using the rated primary frequency control with SO UES was developed and implemented.

In the Unified Automated Control System of Financial and Economic Activities (UACS FEA) was implemented the functionality providing for semi-automatic closure to make it possible to shorten the reporting period closure timelines and reduce the labour cost.

In Shaturskaya GRES, the Control Map Analysis project was launched to provide for use of additional tools for factor analysis of burnouts. Implementation of this project will make it easier to understand the reasons for



Anna Koblova,
Chief Accountant,
Unipro PJSC

For me, 2019 was the first year of working with Unipro PJSC. The year was full of meetings with new people, new knowledge, new emotions and, of course, new challenges.

The Company has taken a decision to implement the new Microsoft Dynamics 365 system with the maximum approximation to the standard functionality of the system suggested by the developer, which requires reengineering of a number of business processes, especially cross-functional ones. But, participating in this project and seeing participants from various organisation units working and ready for changes, I understand that our Company is able to achieve these ambitious goals.

burnouts and provide for the ability to respond to them quickly in order to improve fuel efficiency.

Plans for 2020

In order to form a modern process digital platform for further business development, improvement of efficiency of business processes due to their standardisation and optimisation using the best practices introduction of the Microsoft Dynamics 365 integrated information system is planned.

To avoid the risks related to the expected termination of vendor support and to ensure conditions for enhancement of opportunities of working with information systems transition of budgeting process to the IBM Planning Analytics platform is planned.

Digitisation of the operational and dispatching control is planned by means of implementation of the information system of electronic operations logs. To achieve this, in the reporting period, apart from preparation of the proposal, procurement procedures were initiated

and completed, the control for system implementation was agreed and signed, and delivery of licenses for specialised software was completed.

As a part of implementation of speech analytics system for operational and dispatching

communication of the operational personnel, in 2019, analysis of the market of speech analytics systems for operational and dispatching communication of the operational personnel was carried out to determine the candidate companies having

the required competences for participation in the pilot project. The system prototype was developed and tested.

The works for transition of a number of digital technologies proven at the pilot stages are planned.

2.7. Procurement

To support its activities, Unipro PJSC strives to organise a professional, responsible and transparent procurement management system.

The main document regulating the Company's procurement activities is the Regulation on Procurement of Unipro PJSC. This document defines the standard business process for ensuring efficient procurement procedures conducted primarily on a competitive basis, and

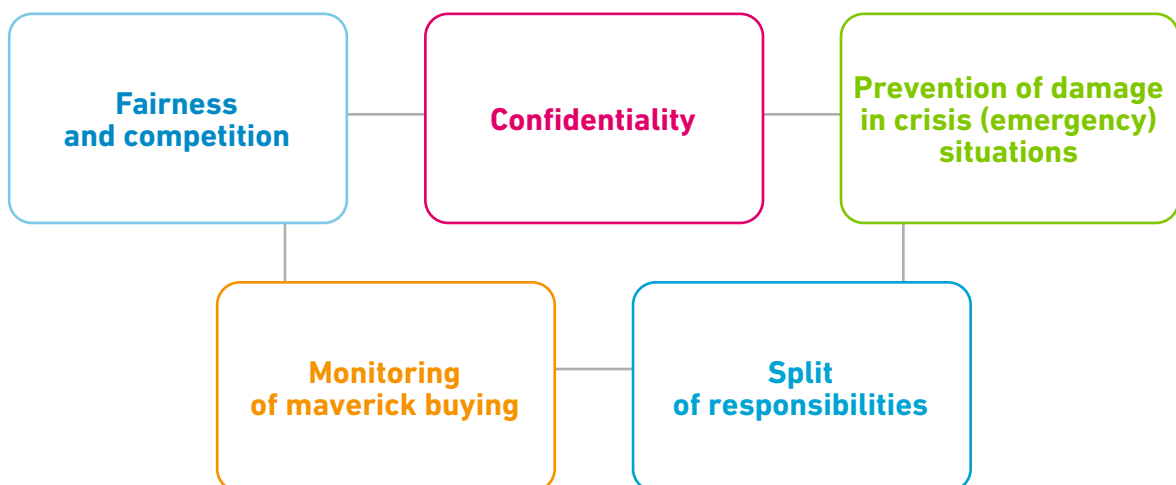
contains references to other internal documents.

Unipro PJSC publishes information on planned purchases of goods, works and services, places up-to-date data on purchases, material terms in competitive purchases and other information on the Company's website, as well as on the B2B-Centre electronic trading platform (ETP).

Responsibility for implementing procurement processes in

the Company rests with the Procurement Unit, which whose main functions include planning, organisation and implementation of procurement procedures. Moreover, the Procurement Unit implements measures for strengthening the market position by consolidating needs and ensuring the unification of procurement processes, as well as implements a single model of behaviour in the competitive environment.

Procurement Principles of Unipro PJSC





Elena Dubtsova,
Procurement Director,
Unipro PJSC

The only thing which is more important than people is their health! All our work is aimed at provision for the production process, taking into consideration the requirements of the law, but we are striving to establish comfortable working conditions for our people.

The Procurement Unit in the implementation of its functions takes into account the latest standards and best practices of Uniper Group.

For potential participants, in Unipro PJSC an accreditation process has been developed, which allows assessing the reliability of suppliers and minimising the risks of working together. Accreditation rules are posted on the Company's website.



The model contract of Unipro PJSC includes a number of special conditions regarding the mandatory execution by contractors of the requirements of labour protection, fire safety, environmental protection and rational use of territories.

The model contract also includes a clause on the prevention of violations by the contractor/supplier of the UN Global Compact Principles, which, since 2008, Unipro PJSC has recognised as mandatory for compliance. The Regulation on compliance with the UN Global Compact Principles is published on the Company's website.

According to the results of the execution of contracts, an assessment of the activities of Unipro PJSC suppliers is carried out. The criteria for such an assessment include, among other things, the quality of products and services, the timeliness of delivery/ performance of work, compliance with environmental and safety rules and requirements, professional quality of HR, efficiency and effectiveness in troubleshooting.

Results of development of the procurement activities in 2019

As part of improving the purchasing function management system, Unipro PJSC pays great attention to expanding the competitive environment, increasing transparency, as well as automating procurement and building a unified, continuous process linking all stages of purchasing products (goods, works and services).

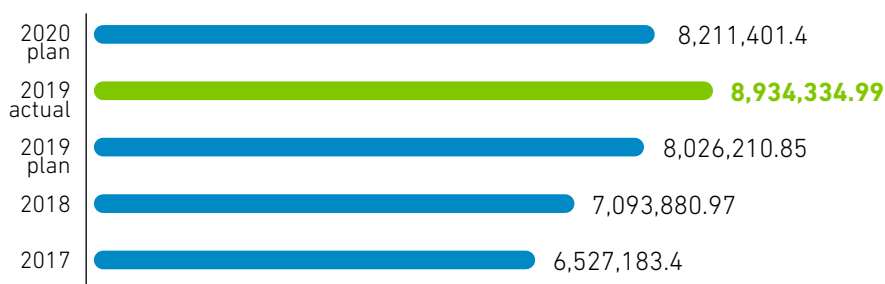
The procure-to-pay (P2P) chain organised in the Company provides for the division of responsibility between the applicant unit, procurement unit, financial unit and accounting unit, and also allows for maximum automation of controls, eliminating duplicate operations and ultimately increasing the efficiency of procurement function.

In 2019, Unipro PJSC conducted 6,061 purchases for a total amount of RUB 8,934,334.99 thousand (without VAT). Of this amount 13.7% of procurement procedures were implemented by the procurement from a single supplier (in the amount of RUB 1,226,603.73 thousand), all

other purchases were carried out through open competitive procedures. The share of competitive purchases in a closed form was less than 1%.

The Company is constantly expanding the use of the electronic trading platform, actively using new means of visualisation and tracking of key performance indicators. In the reference period, the share of purchases made through the ETP grew by 1.1 p. p. and amounted to 14.22%.

Total cost of purchasing procedures of Unipro PJSC, RUB thousand¹



¹ In addition, 1 purchase in the amount of RUB 9,304,532.59 thousand in the framework of the project "Modernisation of turbo generators of Power Unit Nos. 1, 6, 4, 5 of Surgutskaya-2 GRES".

ACPP procurement structure by areas of activity in 2019

Procurements under ACPP by areas of activity	Number of procurement transactions, pcs.	Weight in monetary terms, %
Materials and equipment	3,868	20.5
Repairs	393	28.5
Retooling and modernisation	295	37.4
Operation	1,505	13.6
Other works and services	–	–
New construction	–	–
Total at Unipro PJSC	6,061	100.0

ACPP procurement structure by organiser in 2019 in monetary terms, %

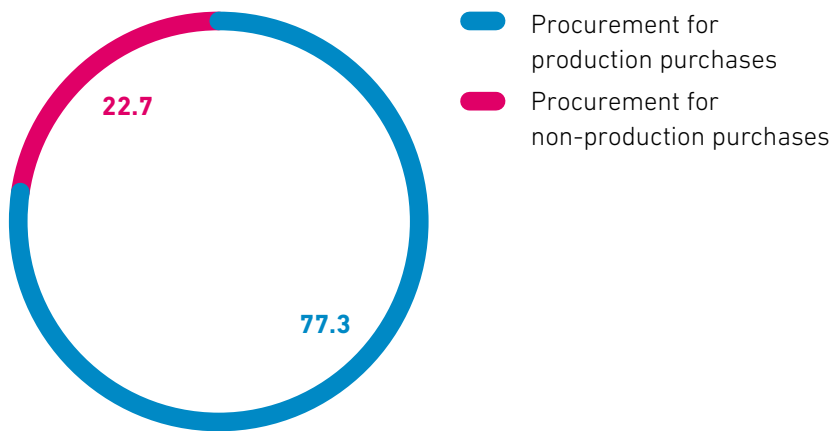


- Moscow Reoresentative Office
- Surgutskaya GRES-2
- Berezovskaya GRES
- Shaturskaya GRES
- Yaivinskaya GRES
- Smolenskaya GRES

Unipro PJSC ACPP key performance indicators in 2019

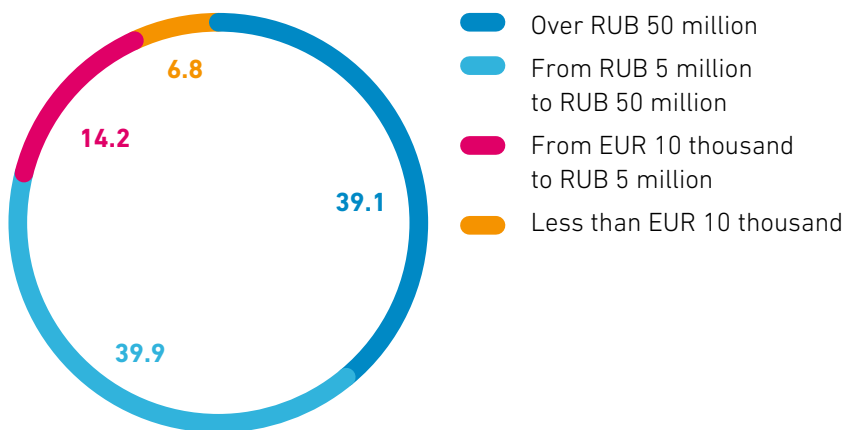
Procurement Organiser (applicant unit)	Number of procurement transactions, pcs.	Total cost, RUB thousand
Moscow Representative Office	778	5,907,033.49
Surgutskaya GRES-2	1,048	854,335.57
Berezovskaya GRES	1,200	933,067.51
Shaturskaya GRES	1,190	456,141.10
Yaivinskaya GRES	1,054	471,433.18
Smolenskaya GRES	791	312,324.13
Unipro PJSC, total	6,061	8,934,334.99

ACPP procurement structure by category in 2019, %



Unipro PJSC purchases about 99% of products and services from local (Russian) suppliers, thereby contributing to the economic development of domestic producers and regions of presence.

ACPP procurement structure by cost criterion in 2019, %



Within the framework of the procurement activities, Unipro PJSC seeks cooperation with Russian suppliers and small and medium-sized businesses (SMEs). The share of procurement from SMEs in 2019 in monetary terms increased by 4.3 p. p. and amounted to 60.8%.

The development of the procurement function significantly increased economic efficiency. As of year-end 2019, the savings from procurement procedures exceeded 6.5%, which in monetary terms amounted to RUB 579,578.7 thousand.



Results of procurement activities for Berezovskaya GRES projects

In 2019, **331** procurement procedures were carried out for a total amount of RUB **3,635,979.35** thousand as part of the reconstruction (works) for the 3rd unit of Berezovskaya GRES and construction of the fuel supply unit. The share of purchases from a single supplier amounted to 76.9% (RUB 2,798,621.87 thousand).

The share of purchases from local (Russian) suppliers amounted to more than 99%, the share of purchases from SMEs amounted to 80.4%.

Plans for 2020

In 2020, Unipro PJSC plans to continue work on automating and digitising the procurement processes in terms of reducing manual controls and minimising the paper-based component of the P2P process.

CORPORATE GOVERNANCE

11%

of the total
electricity
generation

in the Krasnoyarsk Territory is
provided by Berezovskaya GRES

>100

billion kWh

was the total output of Power Unit
No. 2 in 2019



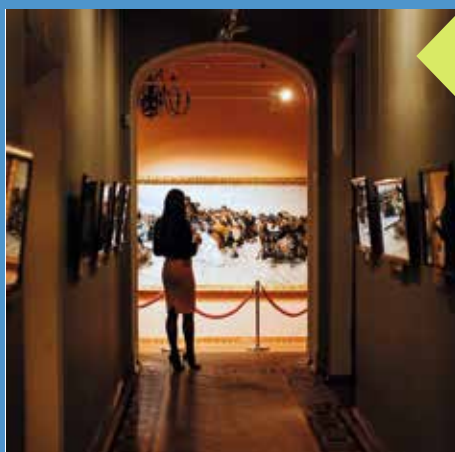
GOLDEN MASK

In 2019, the Golden Mask theatre festival was conducted in Sharypovo for the first time due to the sponsorship of Unipro PJSC.



SURIKOV'S EXHIBITION

There was an art exhibition titled "Surikov. The Capture of Snow Town" in Krasnoyarsk, held with the support of Unipro PJSC.





PARK MODERNISATION

In 2019, ten vandal-proof simulators for physical training were acquired and installed in Sharypovo within the programme of modernising the Bely municipal park.



UNIPROSHKA FOR KIDS

Since 2019, the “Uniproshka for Kids” social project has been offering its “cheerful lessons” for all children in Sharypovo.



KRASNOYARSK ECONOMIC FORUM

In March 2019, Unipro PJSC was extensively involved in the work of the Krasnoyarsk Economic Forum.



KRASNOYARSK TERRITORY

The Company’s project for creation of the Siberia agro-industrial park in the west of the Krasnoyarsk Territory provides for construction of a greenhouse complex, an advanced grain processing complex, a poultry farm and a fishery.



Elena Gabdulkaeva,
 Director for Corporate Governance,
 Legal and Asset Management, Unipro PJSC

The year was difficult and motivating, full of new tasks and non-trivial challenges. We have successfully passed through this year together with the team of energetic leaders and true professionals.

3.1. Corporate Governance Practices

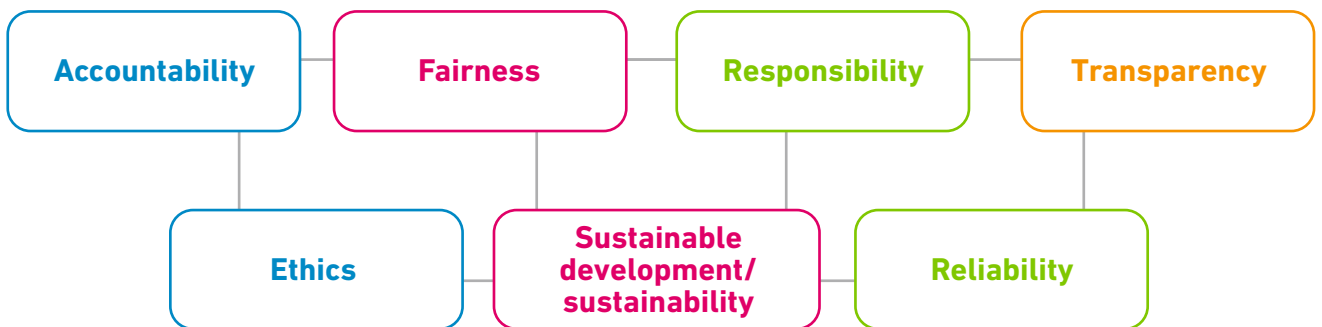
The corporate governance system of Unipro PJSC is built in full compliance with the norms and requirements of the Russian legislation. A special role in building an efficient corporate governance system goes to the governance standards which

are extensively used by Uniper Group and which the Company vigorously incorporates into its governance practice.

The most critical priorities of Unipro PJSC include:

- » organisation of effective corporate governance aimed at achieving the highest performance of the Company;
- » increasing transparency and coherence of managerial decisions;

Corporate Governance Principles at Unipro PJSC¹



¹ In accordance with the Code of Corporate Governance of Unipro PJSC.

In the autumn of 2019, Allen & Overy performed an audit of the corporate governance system. This audit included the following:

(a) review of the structure of the management and control bodies of Unipro PJSC, as well as its compliance with the requirements of the Russian legislation (including the Civil Code of the Russian Federation, Federal Law of 20 December 1995 No. 208-FZ “On Joint-Stock Companies” (as amended) and the Moscow Exchange requirements for corporate governance of issuers);

(b) analysis of internal documents and regulations of Unipro PJSC governing the activities of its management and control bodies;

(c) comparison of the corporate governance structure of Unipro PJSC and the activities of its management and control bodies with structures of similar public joint-stock companies;

(d) reviewing the Annual Report of Unipro PJSC for 2018 for compliance with the principles of the Code of Corporate Governance approved by the Bank of Russia (CBR) (Letter No. 06-52 / 2463 dated 10 April 2014) and comparing the level of compliance with market practice.

Based on the audit results, Allen & Overy came to the conclusion that Unipro PJSC meets high standards of corporate governance, the structure of governing and control bodies and the content of internal documents comply with legal requirements, and the corporate governance structure as a whole reflects the best market practice.

In addition, Allen & Overy issued a list of recommendations for further improvement of corporate governance at Unipro PJSC, which will be further considered by the Audit Committee of the Board of Directors in 2020.

- » risk mitigation and protection of rights and interests of the Company’s shareholders.

Improvement of the corporate governance system in 2019

The principles and recommendations approved by the Code of Corporate Governance recommended by the Central Bank of Russia are the main performance targets for improving the corporate governance system of the Company. Improvement of the corporate governance is considered by Unipro PJSC as an integral part of overall work to improve the efficiency and competitiveness of the Company and is subject to constant monitoring by the Board of Directors and executive bodies of the Company.

The corporate governance of Unipro PJSC is focused on creating and maintaining the Company’s trusting relations with investors, protecting the rights and interests of shareholders, increasing the value of shares and improving business reputation.

In 2019, the following key activities were implemented:

- » new version of the Company’s Articles of Association was approved in order to bring it in line with the Federal Law “On Joint-Stock Companies” and to comply with the recommendations of the Central Bank of Russia Code;
- » in accordance with the current legislation of the Russian

Federation, the updated Articles of Association of Unipro PJSC and other internal regulatory documents, the following documents were approved in the new edition:

- Regulation on the Procedure for Preparing and Holding the General Shareholders’ Meeting,
- Regulation on the Board of Directors,

Resolution of disputes between Unipro PJSC and RUSAL Group

In 2019, Unipro PJSC participated in four lawsuits initiated by companies of RUSAL Group, namely RUSAL Bratsk PJSC (case No. A40-307364/2018), RUSAL Sayanogorsk JSC (case No. A40-12454/2019), RUSAL Novokuznetsk JSC (case No. A40-13761/2019), RUSAL Energo LLC (case No. A40-13754/2019). The companies of RUSAL Group filed claims to terminate capacity contracts, to which the issuer and each of the RUSAL Group companies are parties, in respect of 3 power units of Berezovskaya GRES and to recover unjust enrichment in the total amount of RUB 385 mln.

As of 31 December 2019, the proceedings under the cases were terminated.

“It was a very significant case not only for our Company, but also for the industry as a whole. The settlement of this dispute once again confirmed the regulator’s readiness to honestly consider all aspects of the case and make balanced decisions. In our opinion, a settlement agreement was reached in the interests of all parties to the dispute and the industry as a whole.”

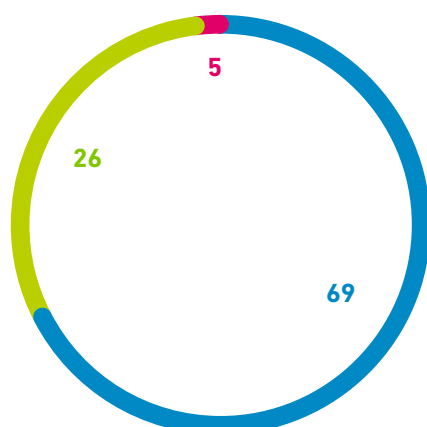
Elena Gabdul Khaeva, Director for Corporate Governance, Legal and Asset Management, Unipro PJSC

- Regulation on the Company’s Management Board,
 - Regulation on the Audit Committee of the Board of Directors,
 - Regulation on the Appointment and Remuneration Committee of the Board of Directors,
 - Regulation on the Dividend Policy,
 - Regulation on the Insider Information,
 - Information Policy of Unipro PJSC.
- » the Corporate Governance section was updated on the Company’s website in Russian and English;
 - » the Schedule of Measures to implement the recommendations of the Bank
- of Russia Code and the Activity Plan to improve corporate governance practices were mostly implemented;
 - » an independent audit of the corporate governance system was performed.
- Compliance with the Code of Corporate Governance**
- Unipro PJSC increases the level of corporate governance, progressively improving the quality of management practices each year. In 2019, the Company continued to improve its corporate governance system according to the recommendations set forth in the Bank of Russia Code of Corporate Governance, promptly responding to external changes and best practices.
- The Company partially or fully complies with 95% of the principles of corporate governance and each year significantly improves the indicator of full compliance with the recommendations of the Code of Corporate Governance of the Central Bank of Russia.
- [See the interactive version of the Annual Report for the detailed Report on the Company’s adherence to the Code of Corporate Governance.](#)

Unipro PJSC compliance with the Code of Corporate Governance

Section	Principles recommended by the Code	Guidelines fully adopted by the Company	Guidelines partially adopted by the Company	Guidelines not adopted by the Company
I. Shareholders' rights and equal treatment of shareholders in the exercise of their rights	13	8	4	1
II. The Company's Board of Directors	37	31	4	2
III. The Company's Corporate Secretary	2	2	0	0
IV. Remuneration system of members of the Board of Directors, executive bodies and other key managerial staff of the Company	10	5	5	0
V. Risk management and internal control system	6	4	2	0
VI. Disclosure of information about the Company, the Company's information policy	7	4	3	0
VII. Major corporate actions	5	1	3	1
Total	80	55	21	4

Assessment of compliance of the Company's corporate governance with the principles set out in the Code of Corporate Governance, %



- Observed
- Partly observed
- Not observed

Plans to improve the corporate governance system in 2020

In 2020, the Company will continue its efforts to improve corporate governance based on the continuous interaction of all participants of the corporate relations system – shareholders, members of the Board of Directors, committees and management – in order to achieve strategic goals and development priorities of the Company, respect the interests and maximise profits of shareholders in the short, medium and long-term perspective.

Key activities scheduled for 2020:

- » approval of the Company's Anti-Corruption Policy;
- » updating the Regulation on the Board of Directors regarding the inclusion of additional provisions related to the procedure for adaptation of new members of the Board of Directors, prevention of conflict of interests of members of the Board of Directors;
- » approval of the Regulation on the Procedure for Interaction with Shareholders;
- » approval of the updated version of the Regulation on the Internal Audit Department;

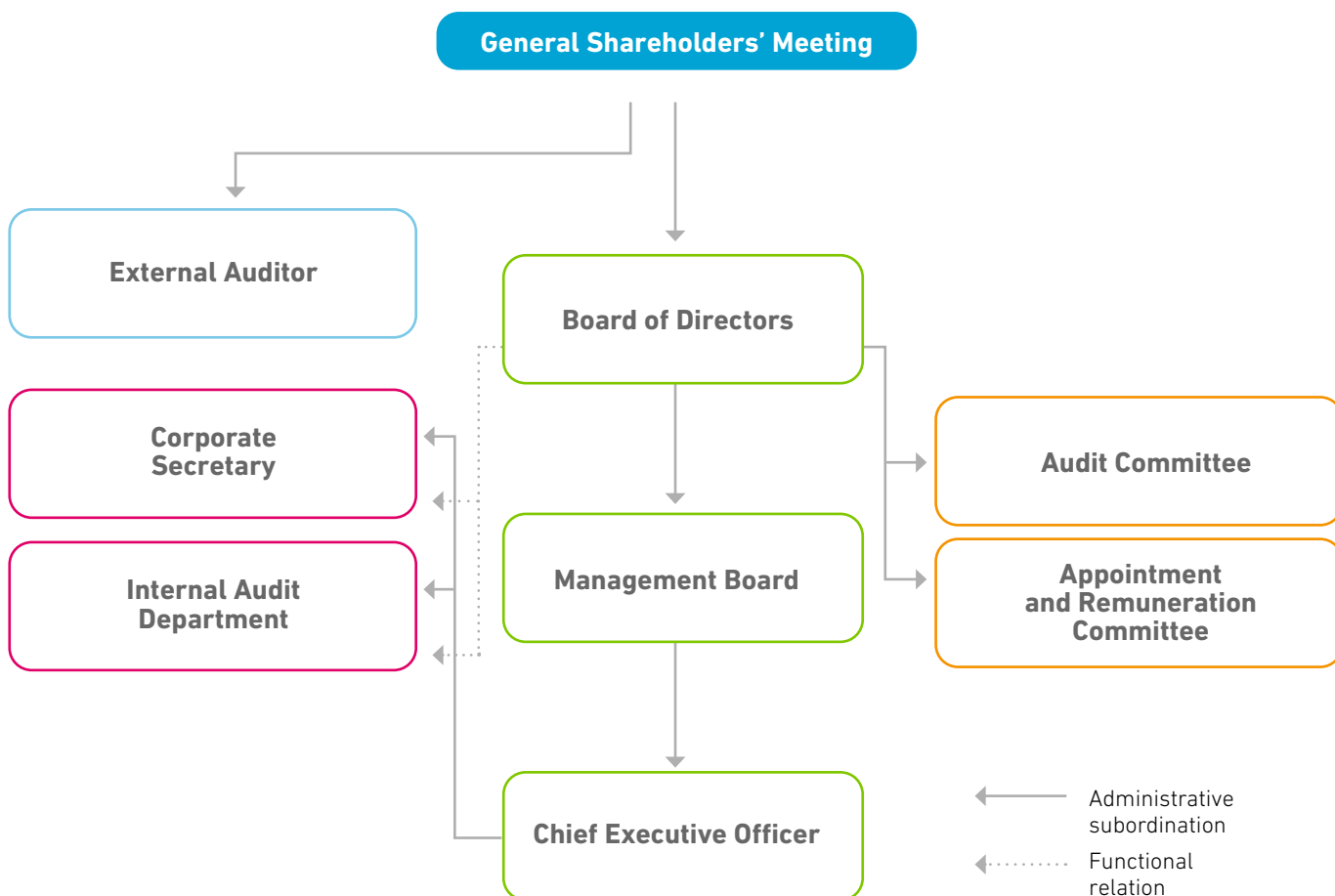
- » increasing the number of Board of Directors' meetings;
- » carrying out an independent assessment of the Board of Directors' performance;
- » increasing the volume of information disclosed on the Company's website in English;
- » liability insurance for members of the Board of Directors, and in the future, executive bodies of the Company;
- » creation of a hotline/forum for shareholders when preparing for General Shareholders' Meetings;
- » providing for electronic (remote) voting capability at General Shareholders' Meetings;
- » broadcasting of (joint presence) General Shareholders' Meetings on the Company's website on the Internet.

3.2. Structure and Results of Work by Corporate Governance Bodies

The governing bodies structure includes the General Shareholders' Meeting, the Board of Directors, the collective executive body (Management Board) and the sole executive body (CEO).

The Board of Directors has the broadest functions and plays a key role in management of the Company. The Board of Directors is supported in its work by the Audit Committee and the Appointment and Remuneration Committee.

Corporate governance structure at Unipro PJSC as of 31 December 2019



Annual General Shareholders' Meeting of Unipro PJSC

The Annual General Shareholders' Meeting of Unipro PJSC, dedicated to the Company's performance in 2018, took place on 14 June 2019 in Moscow. According to the agenda, the shareholders reviewed the following matters:

- » approval of the Annual Report and Annual Accounting (Financial) Statements of the Company for 2018;
- » distribution of the Company's profit (including disbursement (announcement) of dividends) and loss for 2018;
- » election of members to the Company's Board of Directors;

- » approval of the auditor;
- » approval of amended versions of the Articles of Association, Regulation on the Procedure for Preparing and Holding the General Shareholders' Meeting, Regulation on the Board of Directors, and Regulation on the Management Board;
- » election of the Revision Commission members.

Decisions of the Annual General Shareholders' Meeting are available at: <http://www.unipro.energy/shareholders/disclosure/facts/2019>.

General Shareholders' Meeting

The General Shareholders' Meeting is the highest governance body of Unipro PJSC. The competences of the General Shareholders' Meeting, as described in the Federal Law "On Joint-Stock Companies" and the Company's Articles of Association, include:

- » approval of annual reports and annual accounting statements;
- » election of the Board of Directors and termination of its powers;
- » appointment of the external auditor;
- » making decisions on payment of dividends.

The procedure for convening, preparing, and holding General Shareholders' Meetings is governed by the Regulation on the Procedure for Preparing and Holding the General Shareholders' Meeting.¹

Board of Directors

A competent and efficient Board of Directors of Unipro PJSC is a key element of the Company's corporate governance system.

The activities of the Board of Directors are governed by the Regulation on the Board of Directors of Unipro PJSC².

The competencies of the Board of Directors are established in the Company's Articles of Association, and are clearly

differentiated from those of the Company's executive bodies overseeing its daily operations. The Board of Directors, among other things:

- » performs operational management of the Company's activities;
- » approves its priority development areas;
- » ensures implementation and protection of the rights and legitimate interests of the shareholders;
- » determines the Company's vision, mission and strategy;
- » establishes effective executive bodies and

¹ The text of the Regulation on the Procedure for Preparing and Holding the General Shareholders' Meeting is published on the website of Unipro PJSC at <http://www.unipro.energy/management/documents/>

² The text of the Regulation on the Board of Directors of Unipro PJSC is published on the Company's website at <http://www.unipro.energy/management/documents/>

Extraordinary General Shareholders' Meeting of Unipro PJSC

On 3 December 2019, Unipro PJSC held the Extraordinary General Shareholders' Meeting. The venue of the meeting was Surgutskaya-2 GRES, the place of registration of Unipro PJSC.

According to the agenda, the shareholders reviewed the following matters:

- » payment of dividends based on the results of 9 months of 2019;
- » early termination of powers of the members of the Company's Board of Directors;

- » election of members to the Company's Board of Directors.

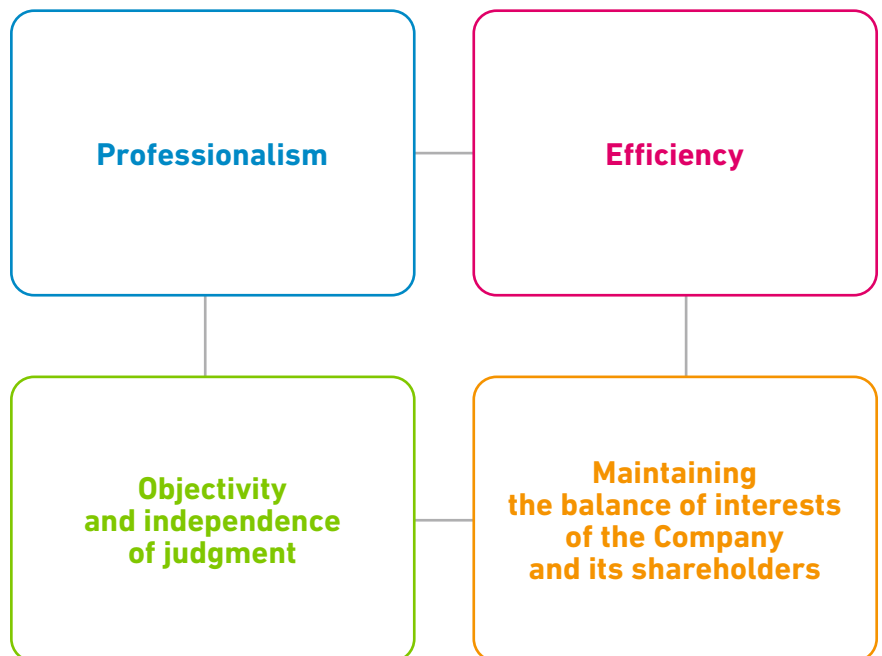
The functions of the Scrutiny Committee at the shareholders' meeting were performed by the Registrar of the Company – Independent Registrar Company R.O.S.T. JSC.

Decisions of the Extraordinary General Shareholders' Meeting are available at: <http://www.unipro.energy/shareholders/disclosure/facts/2019/>

provides control over their activities by reviewing reports on implementing strategic and business plans of the Company and maintaining an effective incentive system;

- » approves the internal control and risk management policy, ensures the functioning of risk management and internal control systems;
- » focuses on improvement of the Company's corporate management system and practices;
- » ensures the timely disclosure of exhaustive and reliable information on the Company's business.

Key operating principles of the Board of Directors¹



¹ In accordance with the Regulation on the Board of Directors of Unipro PJSC.

Composition of the Board of Directors

The composition of the Board of Directors is structured in a way that ensures a balance of professionalism, knowledge and experience enabling proper performance of their duties by the members of the Board of Directors.

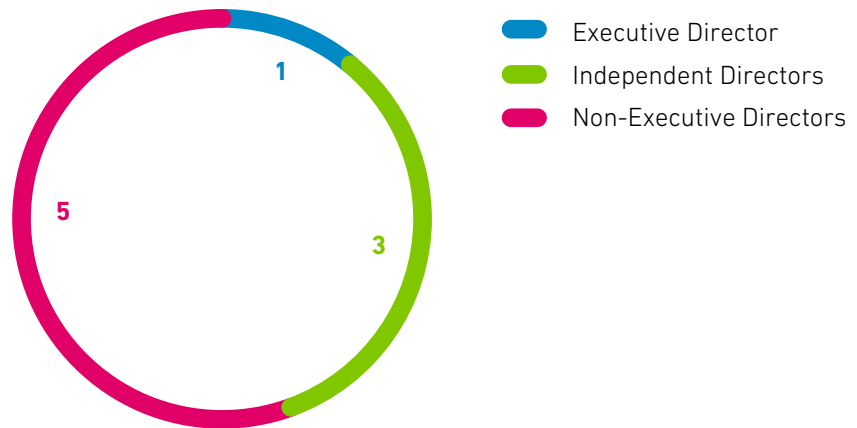
Members of the Board of Directors are elected annually at the General Shareholders' Meeting by cumulative voting.

Key requirements to the formation of the Board of Directors include the following:

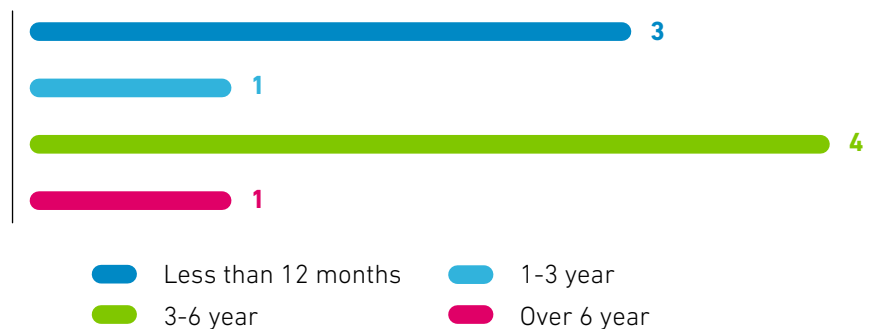
- » specific qualifications, experience, knowledge, business skills and business reputation of candidates;
- » election of at least three independent directors of the Board;
- » limitation of the number of executive directors (not more than a quarter of Board members),
- » candidates should have no conflicts of interest.

The composition of the Board of Directors was changed in 2019. Andreas Schierenbeck and Georgiy Abdushelishvili were elected to the Board of Directors of Unipro PJSC at the Annual General Shareholders' Meeting that took place on 14 June 2019, and Klaus Schaeffer and Alexey Germanovich left the Board of Directors. David Bryson was elected to the Board of Directors of Unipro PJSC at the Extraordinary General

Structure of the Board of Directors of Unipro PJSC as of 31 December 2019



Period of service of the members of the Board of Directors of Unipro PJSC



Shareholders' Meeting that took place on 3 December 2019, and Uwe Fip left the Board of Directors.

These changes in the Board of Directors helped to bring a fresh perspective on matters reviewed at meetings of the Board and of its committees, and it is consistent with the current interests, strategies and mission of the Company.

At this stage, the Company pays special attention to working with the Company's personnel as one of the areas of the Company development, building and improving teamwork and developing a motivation system.

The membership of the Board of Directors as of the end of the reference period was elected by the Extraordinary General Shareholders' Meeting on 3 December 2019.

Members of the Board of Directors as of 31 December 2019



Andreas Schierenbeck

Chairman of the Board of Directors

Year of birth: 1966.

Education:

1992: Master of Science in Electrical Engineering, University of Dresden (Germany).

2009: MBA, Executive MBA Program, Harvard School of Business (USA).

Nationality: German.

Positions held in the last 5 years:

Since 2019: Chief Executive Officer, Uniper SE (Düsseldorf, Germany).

2012–2019: Chief Executive Officer, ThyssenKrupp Elevator (Essen, Germany).

Current membership in managerial bodies of other companies:

Since 2019: Chairman of the Management Board, Uniper SE (Düsseldorf, Germany).

Since 2019: Chairman of the Board of Directors, Unipro PJSC.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



Anna Belova

Deputy Chairwoman of the Board of Directors, independent director, Chairwoman of the Audit Committee, member of the Appointment and Remuneration Committee of the Board of Directors

Year of birth: 1961.

Educational attainment: higher education.

In 1984, graduated from the Moscow Institute of Engineering Physics, majoring in System Engineering. In 1989, graduated from the Research and Development Institute of Radio Instrumentation Engineering (postgraduate programme). In 2000, graduated from the Academy of Advanced Training for Investment Managers and Specialists (specialisation: Finance and Credit). In 2002, awarded the degree of candidate of economic science.

Nationality: Russian.

Positions held in the last 5 years:

Since 2012: Professor of the Higher School of Management, Higher School of Economics.

Current membership in managerial bodies of other companies:

Since 2011: Deputy Chairman of the Board of Directors, CFE inc.

Since 2016: Member of the Board of Directors, Tiscali S.p.a.

Since 2016: Member of the Board of Directors, High-Speed Rail Lines JSC.

Since 2017: Member of the Board of Directors, Sistema Joint-Stock Financial Corporation.

Awards:

2013: Best Corporate Director of a Publicly Owned JSC in the category "Best Chairman of the Board of Directors of a Publicly Owned JSC" established by the National Corporate Directors Association under the auspices of the Federal Property Management Agency.

2014: ARISTOS Management Award in the category "Best Independent Director".

2017: prize winner at the 12th Director of the Year National Awards: "Independent Director" as ranked by the Association of Independent Directors.

2018: one of the 50 best independent directors (ranking of the Association of Independent Directors).

First elected to the Board of Directors of Unipro PJSC on 15 June 2016.

She holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.

**Maxim Shirokov**

CEO, Member of the Board of Directors, Chairman of the Management Board

Year of birth: 1966.

Educational attainment: higher education.

In 1988, graduated from the Moscow Red Banner Military Institute (Ministry of Defence). In 1994, graduated from the Moscow Law Institute. In 1996, obtained an MBA diploma at Pacific Coast University, USA. In 2003, graduated from the London Business School.

Nationality: Russian.

Positions held in the last 5 years:

Since 2012: Chief Executive Officer, Unipro PJSC.

2012–2015: Chief Executive Officer, E.ON Connecting Energies LLC.

2015–2016: Chief Executive Officer, Uniper LLC.

Since 2018: Chief Executive Officer, Unipro Engineering LLC.

Current membership in managerial bodies of other companies:

Since 2013: Member of the Supervisory Board, Council of the Association of Power Producers.

Since 2017: Member of the Board of Directors, Gazprom YRGM Development JSC.

First elected to the Board of Directors of Unipro PJSC on 21 February 2013.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



Dr. Patrick Wolff
Member of the Board
of Directors

Year of birth: 1971.

Education:

In 1994, graduated from Rhineland Friedrich Wilhelm University (Germany). In 1997, graduated from Ludwig Maximilians University of Munich (Germany). In 1999, obtained a doctor's degree in canon and civil law.

Nationality: German.

Positions held in the last 5 years:

2004–2015: Vice President, E.ON SE (Dusseldorf, Germany).

Since 2016: Chief Legal Counsel and Compliance Manager, Uniper SE (Dusseldorf, Germany).

Current membership in managerial bodies of other companies:

Since 2015: Member of the Supervisory Board, Uniper Kraftwerke GmbH (Dusseldorf, Germany).

Since 2016: Member of the Supervisory Board, Uniper Global Commodities SE (Düsseldorf, Germany).

Since 2016: Chairman of the Supervisory Board, Hamburger Hof Versicherungs-AG (Dusseldorf, Germany).

First elected to the Board of Directors of Unipro PJSC on 15 June 2016.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



Oleg Vyugin
Member of the Board of
Directors, independent director,
member of the Appointment
and Remuneration Committee,
member of the Audit Committee
of the Board of Directors

Year of birth: 1952.

Educational attainment: higher education.

In 1974, graduated from the Mechanics and Mathematics Faculty of Moscow State University majoring in mathematics. 1978: Obtained a degree of candidate of physical and mathematical sciences.

Nationality: Russian.

Positions held in the last 5 years:

Since 2007: Professor of the School of Finance, Faculty of Economic Sciences, Higher School of Economics.

2013–2015: Senior advisor for Russia and the CIS, Morgan Stanley Bank LLC.

Current membership in managerial bodies of other companies:

Since 2002: Member of the Board of the Centre for Strategic Research.

Since 2008: Member of the Guardian Council of the Non-Profit Organisation "Endowment Fund of the New Economic School".

Since 2008: Member of the Board of Trustees of the European University in St Petersburg.

Since 2010: Chairman of the Board of Directors of the National Association of Equity Market Participants.

Since 2011: Member of the Supervisory Board of the National Settlement Depository.

Since 2011: Member of the Board of Trustees of the Forum Analytical Centre.

Since 2015: Member of the Board of Directors, Rosneft Oil Company PJSC.

Since 2016: Member of the Board of the AGAT Youth Entrepreneurship Support Fund.

Since 2017: Chairman of the Supervisory Board, Moscow Stock Exchange PJSC.

Since 2017: Member of the Board of Directors, Skolkovo Ventures LLC.

Since 2017: Chairman of the Board of Directors, SAFMAR Financial Investments PJSC.

Awards:

Honoured Economist of the Russian Federation.

2014: prize winner at the Reputation National Awards for Financial Experts in the category "Best Independent Director on the Financial Market".

2015: one of the 25 best independent directors (ranking of the Association of Independent Directors).

2017: prize winner at the 12th "Director of the Year" National Awards (held by the Association of Independent Directors) in the categories "Independent Director" and "Chairman of the Board of Directors: Contribution to the Development of Corporate Governance".

2018: one of the 25 best independent directors (ranking of the Association of Independent Directors).

First elected to the Board of Directors of Unipro PJSC on 7 December 2017.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



Georgiy Abdushelishvili

Member of the Board of Directors, independent director, member of the Appointment and Remuneration Committee, member of the Audit Committee of the Board of Directors

Year of birth: 1962.

Educational attainment: higher education.

In 1985, graduated from Leningrad State University, Economic Faculty. 1979–1981: Sports Faculty, Lesgaft Institute of Physical Training. 1992: Emory University (Atlanta, USA), management.

Nationality: Russian.

Positions held in the last 5 years:

2010–2017: Managing Director, Vektor Liderstva JSC.

Since 2017: Director for Business Development, Ward Howell LLC.

Since 2018: Managing Director – Senior Partner, Vektor Liderstva JSC.

Achievements:

He is included in the ranking of "The Global 200 Executive Recruiters".

He was among the top 10 executives in the field of professional services according to the Kommersant Newspaper.

The founder of the nominal scholarship in anthropology at St. Petersburg State University.

He has a certificate of mastery in swimming.

First elected to the Board of Directors of Unipro PJSC on 14 June 2019.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



Eckhardt Rümmler

Member of the Board
of Directors

Year of birth: 1960.

Education:

In 1984, he graduated from Hamburg University of Technology with a degree in Marine Shipbuilding Engineering.

Nationality: German.

Positions held in the last 5 years:

Since 2015: Chief Engineer, Uniper SE (Düsseldorf, Germany).

2016: Executive Director, Uniper Generation GmbH (Düsseldorf, Germany).

Since 2016: Executive Director, Uniper Kraftwerke GmbH (Düsseldorf, Germany).

Current membership in managerial bodies of other companies:

Since 2016: Chairman of the Supervisory Board, Uniper Technologies GmbH (Gelsenkirchen, Germany).

First elected to the Board of Directors of Unipro PJSC on 15 June 2016.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2018.



Reiner Hartmann

Member of the Board
of Directors

Year of birth: 1945.

Education:

Graduated from Bayreuth Private Trade School with a degree in Production Process Economics. Honourable Ph.D. from Marconi University (Italy).

Nationality: German.

Positions held in the last 5 years:

1992–2014: Head of the Moscow Representative Office, E.ON Ruhrgas AG (Germany).

2013: Director for Commerce, E.ON Russia Power LLC.

2013–2016: Head of the Moscow Representative Office, E.ON Global Commodities SE (Düsseldorf, Germany).

Since 2016: Head of the Moscow Representative Office, Uniper Global Commodities SE (Düsseldorf, Germany).

Current membership in managerial bodies of other companies:

Since 2014: Chairman of the Honorary Board, Association of European Businesses in the Russian Federation.

First elected to the Board of Directors of Unipro PJSC on 6 June 2008.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



David Bryson

Member of the Board
of Directors

Year of birth: 1967.

Education:

2018: Integrated Management Programme 114, INSEAD.

2014: Establishment of effective boards of directors (IESE / Harvard Business School).

2011–2012: The talent management system, planning of key staff pool, E.ON.

December 2007: MBA, Open University

1999–2000: Integrated Command and Staff Course, College of the Command and Staff Service of the Defense Forces.

1998–1999: Master of Defense Technology, University of Cranfield.

1990–1993: Bachelor of Engineering (Honors) Information Technology, Cranfield Institute of Technology.

1989: Commissioning Course, Sandhurst Royal Military Academy.

Nationality: United Kingdom.

Positions held in the last 5 years:

Since 2019: Chief Operating Officer, Uniper SE (Dusseldorf, Germany).

2015–2018: Executive Director for Asset Management, Uniper SE (Dusseldorf, Germany).

2015: Business Development Director, E.ON Unit Next Generation (Essen, Germany).

2011–2014: Vice President, Operational Efficiency, E.ON (Germany).

First elected to the Board of Directors of Unipro PJSC on 3 December 2019.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.

Independent directors

The institution of independent directors is an important part of the corporate governance system of Unipro PJSC.

Independent directors make an important contribution to the successful functioning of the Board of Directors, especially as regards design of the Company's development strategy and risk management. They also protect the interests of shareholders and investors.

Since 2018, in an important step forward for corporate governance, the Company has instituted a practice of preliminary meetings with independent directors for discussion of key issues to be submitted for consideration by the Board of Directors.

The current Board of Directors includes three independent directors, meeting the requirements established by the listing rules of the Moscow Stock Exchange and the Code of the Central Bank of Russia.

Independent directors serving on the Board of Directors of Unipro PJSC in 2019 were as follows:

- » Anna Belova;
- » Oleg Vyugin;
- » Alexey Germanovich (before 14 June 2019);
- » Georgiy Abdushelishvili (since 14 June 2019).

Candidates	The Company's body	Date of the resolution passing	Resolution
G. Abdushelishvili	Board of Directors (with preliminary consideration by the Appointment and Remuneration Committee)	6 November 2019 (Minutes No. 281 dated 8 November 2019)	Acknowledged as independent
A. Belova	Board of Directors (with preliminary consideration by the Appointment and Remuneration Committee)	4 April 2019 (Minutes No. 272 dated 5 April 2019)	Acknowledged as independent
	Board of Directors (with preliminary consideration by the Appointment and Remuneration Committee)	6 November 2019 (Minutes No. 281 dated 8 November 2019)	
O. Vyugin	Board of Directors (with preliminary consideration by the Appointment and Remuneration Committee)	4 April 2019 (Minutes No. 272 dated 5 April 2019)	Acknowledged as independent despite the presence of the formal criterion of his relation to the Company's material counterparties: Rosneft Oil Company PJSC and NCO NCC (JSC) ¹
	Board of Directors (with preliminary consideration by the Appointment and Remuneration Committee)	6 November 2019 (Minutes No. 281 dated 8 November 2019)	Acknowledged as independent despite the presence of the formal criterion of his relation to the Company's material counterparties: Rosneft Oil Company PJSC and NCO NCC (JSC) ²
A. Germanovich	Board of Directors (with preliminary consideration by the Appointment and Remuneration Committee)	4 April 2019 (Minutes No. 272 dated 5 April 2019)	Acknowledged as independent

¹ The resolution of the Board of Directors of Unipro PJSC dated 4 April 2019 (Minutes No. 272 dated 5 April 2019) is published on the Company's website http://www.unipro.energy/management/board_of_directors/

² The resolution of the Board of Directors of Unipro PJSC dated 06 November 2019 (Minutes No. 281 dated 8 November 2019) is published on the Company's website http://www.unipro.energy/management/board_of_directors/

In March and October 2019 the Appointment and Remuneration Committee analysed the professional qualifications and independence of all candidates to the Board of Directors of the Company. The analysis was carried out on the basis of information and completed questionnaires received from the candidates to the Board of Directors of the Company, and also based on the available personal data of candidates.

Given the recommendations of the Code of Corporate Governance recommended by the Bank of Russia and the best market practices of corporate governance by the Board of Directors, a decision was made on 10 December 2019 to elect A. Belova (independent director) the Deputy Chairman of the Board of Directors.

Based on the experience of working with independent directors, it can be stated that these individuals show a high level of professionalism, objective judgment and independent participation in voting on all agenda issues.

Personal attendance at meetings of the Board of Directors and its committees in 2019

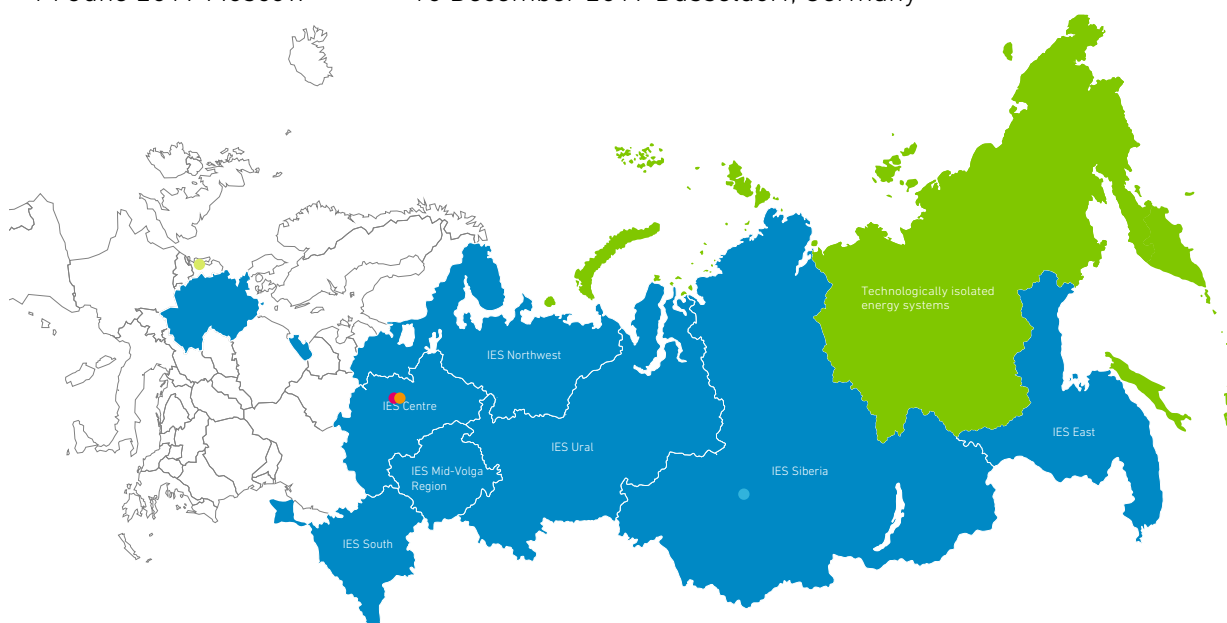
Member of the Board of Directors	Participation in meetings of the Board of Directors	Audit Committee	Appointment and Remuneration Committee
Members of the Board of Directors during the entire reporting year			
Anna Belova	16/16	5/5	10/10
Patrick Wolff	16/16	–	–
Oleg Vyugin	16/16	5/5	10/10
Günter Eckhardt	16/16	–	–
Reiner Hartmann	16/16	–	–
Maxim Shirokov	16/16	–	–
Persons appointed to the Board of Directors at the Annual General Shareholders' Meeting on 14 June 2019			
Andreas Schierenbeck	8/8	–	–
Georgiy Abdushelishvili	8/8	2/2	5/5
Persons who left the Board of Directors at the Annual General Shareholders' Meeting on 14 June 2019			
Alexey Germanovich	8/8	3/3	5/5
Klaus Schäfer	0/8	–	–
Persons appointed to the Board of Directors at the Extraordinary General Shareholders' Meeting on 3 December 2019			
David Bryson	1/1	–	–
Persons who left the Board of Directors at the Extraordinary General Shareholders' Meeting on 3 December 2019			
Uwe Fip	12/15	–	–

Meetings of the Board of Directors in 2019

The Board of Directors held 16 meetings in 2019, including four in the form of joint presence. A total of 81 agenda items were considered, mainly concerning Company strategy, corporate governance, financial and business operations, and HR matters.

In-person meetings of the Board of Directors

- 4 April 2019 Moscow
- 14 June 2019 Moscow
- 22 October 2019 Sharypovo, Krasnoyarsk Territory
- 10 December 2019 Düsseldorf, Germany



The resolutions of the Board of Directors are available at:
<http://www.unipro.energy/shareholders/disclosure/facts/2019/>

Main resolutions approved by the Board of Directors in 2019

Category of matters	The most critical resolutions
Strategy and priority business areas	Review of strategic prospects for Company development
	Approval of new build projects for modernisation of generating equipment, selected at the competitive selections for 2022–2024, and approval of participation in the selection of projects for modernisation of Unipro PJSC Surgutskaya-2 GRES units with commissioning in 2025
	Review of progress with reinstatement of Power Unit No. 3 at Berezovskaya GRES
	Approval of the conclusion of the Agreement to Settle the Dispute under a Complaint (Pre-Action) Protocol between Unipro PJSC and OES JSC
	Review of the issues on resolution of disputes between Unipro PJSC and RUSAL Group
	Introduction of amendments to the Regulation on Procurement of Unipro PJSC
	Approval of the agreement on termination of the services contract for organisation and management of repair and reconstruction work at Power Unit No. 3 of Berezovskaya GRES Branch, Unipro PJSC, between Unipro PJSC and Unipro Engineering LLC



The meeting of the Board of Directors held at Berezovskaya GRES (Sharypovo, Krasnoyarsk Territory)

The next meeting of members of the Board of Directors was held at Berezovskaya GRES on 22 October 2019. In addition to the current composition, the following persons took part in the work of the Board of Directors: Deputy CEO of Unipro PJSC Igor Popov, Director for Corporate Governance, Legal and Asset Management Elena Gabdul Khaeva, Director of Berezovskaya GRES Branch of Unipro PJSC Sergey Raikhel, Director for Capital Construction Igor Sokoushin, Director for Efficiency of New Build Projects Igor Shelukhin, Head of the Financial Control Department for Capital Construction Mikhail Ulyanov, Head of the Industrial Safety Service of Unipro PJSC Stanislav Sitnikov, and CEO of Uniper Technologies GmbH Cord Landsmen. During their visit, the members of the

Board of Directors were shown around the museum of Berezovskaya GRES, where they learnt about the history of construction, main historical milestones and present-day equipment of one of the largest thermal power plants in Russia.

Also, members of the Board of Directors made a tour of the plant, during which they had an opportunity to ask questions regarding repair and reconstruction work, and industrial safety.

Eckhardt Rümmler, a member of the Uniper SE Management Board, noted that the power plant is committed to good work practices, safe handling of hazardous materials and compliance with rules for the use of personal protective equipment.

Category of matters	The most critical resolutions
Corporate governance	Convening of Annual and Extraordinary General Shareholders' Meetings of the Company
	Election of the Chairman and the Deputy Chairman of the Board of Directors
	The functions of the Company's Corporate Secretary were assigned to the Corporate Policy Department
	Appointment of the Head of the Corporate Policy Department
	Formation of committees of the Board of Directors
	Review of reports of the committees at the Board of Directors on their performance in 2018
	Review of issues regarding the acknowledgement of candidate to the Board of Directors as independent
	Review of the results of work by the Board of Directors and its committees in 2018/2019
	Consideration of the Report on the Compliance Management System audit, the Report "Corporate Governance Review"
	Approval of the work plan of the Board of Directors for 2019/2020
	Approval of the report on the Company's related-party transactions in 2018
	Approval of the updated version of the Regulation on the Dividend Policy of Unipro PJSC
	Approval of the updated version of the Regulation on the Insider Information of Unipro PJSC
	Approval of the Information Policy
Control, risks and reporting	Approval of the Company's IFRS budget for 2019
	Review of the CEO's report on Company business for 2018, including the approved report on budget execution
	Review of the annual report on functioning of the Company's corporate risk management system
	Review of reports on principal material risks related to Company business
	Approval of the Company's consolidated financial statements for the 2018 financial year prepared as per IFRS
	Approval of the Company's Financial Performance Indicators for 2018
	Amendment of the Company's IFRS budget for 2018
	Setting of remuneration payable to the auditor of Unipro PJSC
	Approval of the loan agreement between the Company and Uniper SE
	Appointment of the Head of the Internal Audit Department Approval of the Internal Audit Plan 2020 for Unipro PJSC
HR and remuneration	Definition of the terms and conditions of the employment contract to be concluded with Maxim Shirokov, CEO of Unipro PJSC
	Definition of payments to the CEO of the Company
	Approval for concurrent holding of positions in the management bodies of other companies by Maxim Shirokov (the CEO of Unipro PJSC and member of the Management Board of Unipro PJSC)
	Approval of the incentive plan for the Unipro PJSC management team

Information on remuneration and compensations to the members of the Board of Directors

The system of the Board of Directors remuneration comprises a fixed (quarterly) and a variable (annual) parts. The fixed part depends on how actively the members participated in the work of

the Board of Directors. The variable part is linked to the Company's financial performance in order to encourage commitment of Board members to the Company's business, and make them interested in achieving best-possible financial results.

The regulation stipulates for the reimbursement to the members

of the Board of Directors of all expenses incurred by them in the fulfilment of their job obligations as members of the Board of Directors.

Remuneration is only paid to those Board members who do not hold paid positions, and are not members of the Management Board of the Company and of its affiliates.

Information on remuneration of members of the Board of Directors of Unipro PJSC, RUB thousand

Type of remuneration	2017	2018	2019
Quarterly remuneration	5,093	5,320	5,047
Annual remuneration (for the previous year)	12,364	11,472	11,121
Compensation of expenses	120	1,115	987
Total, Unipro PJSC	17,578	17,907	17,155

Committees of the Board of Directors

Optimising resolutions by the Board of Directors, more detailed preliminary consideration of key issues and preparation of relevant recommendations were the responsibility of two committees in 2019:

- » Audit Committee;
- » Appointment and Remuneration Committee.

The committees are fully accountable in their work to the Board of Directors.

The committees are set up taking account of recommendations of the Code of Corporate Governance of the Bank of Russia, as well as the professional experience and knowledge of Board members in the relevant field, which enables them to carry out their tasks efficiently.

Under the Moscow Exchange Listing Rules, the Audit Committee and the Appointment and Remuneration Committee can only include independent directors. This helps to ensure that the recommendations are objective and well-grounded.

The Audit Committee was established on 30 November 2006.

Audit Committee

The Audit Committee is a corporate deliberative body established to assist in the effective performance of the functions of the Board of Directors in terms of control over financial and business operations of the Company.

The main objectives of the Audit Committee:

- » assistance in the effective performance of the functions of the Board of Directors in terms of control over financial and business operations of the Company;
- » preparation and development of recommendations to the Board of Directors for making resolutions on issues falling within the competence of the committee.

¹ Detailed information on the formulas used to calculate remuneration and compensation to members of the Board of Directors is contained in Article 11 of the Regulation on the Board of Directors of Unipro PJSC.

Quantitative and personal composition of the Audit Committee in 2019

Period	Number of members of the committee	Members
1 January 2019 – 14 June 2019	3	Alexey Germanovich, Chairman of the Committee Anna Belova Oleg Vyugin
14 June 2019 – 31 December 2019	3	Anna Belova, Chairperson of the Committee Georgiy Abdushelishvili Oleg Vyugin

The committee acts by virtue of the Articles of Association and the Regulation on the Audit Committee of the Board of Directors of Unipro PJSC. The regulation takes into account all the requirements set out by the new Moscow Exchange Listing Rules for the inclusion and maintenance of an issuer's shares in the first level quotation list at the exchange.

In 2019, three in-person meetings of the Audit Committee were held.

Structure of the most significant matters reviewed by the Audit Committee in 2019



Key matters reviewed by the Audit Committee in 2019

Category of matters	Key matters reviewed by the committee
Accounting (financial) statements	<p>Reviewing the annual accounting statements of Unipro PJSC for 2018 prepared in accordance with Russian laws</p> <p>Report of the Revision Commission of Unipro PJSC on the Company's financial and business operations in 2018</p> <p>Review of the financial results of Uniper Group for 2018, 3 months, 6 months and 9 months of 2019, prepared in accordance with IFRS</p> <p>Review of information on Unipro PJSC modernisation projects</p>
External audit	<p>Report of the external auditor on the reviewed financial statements of the Company for 2018 (IFRS)</p> <p>Assessment of the quality of the audit opinion on the accounting statements of Unipro PJSC for the 2018 financial year prepared under the Russian law requirements</p>

¹ <http://www.unipro.energy/management/documents/>

Category of matters	Key matters reviewed by the committee
	Report by the auditor on its review of interim financial information of Unipro PJSC for 6 months of 2019
	Recommendations to the Board of Directors on an external auditor candidate to be proposed at the Annual General Shareholders' Meeting
	Recommendations to the Management Board on the external auditor candidate for subsidiaries of Unipro PJSC
	Recommendations to the Board of Directors on determining the amount of remuneration for the auditor of Unipro PJSC
	Comments by the auditor on financial results for 9 months of 2019
Risk management	Performance of the risk function in 2018. Report on key risks of Unipro PJSC as of 1 April 2019
	Report on risks and opportunities of Unipro PJSC for 9 months of 2019
Corporate governance	The Dividend Policy of Unipro PJSC for 2019–2022
	Recommendations to the Board of Directors on profit distribution for FY 2018, dividend amounts and payment recommendations to be proposed to the Annual General Shareholders' Meeting
	Recommendations to the Board of Directors on distribution of profit for 9 months of 2019, dividend amounts and payment recommendations to be proposed to the Extraordinary General Shareholders' Meeting
	Discussion of amendments to the Regulation on the Audit Committee of the Board of Directors
	Report by the Head of the Internal Audit Department on preliminary performance in 2019. Approval of the work plan for 2020
	Report of the Head of the Internal Audit Department of Unipro PJSC on the performance of the internal audit service and updating the audit plan for 2019
	Review of the auditor's plan for 2019

Appointment and Remuneration Committee

The Committee constitutes a collegial deliberative body established in order to assist the Board of Directors in strengthening its professional composition and work efficiency, as well as in considering issues associated with the development of efficient and transparent remuneration practices for members of the Board of Directors, executive bodies, and other key executives of the Company.

The main objectives of the committee include:

- » improvement of the efficiency and quality of the work of the Board of Directors by strengthening its professional composition and work efficiency and assisting the Board of Directors in considering issues associated with

The Appointment and Remuneration Committee was established on 14 April 2008.

the development of efficient and transparent remuneration practices for members of the Board of Directors, executive bodies, and other key executives;

- » preparation and development of recommendations to the Board of Directors for making resolutions on issues falling within the competence of the committee.

Quantitative and personal composition of the Appointment and Remuneration Committee in 2019

Period	Number of members of the committee	Members
1 January 2019 – 14 June 2019	3	Anna Belova, Chairwoman of the Committee Oleg Vyugin Alexey Germanovich
14 June 2019 – 31 December 2019	3	Georgiy Abdushelishvili, Chairman of the Committee Anna Belova Oleg Vyugin

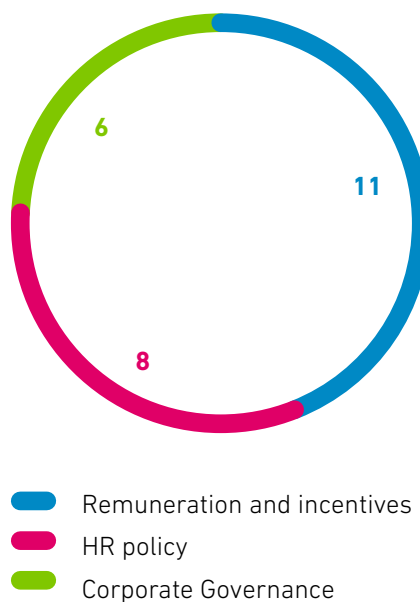
The committee acts by virtue of the Articles of Association and the Regulation on the Appointment and Remuneration Committee of the Board of Directors of Unipro PJSC.¹ The regulation takes into account all the requirements set out by the new Listing Rules of the Moscow Exchange PJSC for inclusion and maintenance of the shares of an issuer in the first level quotation list.

In 2019, the Appointment and Remuneration Committee held ten meetings, including six in-person meetings.

Evaluation of the performance of the Board of Directors and its committees

At the end of 2019 – beginning of 2020, an independent assessment of the activities of the Company's Board of Directors was carried out by an external independent consultant² – PricewaterhouseCoopers Consulting LLC. The assessment of the activities of the Board of Directors was carried out from December 2019 to February 2020 through a survey of the members of the Board of Directors, individual interviews with the members of the Board of Directors and certain senior employees of the Company, as well as analysis of internal documents governing the activities of the Board of Directors and its committees, minutes of meetings of the Board of Directors and committees and other relevant materials.

Structure of the most significant matters reviewed by the Appointment and Remuneration Committee in 2019



The perimeter of assessment included the following areas:

- » assessment of the performance of the Board of Directors in general;
- » assessment of the performance of each committee;
- » assessment of the performance of the Chairman of the Board of Directors.

¹ <http://www.unipro.energy/management/documents/>

² The word "independent" means the absence of any relations between the consultant and the Company.

Key matters reviewed by the Appointment and Remuneration Committee in 2019

Category of matters	Key matters reviewed by the committee
Remuneration and incentives	<p>Recommendations to the Board of Directors on the item of definition of terms and conditions of the employment contract with the CEO of Unipro PJSC</p> <hr/> <p>Review of KPI achievement by members of the Management Board in 2018</p> <hr/> <p>Review of target KPIs of members of the Management Board for 2019</p> <hr/> <p>Approval of financial performance indicators for calculating annual bonuses to Company employees in 2018 and a proposal to the Board of Directors on this matter</p> <hr/> <p>Payment of the 2018 bonus to the CEO and a proposal to the Board of Directors on this matter</p> <hr/> <p>Recommendations to the CEO regarding bonuses for the Deputy CEO for Finance and Economics and the Deputy CEO for Production for 2018</p> <hr/> <p>Definition of terms and conditions of employment contracts with the Deputy CEO for Finance and Economics and the Deputy CEO for Production</p> <hr/> <p>Evaluation and remuneration of the Corporate Secretary of the Board of Directors of Unipro PJSC</p> <hr/> <p>Review of the factors influencing the financial performance of Uniper SE (EBITDA) and Unipro PJSC (EBITDA) in 2019 when calculating the employees' annual bonuses</p> <hr/> <p>Review of the principles of remuneration of independent members of the Board of Directors of Unipro PJSC (with due regard to the current practices of Uniper SE)</p> <hr/> <p>Recommendations to the Company's Board of Directors on the matter: "Recognition of the merits of the CEO of Unipro PJSC due to his federal award"</p>
HR policy	<p>Recommendations to the Board of Directors on election of the Chairman of the Company's Board of Directors</p> <hr/> <p>Recommendations to the Board of Directors on election of the Deputy Chairman of the Company's Board of Directors</p> <hr/> <p>Recommendations on formation of the committees of the Board of Directors</p> <hr/> <p>Recommendations to the Board of Directors regarding the Corporate Secretary of Unipro PJSC</p> <hr/> <p>Approval of the holding by M. Shirokov (the CEO and member of the Management Board of Unipro PJSC) of concurrent positions in management bodies of other companies</p> <hr/> <p>The talent management system of Unipro PJSC: planning of key staff pool</p> <hr/> <p>Position of Unipro PJSC on the matter of trade unions' entering into the Company's management bodies</p> <hr/> <p>Proposal for adaptation of new independent members of the Board of Directors</p>
Corporate governance	<p>Report of the Appointment and Remuneration Committee for 2018 on assessing performance of the Board of Directors in 2018</p> <hr/> <p>Priority activities of the Appointment and Remuneration Committee of the Board of Directors of Unipro PJSC for corporate year 2019–2020</p> <hr/> <p>Review of the work plan of the Appointment and Remuneration Committee in 2019–2020</p> <hr/> <p>Review of proposals by Company shareholders for the nomination of candidates to the Company's management and supervision bodies, to be elected at the 2018 Annual General Shareholders' Meeting, and on recommendations to the Board of Directors on this matter</p> <hr/> <p>Discussion of amendments to the Regulation on the Appointment and Remuneration Committee of the Board of Directors of Unipro PJSC</p>

Positive dynamics in the performance of the Board of Directors over the past few years includes:

- » improving the composition of the Board of Directors;
- » improvements in the working procedures of the Board, including the coverage of topics

discussed by the Board of Directors, the culture of discussion, as well as planning its work, frequency of in-person meetings, procedure for providing materials for the meetings;

- » more effective interaction of the Board with the internal audit, deeper focus of the Board on the issues of risk management and compliance.

Results of the independent assessment of the Board of Directors' performance

The Company generally complies with the principles and recommendations of both the Russian and British codes of corporate governance and other applicable standards. The Board of Directors of Unipro PJSC has the following main **strengths**:

1. The current composition of the Board of Directors is well balanced in terms of skills, knowledge and experience of members of the Board of Directors.
2. The Board of Directors has a significant social and cultural diversity; the Board of Directors has a balance of continuity and consistent renewal of the Board's composition.
3. A significant share of the Board of Directors (1/3) is made up of independent directors who play an active and important role. The committees of the Board of Directors (the Audit Committee and the Appointment and Remuneration Committee) are fully composed of independent directors.
4. The most important matters of the Company's activities are usually considered at in-person meetings of the Board of Directors.
5. The coverage of topics discussed by the Board of Directors is quite broad.
6. Members of the Board of Directors assess their activities as the most effective in the following areas: business planning and budgeting, monitoring the effective implementation of plans and budgets, and evaluation of business performance.
7. Meetings of the Board of Directors are characterised by active discussions on agenda items and decisions made; initiative and expression of various opinions on issues under discussion are encouraged.
8. Members of the Board of Directors ask the Company's management "uncomfortable" questions and express constructive criticisms of proposed decisions, which contributes to making informed decisions.
9. The committees of the Board of Directors contribute to a more thorough review of agenda items and effective work of the Board of Directors in general.

Future development areas

In order to further increase the efficiency of its activities, the Board of Directors is recommended to focus on the following main aspects:

1. Organisation and delivery of a strategic session to discuss and agree on strategic priorities and high-level goals (possibly with participation of external experts). It is recommended that strategic discussions cover such issues as technology and sustainable development.
2. Focusing on the issues of succession of the senior management and the Board of Directors to ensure availability of a pool in the medium- and long-term perspective.
3. Making decisions on the most important issues by a qualified majority of votes and reflecting this provision in the Company's Articles of Association.
4. Developing a training and development plan for Board members that meets the needs of individual directors.
5. Ensuring the focus of the Board and its committees on the issue of monitoring the status of implementation of previously adopted decisions.

Self-assessment of performance of the Board of Directors

In March 2019, a self-assessment of performance of the Board of Directors for 2018/2019 was carried out. The assessment was carried out by a survey (completion of a questionnaire) of the members of the Board of Directors regarding work by the Board during the term of office of its members.

Based on analysis of the data, the Appointment and Remuneration Committee compiled a report on performance by the Board of Directors

and its committees in 2018/2019, and made recommendations for further improvement of work by the Board and its committees.

This report was considered at the meeting of the Board of Directors in the form of joint presence, which was held on 4 April 2019. The assessment confirmed that the Board of Directors and its committees had performed efficiently in 2018/2019.

Preventing conflicts of interest

The Company has integrated procedures in place for successful prevention and managing conflicts of interest of members of the Board of Directors, achieving reasonable assurance that conflicts of interest (if any) are settled at early stages, and that the interests of the Company and its shareholders are not harmed.

In exercising their rights and performing their duties, the members of the Board of Directors of Unipro PJSC shall be guided by the ethical standards adhered to by the Company, including the Code of Corporate Conduct, and shall comply with the Company's by-laws concerning insider information and restrictions imposed by such by-laws on Board members in their capacity as Company insiders.

Members of the Board of Directors provide to the Corporate Secretary written information within five business

days since the occurrence of any of the following circumstances:

- » about the legal entities, in which a member of the Board of Directors holds, individually or jointly with an affiliated person(s), at least 20 percent of voting shares (equity interests or stakes);
- » about the legal entities, in which a member of the Board of Directors holds positions in the management bodies;
- » about all actual and potential transactions which a member of the Board of Directors is aware of, and in which such member can be qualified as a related party;
- » about the circumstances as a result of which a member of the Board of Directors ceases to meet the independence criteria for members of the Board of Directors, as established by the Listing Rules of Moscow Exchange PJSC.

A member of the Board of Directors informs the Chairman

of the Board of Directors of his/her intention to join governing bodies of other organisations, as well as of the fact of such an appointment by sending a respective notice no later than 14 days from the date of the appointment.

A member of the Board of Directors shall notify the Board of Directors via the Corporate Secretary upon the occurrence of a conflict of interest in respect of any item of agenda of a meeting or absentee voting of the Board of Directors, before the start of discussion of such agenda item at an in-person meeting of the Board of Directors or within one day upon receipt of voting ballots for participation in an absentee voting. Each member of the Board of Directors shall abstain from voting on any agenda item where he/she faces a conflict of interests.

Moreover, a member of the Board of Directors is to timely disclose formation on the ownership of securities of the Company, the Company's subsidiaries and controlling entities, on their sale and (or)

acquisition, and on taking positions in other legal entities, on membership in the Board of Directors (Supervisory Board) of another legal entity, and on the change of the permanent (main) position.

To timely identify conflicts of interest, the Company developed a questionnaire for members of the Board of Directors, which incorporates both legislative requirements to completeness of disclosed information and changes to the Federal Law "On Joint-Stock Companies". Members of the Board of Directors are to fill in the questionnaire on a quarterly basis, and disclose all relevant data that may imply a conflict of interest.

No notification was received from members of the Board of Directors concerning conflicts of interest during 2019.

Management Board

The Management Board is a collective executive body supervising the most significant aspects of management of the Company's business within the powers stipulated by the Articles of Association and the Regulation on the Management Board of Unipro PJSC.¹ The Management Board reports to the Board of Directors and the General Shareholders' Meeting.

Key responsibilities of the Management Board comprise the following:

- » development and submission to the Board of Directors of long-run plans for implementing the Company's key business activities;
- » approval of major transactions of the Company;

Members of the Management Board as of 31 December 2019



Maxim Shirokov

CEO, Chairman of the Management Board, member of the Board of Directors

Year of birth: 1966.

Educational attainment: higher education.

In 1988, graduated from the Moscow Red Banner Military Institute (Ministry of Defence). In 1994, graduated from the Moscow Law Institute. In 1996, obtained an MBA diploma at Pacific Coast University, USA. In 2003, graduated from the London Business School.

Nationality: Russian.

Positions held in the last 5 years:

Since 2012: Chief Executive Officer, Unipro PJSC.

2012–2015: Chief Executive Officer, E.ON Connecting Energies LLC.

2015–2016: Chief Executive Officer, Uniper LLC.

Since 2018: Chief Executive Officer, Unipro Engineering LLC.

Current membership in managerial bodies of other companies:

Since 2013: Member of the Supervisory Board, Council of the Association of Power Producers.

2016–2018: Member of the Board of Directors, Severneftegazprom JSC.

Since 2017: Member of the Board of Directors, Gazprom YRGM Development JSC.

Appointed to the Management Board of the Company on 16 July 2012.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.

¹ The text of the Regulation on the Management Board of Unipro PJSC is published on the Company's website at <http://www.unipro.energy/management/documents/>

- » determination of the Company's position on a number of most critical issues in the business of its subsidiaries;
 - » provision of social guarantees and benefits to Company employees;
 - » design of draft resolutions and recommendations to the Board of Directors.
- Pursuant to Clause 18.3 of the Articles of Association of the Company, members of the Company's Management Board are elected by the Board of Directors in the number of at least three persons. The Board of Directors may determine a greater number of members of the Management Board.
- No changes to the Management Board took place in 2019.



Ulf Backmeyer

Deputy CEO for Finance and Economics, Deputy Chairman of the Management Board

Year of birth: 1970.

Educational attainment: higher education.

In 1996, graduated from Universität Passau (Germany), majoring in economics of culture.

In 2019, studied at the Harvard Business School under the Advanced Management Programme, Executive Master of Business Administration.

Nationality: German.

Positions held in the last 5 years:

Since 2011: Deputy CEO for Finance and Economics, Unipro PJSC.

Elected to the Management Board of the Company on 28 January 2011.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



Igor Popov

Deputy CEO for Production, member of the Management Board

Year of birth: 1965.

Educational attainment: higher education.

In 1988, graduated from Chita Polytechnic Institute, heat-and-power engineer.

Nationality: Russian.

Positions held in the last 5 years:

Since 2009: Deputy CEO for Production, Unipro PJSC.

Elected to the Management Board of the Company on 30 August 2012.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.

Meetings of the Management Board in 2019

In 2019, 45 meetings of the Management Board were held, in the course of which the Board discussed issues related to all areas of the Company's operating activity.

Key issues reviewed by the Management Board in 2019

Category of matters	Key matters reviewed by the Management Board
Strategy and priority business areas	Adjustment of the Unipro PJSC investment (managerial) programme for 2019
	Review of the Unipro PJSC Investment (managerial) Programme for 2020
	Review of tariff setting by the Company for heat production, water treatment and water disposal
	Review of the progress in new build projects
	Approval of a new build project "Technical refurbishment of the integrated generating set of KAG 24-30/30000 and protection of the power unit of station No. 1 with the development of a design project at Surgutskaya-2 GRES"
	Approval of a new build project "Reconstruction of the fire pipeline of the industrial site of Surgutskaya-2 GRES"
	Approval of participation of Unipro PJSC units in the competitive capacity auction for 2022–2024 and the price parameters of respective applications
	Approval of a new build project "Modernisation of the unified automated system for financial and economic management at Unipro PJSC"
	Approval of the concept of disposal of non-core assets of Unipro PJSC
	Approval of the priority action plan for the return of Unipro PJSC to heat supply within the boundaries of the city of Shatura
	Approval of agreements for the main operations
	Determining the parameters of price bids of Unipro PJSC for participation in the selection of modernisation projects for units No. 1, 4, 5, 6 of Surgutskaya-2 GRES and unit No. 6 of Shaturskaya GRES
	Review of the strategy of using CCGT units
	Approval of new build projects for modernisation of Power Units No. 1 and 6 of Surgutskaya-2 GRES of Unipro PJSC
	Approval of a new build project "Creation of reserve capacity for the storage of ash and slag waste by means of releasing the 2nd ash dump plot" of Berezovskaya GRES branch of Unipro PJSC
	Approval of a new build project "Modernisation of household drinking water supply to Surgutskaya-2 GRES branch of PJSC Unipro"
Approval of a new build project "Technical refurbishment of relay protection, automation and secondary switching circuits of 6 kV at power units of st. No. 1–6" for Surgutskaya-2 GRES branch of Unipro PJSC	
Approval of a new build project IPSu-1199 "Technical refurbishment of chimney stacks No. 1 and 2 refilling, painting" for Surgutskaya-2 GRES branch of PJSC Unipro	
Approval of a new build project "Technical refurbishment of control tools with introduction of a full-scale industrial control system at the power unit of st. No. 5" for Surgutskaya-2 GRES branch of Unipro PJSC	

Category of matters	Key matters reviewed by the Management Board
	<p>Approval of a new build project "Modernisation of the backup stator of the TVB-800-2EU3 turbogenerator with complete replacement of the winding"</p> <p>Approval of a new build project "Technical refurbishment of control tools with introduction of a full-scale industrial control system at the power unit of st. No. 5" for Surgutskaya-2 GRES branch of Unipro PJSC</p>
Financial and economic activities	<p>Approval of factual KPIs of Unipro PJSC for 2018</p> <p>Approval of financial indicators of Forecast 1 for 2019</p> <p>Approval of the Company's KPIs for 2019</p> <p>Approval of financial indicators of Forecast 3 for 2018</p> <p>Review of the performance forecast for 2H 2019</p> <p>Review of main key financial targets of Unipro PJSC for 2020–2022</p>
Corporate governance	<p>Approval of the Resolution on Remuneration to Employees of the Executive Office</p> <p>Introduction of amendments to the organisational structure of the executive office of Unipro PJSC</p> <p>Approval of the revised version of the Regulation on the Engineering Branch of Unipro PJSC</p> <p>Approval of Unipro PJSC joining the Union of Designers of Ugra, a self-regulatory organisation in the field of architectural and construction design</p> <p>Preliminary elaboration of all issues submitted for review to the Board of Directors</p>
Subsidiaries	<p>Defining the view of the Company (the Company's representatives) on agenda items of General Shareholders' Meetings and meetings of the boards of directors of its subsidiaries</p> <p>Review of the issue of implementation of the Siberia Agroindustrial Park Project</p>
Risk management	<p>Review of quarterly corporate risk and probability reports</p> <p>Approval of lists of risk owners and risk coordinators</p> <p>Approval of credit limits for the Company's financial contractors</p> <p>Approval of the limit on foreign currency operations and the approach to determining and estimating (1) the level of FX risk exposure and (2) the amount of FX risk exposure to be compared with the FX operations limit</p> <p>Approval of commodity risks limits</p> <p>Approval of the new edition of the Regulation on the Credit Risk Management of Unipro PJSC</p>
Social investments	<p>Approval of the Social Investment Programme of Unipro PJSC for 2019</p> <p>Revision of terms and conditions of the voluntary medical insurance for dismissed employees of the Company</p> <p>Approval of material terms and conditions of loan agreements with employees of Unipro PJSC branches for improvement of their housing situation</p>
Safety/security	<p>Review of health and safety work in H1 2019</p>
Procurement	<p>Review of quarterly reports on "improper procurements"</p> <p>Review of quarterly reports on purchases from "unreliable" suppliers</p> <p>Approval of carrying out procurement procedures required for the main operations</p>

Remuneration and compensation to the Management Board

Remuneration and compensation to Company employees who are members of the Management Board are paid under employment contracts signed with them as full-time employees, the terms and conditions of which are reviewed by the Appointment and Remuneration Committee.

The Regulation on the Management Board of Unipro PJSC does not provide for any special remunerations

or compensations to employees acting as members of the Management Board.

In 2019, Company employees who were members of the Management Board received the following payments: salaries – RUB 178,358 thousand; bonuses – RUB 92,347 thousand; total – RUB 270,705 thousand.

Chief Executive Officer

The CEO is the Company's sole executive body. The CEO is responsible for the Company's daily operations according to

the Articles of Association, resolutions of the General Shareholders' Meeting, the Board of Directors and the Management Board.

The CEO reports to the General Shareholders' Meeting and the Board of Directors. The CEO is elected by the Board of Directors by a majority of votes of those present at the Board meeting.

Maxim Shirokov was appointed the CEO by the Resolution of the Board of Directors dated 16 July 2012 and took office on 17 July 2012.



Maxim Shirokov

CEO, Chairman of the Management Board, member of the Board of Directors

Year of birth: 1966.

Educational attainment: higher education.

In 1988, graduated from the Moscow Red Banner Military Institute (Ministry of Defence). In 1994, graduated from the Moscow Law Institute. In 1996, obtained an MBA diploma at Pacific Coast University, USA. In 2003, graduated from the London Business School.

Nationality: Russian.

Positions held in the last 5 years:

Since 2012: Chief Executive Officer, Unipro PJSC.

2012–2015: Chief Executive Officer, E.ON Connecting Energies LLC.

2015–2016: Chief Executive Officer, Uniper LLC.

Since 2018: Chief Executive Officer, Unipro Engineering LLC.

Current membership in managerial bodies of other companies:

Since 2013: Member of the Supervisory Board, Council of the Association of Power Producers.

2016–2018: Member of the Board of Directors, Severneftegazprom JSC.

Since 2017: Member of the Board of Directors, Gazprom YRGM Development JSC.

He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.



Ekaterina Giganova

Year of birth: 1982.

Educational attainment: higher education.

In 2004, graduated from the State University – Higher School of Economics, Law Faculty.

Nationality: Russian.

Positions held in the last 5 years:

2011–2018: Senior Lawyer, DLA Piper Rus Limited.

Since 2019: Head of the Corporate Policy Department, Unipro PJSC.

She holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.

Remuneration and compensation to the CEO

Remuneration and compensation payable to the CEO, including financial incentives, are described in the employment contract with the CEO, and the terms and conditions of such contract are approved by the Board of Directors of the Company. No other remunerations were paid to the CEO except those described in the employment contract. The amount of remuneration and compensation paid to the CEO in the reference period is included in the amount of remuneration and compensation paid to the Management Board.

Corporate Secretary

The key duties of the Corporate Secretary are: ensuring proper interaction with the Company's shareholders; coordinating actions by the Company to defend the rights and interests of shareholders, and supporting efficient operations by the Board of Directors.

In accordance with the resolution of the Board of Directors of Unipro PJSC dated 28 March 2019 (Minutes No. 271 dated 29 March 2019), the functions of the Corporate Secretary are assigned to the Corporate Policy Department:

The following key tasks shall be assigned to the Corporate Policy Department:

- » participation in improvement of the Company's corporate governance system;

- » coordination of the Company's efforts aimed at protecting and ensuring the exercise of rights and interests held by the Company's shareholders;
- » efficient day-to-day interaction with the Company's shareholders;
- » support of efficient performance of the Company's Board of Directors.

The Corporate Policy Department shall operate under the Russian laws, the Unipro PJSC Articles of Association, Unipro PJSC Regulation on the Corporate Policy Department, Regulation on the Function Performing the Duties of the Corporate Secretary of Unipro PJSC, and other corporate documents of the Company and resolutions of the General Shareholders' Meeting and the Board of Directors of the Company.

The Head of the Corporate Policy Department shall be subordinate and accountable to the Company's Board of Directors. The Head of the Corporate Policy Department shall be appointed and dismissed by the Company's CEO upon approval of the Company's Board of Directors.

In March 2019, the Board of Directors of Unipro PJSC approved the appointment of Ekaterina Giganova to the position of the Head of the Corporate Policy Department of Unipro PJSC (Minutes No. 271 dated 29 March 2019).

No conflicts of interest in the work of the Corporate Secretary were identified in 2019.

Unipro PJSC Top Management

1 Elena M. Gabdul Khaeva

Director for Corporate Governance, Legal and Asset Management

2 Andrey N. Zhukovsky

Director for Energy Markets

3 Elena A. Dubtsova

Procurement Director



7 Dmitry V. Kolmakov

Director for Labour Protection and Industrial Safety

8 Anna N. Koblova

Chief Accountant

4 Igor V. Popov

Deputy CEO for Production,
Member of the Management
Board

5 Maxim G. Shirokov

Chief Executive Officer,
Member of the Board of
Directors, Chairman of the
Management Board

6 Ulf Backmeyer

Deputy CEO for Finance and
Economics, Deputy Chairman
of the Management Board



9 Dmitry V. Ermilichev

Director for Public Affairs
and Government Relations

10 Natalya V. Mashistova

HR Director

Control and audit

Unipro PJSC has a system for the control of financial and business operations, which consists of local regulatory documents, existing practices and procedures, and methodology. The key participants of the system are as follows:

- » Revision Commission (dissolved on 14 June 2019);
- » Audit Committee of the Board of Directors of Unipro PJSC;¹
- » Internal Audit Department;
- » External Auditor.

Revision Commission

The Revision Commission of Unipro PJSC is a permanent elected body that oversees financial and business operations of the Company in accordance with the Articles of Association and the Regulation on the Audit Commission.²

The Revision Commission is elected by the General Shareholders' Meeting for a period until the next Annual General Shareholders' Meeting.

The Revision Commission continuously supervises the Company's financial and operating activities, standalone divisions, officers, managerial bodies and structural units. The powers and operating procedures of the Revision Commission are described in the Regulation on the Revision Commission.

In 2019, the Unipro PJSC Revision Commission held two meetings, where the following issues were considered:

- » the report of the CEO on related-party transactions entered into in 2018 by Unipro PJSC;
- » review of the report on the 2018 results of Unipro PJSC, including the report on budget execution;
- » review and approval of the draft opinion of the Revision Commission on the annual financial statements of the Company for 2018.

The Revision Commission operating in 2019 was elected by the Annual General Shareholders' Meeting of the Company on 14 June 2018 and consisted of 4 persons.

Nicolo Prien

Chairman of the Revision Commission

Year of birth: 1966.

2009–2015: Chief Financial Officer, E.ON Italia S.p.A. (Milan, Italy).

Since 2016: Executive Vice President for Corporate Audit, Uniper SE (Dusseldorf, Germany).

Since 2016: member of the Revision Commission, Unipro PJSC.

Alexey Asyaev

Secretary of the Revision Commission

Year of birth: 1979.

2012–2019: Head of Internal Audit Department, Unipro PJSC.

Since 2012: member of the Revision Commission, Unipro PJSC.

¹ Detailed information on the work of the Audit Committee of the Board of Directors of Unipro PJSC can be found in the section of the Annual Report, "Committees of the Board of Directors".

² The text of the Regulation on the Revision Commission of Unipro PJSC is published on the Company's website at <http://www.unipro.energy/management/documents/>

Denis Alexeyenkov**Year of birth:** 1979.

2013–2014: member of the Revision Commission, NP Market Council Association.

Since 2013: member of the Revision Commission, Council of Electricity Producers Association.

Since 2013: Head of the Controlling Department, Unipro PJSC.

Since 2013: member of the Revision Commission, Unipro PJSC.

Dr. Jörg Wallbaum**Year of birth:** 1975.

2008–2015: Head of Accounting Policy, E.ON Global Commodities SE (Dusseldorf, Germany).

2016–2017: Senior Vice President for Methodology of the Accounting and Finance Department, E.ON Global Commodities SE (Dusseldorf, Germany).

Since 2017: Executive Vice President for Accounting & Financial Controlling, Uniper SE (Dusseldorf, Germany).

Since 2017: member of the Audit Committee, Unipro PJSC.

Pursuant to Clause 12.2 of the Regulation on the Revision Commission, no remuneration is paid to members of the Revision Commission for their work in that capacity. In 2019, no remuneration was paid to the members of the Revision Commission.

Due to amendments to the Federal Law "On Joint-Stock Companies" (according to which a public company establishes a revision commission if it is provided for by the articles of association of the public company), a new version of the Articles of Association was approved at the Annual General

Shareholders' Meeting on 14 June 2019, which does not require the Company to establish a revision commission. The Internal Audit Department shall be the body supervising the Company's financial and business operations.

Internal Audit Department

The function of internal audit at Unipro PJSC is assigned to the Internal Audit Department and is carried out in accordance with the Regulation on the Internal Audit Department.

**Veronika Semenova****Year of birth:** 1985.**Educational attainment:** higher education.

In 2007, graduated from Griboyedov Institute of International Law and Economics, Faculty of Economics.

Nationality: Russian.**Positions held in the last 5 years:**

2011–2018: Senior Manager at KPMG Forensic.

Since 2019: Head of the Internal Audit Department, Unipro PJSC.

She holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2019.

The Internal Audit Department helps to achieve the Company's objectives in the most efficient and economically sound way, by using a systematic and consistent approach to assess and improve the effectiveness of risk management, internal control and corporate governance systems.

To ensure the principle of independence and objectivity, the Internal Audit Department reports to the Board of Directors, and is administratively subordinated to the CEO.

The Head of the Internal Audit Department is functionally subordinate and reports to the Company's Board of Directors. The Head of the Internal Audit Department is appointed and dismissed by the Company's CEO upon approval of the Company's Board of Directors.

On 4 April 2019, the Board of Directors of Unipro PJSC approved the appointment of Veronika Semenova to the position of the Head of the Internal Audit Department of Unipro PJSC (Minutes No. 272 dated 5 April 2019).

No conflicts of interest in the work of the Head of the Internal Audit Department were identified in 2019.

In its work the Internal Audit Department takes account of international professional standards for internal audit and the Code of Ethics for Internal Auditors, adopted by the Institute of Internal Auditors, and is guided by the Company's internal audit regulations.



PLANS FOR 2020

The work plan for the Internal Audit Department of Unipro PJSC for 2020 includes the following areas:

- » audit of supervisory control and data acquisition (SCADA);
- » audit of the procurement process;
- » audit of the license management process;
- » audit of selected topics related to the project of Refurbishment of Berezovskaya GRES Power Unit No. 3;
- » audit of corporate communications and relationships;
- » audit of the time tracking process;

The Company has developed feedback channels for issues related to violations or inconsistencies in the preparation of financial statements or in operation of the internal control

- » audit of the occupational health, safety and environment management system, including safeguarding of the health of personnel;
- » audit of the boiler house construction at Smolenskaya GRES;
- » analysis of readiness for the modernisation programme;
- » audit of repair and maintenance processes at Yaivinskaya GRES;
- » audit of the process of fulfilling contractual obligations and claims handling.

system. Any employee may refer these issues to the Internal Audit Department and the Audit Committee of the Board of Directors.

Audit procedures are based on the annual audit plan, which was prepared for 2019 using a risk-based approach to identify key areas for audit, taking account of the requests and recommendations of the management and shareholders.

The audit plan for 2019 was 100% completed; the staff of the Internal Audit Department conducted 13 audits and investigations in the following functional areas: procurement, manufacturing, IT, health and safety, finance. A significant share of the audit procedures were carried out in respect of the project for the reinstatement of Berezovskaya GRES Power Unit No. 3.

In 2019, the Company's hotline received several complaints, some of which were submitted to the Internal Audit Department for internal investigation. In total, four such complaints were submitted in 2019.

Of the 13 audits conducted in 2019, three were internal investigations, two of which were initiated as a result of complaints received through the Company's hotline.

In one of the two investigations conducted in 2019 the information was partially confirmed.

During all conducted internal investigations, observations were made regarding the effectiveness of the analysed business processes, and recommendations were given to improve such processes. The Internal Audit monitors timely implementation of issued recommendations.

Two of the four complaints received will be investigated as part of the 2020 audits.

The staff of the Internal Audit Department systematically monitor and control the implementation of measures to prevent, correct or eliminate shortcomings that are identified by audit work, based on recommendations made by the auditors.

In 2019, the staff of the Internal Audit Department pursued further professional development and training. Management competencies were enhanced by obtaining of the NEBOSH certificate, which confirms an adequate knowledge for self-auditing in the field of health, safety, security and environment (HSSE). The staff of the department have been trained towards and continue to prepare for CIA (Certified Internal Auditor) and CFE (Certified Fraud Examiner) professional certifications.

External Auditor

For independent objective evaluation of the quality of the Company's financial (accounting) statements prepared under the Russian and international standards, Unipro PJSC annually engages an external auditor.

On 14 June 2019, the Annual General Shareholders' Meeting approved PricewaterhouseCoopers Audit JSC as an external auditor.

In 2019, the auditor completed the following works:

- » audit of Unipro PJSC RAS financial statements for the period from 1 January to 31 December 2018, inclusive;
- » preparation of the auditor's opinion on Unipro PJSC RAS financial statements for 2018;
- » audit of IFRS consolidated financial statements of the Company for the year ending on 31 December 2018;
- » preparation of an audit report on the financial status of the Company as of 31 December 2018, and on its business results and cash flow for the reporting year in accordance with IFRS;
- » audit of the Company's special financial information for the reference period ending on 31 December 2018, prepared according to the instructions of Uniper SE Group and the accounting policy of Uniper SE

Group for the preparation of financial statements;

- » report on compliance with the instructions of Uniper SE Group and Uniper SE Group accounting policy in preparation of the Company's special financial information;
- » assessment review of Unipro PJSC interim IFRS financial statements prepared for 6 months ending on 30 June 2019;
- » drawing up of the auditor's opinion on the assessment review of Unipro PJSC interim IFRS financial statements prepared for 6 months ending on 30 June 2019;
- » review of special financial information for 3, 6 and 9 months ending on 31 March, 30 June and 30 September 2019, respectively, prepared according to the instructions of Uniper SE Group and the accounting policy of Uniper SE Group for preparation of special financial information;

For independent objective evaluation of the quality of the Company's financial (accounting) statements prepared under the Russian and international standards, Unipro PJSC annually engages an external auditor.

RUB 25**mln**

amount of remuneration to the external auditor in 2019, determined by the Company's Board of Directors

On 14 June 2019, the Annual General Shareholders' Meeting of Unipro PJSC approved PricewaterhouseCoopers Audit JSC as the Company's external auditor.

- » preparation of an opinion based on the review of special financial information for 3, 6 and 9 months ending on 31 March, 30 June and 30 September 2019, respectively, prepared according to the instructions of Uniper SE Group and the accounting policy of Uniper SE Group for preparation of special financial information.

The amount of remuneration payable to the auditor is set by the Board of Directors. The resolution of the Board of Directors called for the following

remuneration to be paid to the external auditor in 2019:

- » RUB 3,500,000 (net of VAT) for the audit of accounting statements in the reporting year ending on 31 December 2019, prepared according to Russian law;
- » RUB 21,500,000 (net of VAT) for the provision of audit services with regard to the Company's financial statements for the reporting year ending on 31 December 2019, drafted in accordance with IFRS.

3.3. Relations with Shareholders and Investors

The Company combines clear and efficient corporate governance rules with continuous information exchange with the outside audience.

In its work with shareholders and representatives of the investment community, Unipro PJSC prioritises the key task of increasing investment attractiveness, which it achieves

by increasing the information transparency, implementing a stable dividend policy, and increasing the liquidity of its securities.

More than

300**thousand****shareholders**

Rights of shareholders

Unipro PJSC is one of the leading public joint stock companies in Russia by the number of its minority shareholders. The Company aims to ensure a constructive dialogue with its shareholders, avoiding bias in favour of any shareholder to the detriment of others.

All shareholders of Unipro PJSC enjoy equal and favourable conditions for exercising their rights in respect of the Company.

A total of 301,532 persons were registered in the shareholder register of Unipro PJSC and held securities on their personal share accounts as of 31 December 2019.¹

More information on the rights of shareholders can be found in the Annual Report of Unipro PJSC for 2017.

Share capital structure of Unipro PJSC

Structure by type of personal account	2018, units	2019, units	2018, %	2019, %
Legal entities, including	682	685	83.92	83.90
Uniper SE	–	–	83.73	83.73
federal government	3	3	Less than 0.01	Less than 0.01
public authorities of Russian constituent entities	4	4	Less than 0.01	Less than 0.01
local authorities	–	–	–	–
Private individuals	299,761	300,256	1.38	1.37
Nominal holders	12	11	14.69	14.72
Trustees	4	4	Less than 0.01	Less than 0.01
Shares in shared ownership	576	575	0.01	0.01
Unidentified person's account	0	1	0	Less than 0.01
Total	301,035	301,532	100	100

The Company did not issue any additional shares in 2019.

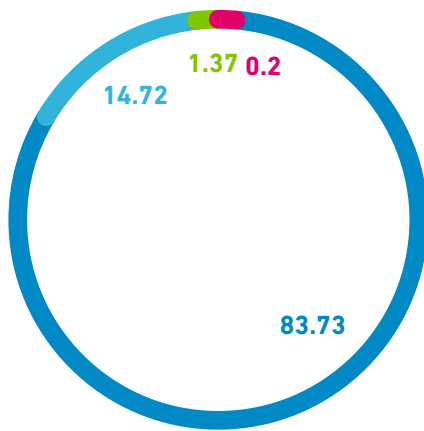
Shares at stock exchanges

The authorised capital of Unipro PJSC is RUB 25,219,482,458.37. According to Unipro's Articles of Association, 63,048,706,145 full and 44,925,042,874/49,130,625,974 fractional uncertificated registered ordinary shares are issued with a nominal value of RUB 0.40.

Unipro's ordinary shares were listed in the first-tier quotation list of the Moscow Stock Exchange on 1 September 2014.

¹ According to data provided by Independent Registrar Company R.O.S.T. JSC.

Share capital structure of Unipro PJSC in 2019, %



- Uniper SE
- Nominal holders
- Private individuals
- Other

Outstanding shares

Number of outstanding shares, pcs.	63,048,706,145
Nominal value of a share, RUB	0.40
State registration number of the issue	1-02-65104-D
Date of state registration	19 April 2007
Authorised capital, RUB	25,219,482,458.37
ISIN code	RU000A0JNGA5
Ticker	UPRO

More than

RUB **25**
bln

authorised capital of Unipro PJSC

Share price



Total market capitalisation of Unipro PJSC

Date	Market price, RUB	Number of outstanding shares	Market capitalisation, RUB
31 December 2017	2.56	63,048,706,145	161,089,444,200
31 December 2018	2.56	63,048,706,145	161,089,444,200
31 December 2019	2.79	63,048,706,145	175,905,890,145

Source: Moscow Exchange PJSC.

Dividends

Developing its dividend policy, Unipro PJSC does not only comply in full with the Russian legal requirements, but also balances interests of its shareholders with the Company's needs in development, boosting its investment appeal and capitalisation.

The Board of Directors approved on 11 March 2019 (Minutes No. 270 dated 12 March 2019) the Regulation on the Dividend Policy of the Company¹ developed according to the Russian law and the Articles of Association.

All of the Company's shareholders enjoy equal and fair terms in receiving a share of Company profits through dividends, including:

- » a clear and transparent mechanism for calculating and paying dividends;
- » payment of dividends in cash only;
- » exclusion of instances when shareholders receive Company profits in any manner other than as dividends and liquidation value.

Dividend history of the Company

Period, for which dividends were paid	Dividends per share, RUB	Number of shares	Funds allocated to dividends, RUB	Date of the resolution on payment of dividends
2005	0.01123	8,210,830,760	92,207,629.43	21 April 2006
2006	0.004071	49,130,625,974	200,010,787.54	25 May 2007
Q1 2007	0.0030531	49,130,625,974	150,000,715.12	25 May 2007
2011	0.05787978807	63,048,706,145	3,649,245,749.81	29 June 2012
2012	0.289541278733806	63,048,706,145	18,255,203,000	27 June 2013
2013	0.300188653732372	63,048,706,145	18,926,506,217.51	26 June 2014
Based on retained earnings of previous years	0.0793037685567795	63,048,706,145	5,000,000,000	26 June 2014
2014	0.2776423960677	63,048,706,145	17,504,993,843.32	26 June 2015
2015	0.197253780372175	63,048,706,145	12,436,595,634.86	15 June 2016
9M 2016	0.0727	63,048,706,145	7,180,481,826.37	8 December 2016
Based on retained earnings of previous years	0.0431			
2016	0.0936762922840	63,048,706,145	5,906,169,025.05	23 June 2017
Q1 2017	0.0173489836955	63,048,706,145	1,093,830,974.95	23 June 2017
9M 2017	0.1110252759795	63,048,706,145	7,000,000,000	7 December 2017
2017	0.1110252759795	63,048,706,145	7,000,000,000	14 June 2018
9M 2018	0.1110252759795	63,048,706,145	7,000,000,000	7 December 2018
2018	0.1110252759795	63,048,706,145	7,000,000,000	14 June 2019
9M 2019	0.1110252759795	63,048,706,145	7,000,000,000	3 December 2019

Based on the Company's performance in 2008–2010, the General Shareholders' Meeting made the decision to not pay out dividends.

¹ <http://www.unipro.energy/management/documents/>

Report on declared (accrued) dividends on shares for 2019

In 2019, based on a resolution of the Annual General Shareholders' Meeting, dividends for 2018 were declared in the amount of RUB 7.0 bln. The Extraordinary General Shareholders' Meeting held on 3 December 2019 resolved to pay interim dividends in the amount of RUB 7.0 bln for nine months of 2019.

As of the date of approval of the Annual Report, the declared dividends for 9 months of 2019 were paid in full, except for amounts which were unpaid due to reasons beyond the Company's control (absence of accurate and necessary address data or bank details of the person entitled to receive dividends).

Registrar

Since 2009, Unipro's registrar is R.O.S.T. Registrar JSC, a professional participant of the stock market, maintaining the register based on license No. 045-13976-000001 dated 3 December 2002.

Since December 2016, R.O.S.T. Registrar JSC has been a part of Independent Registrar Company R.O.S.T. Group, comprising the leaders of the registrar services market.

Detailed information on Independent Registrar Company R.O.S.T. JSC can be found in the "Contact Information" section.

Due to the expiration of the registry maintenance agreement between Unipro PJSC and Independent Registrar Company R.O.S.T. JSC, the Company carried out procurement procedures under the Regulation on Procurement of Unipro PJSC. The winner of the procurement procedures was VTB Registrar JSC. By the decision of the Board of Directors dated 10 December 2019 (Minutes No. 283 dated 12 December 2019), VTB Registrar JSC was approved as the registry holder of Unipro PJSC.

VTB Registrar JSC will commence its functions of the registry holder from the moment the registry is transferred from Independent Registrar Company R.O.S.T. JSC.¹

Detailed information on VTB Registrar JSC can be found in the "Contact Information" section.

Disclosures

In 2019, Unipro PJSC approved the Information Policy², the main purpose of which is to ensure the highest possible degree of trust of shareholders, potential investors, contractors and other stakeholders in the Company. To this end, these persons are provided with the possibility of free and unhindered access to information on the Company's activities in an amount sufficient for them to make informed decisions regarding the Company and its securities.

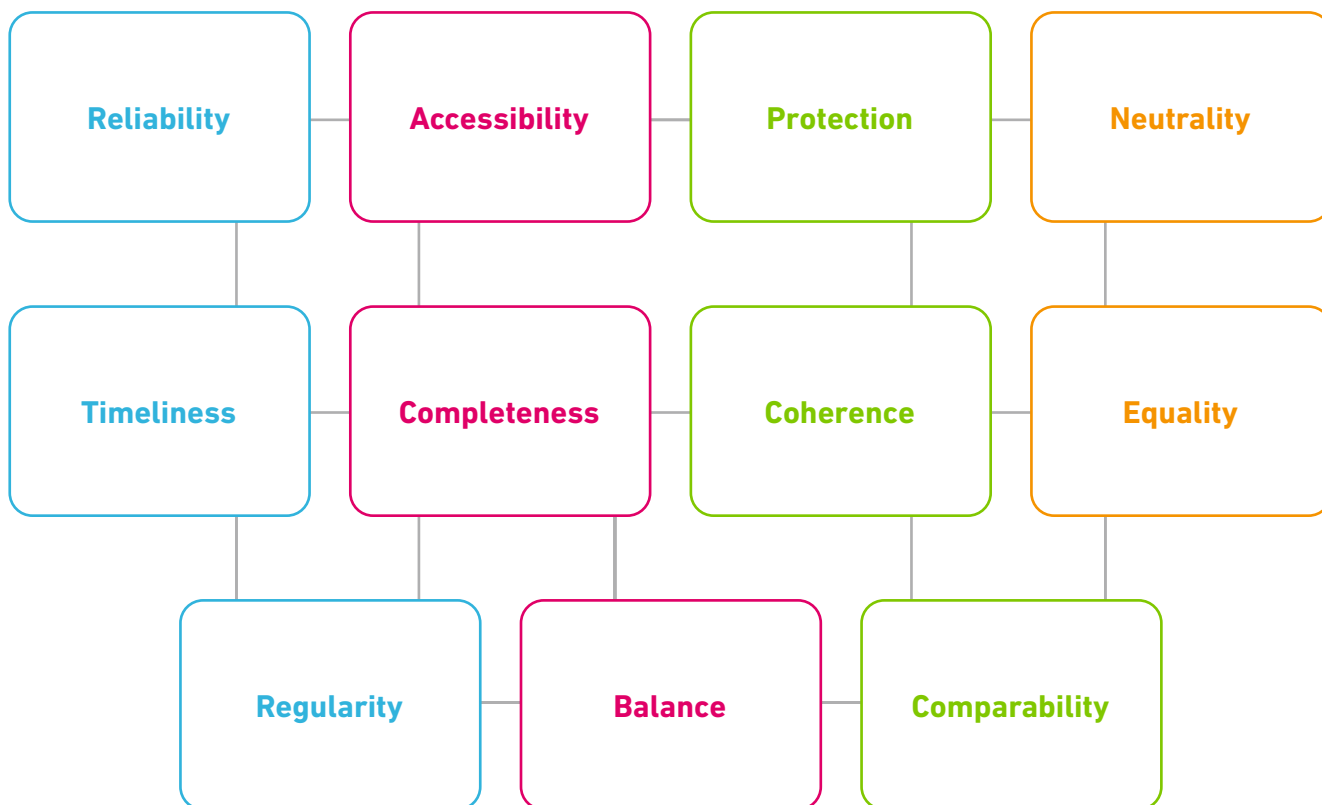
The main objectives of the Information Policy include the following:

- » ensuring timely and full disclosure of information about the Company to all the related parties in full compliance with current laws of the Russian Federation, regulatory legal acts of regulatory bodies, rules of securities market operators;
- » ensuring neutral nature of the information upon disclosure;
- » enhancing transparency and confidence;
- » setting rules and the procedure for communication of information about the Company to all related parties, using the Company's various channels and methods of disclosure being accessible for most related parties;
- » ensuring information security and protection of the Company's confidential information.

¹ VTB Registrar JSC commences its functions of the registry holder on 18 February 2020.

² <http://www.unipro.energy/management/documents/>

Information disclosure principles of Unipro PJSC¹



When disclosing information, the Company is guided by current laws of the Russian Federation, the requirements of Moscow Exchange PJSC, the Regulation on the Information Disclosure, as well as other requirements and regulatory acts.

Main communication tools for information disclosure:

- » information disclosure at the Company's official website (<http://www.unipro.energy/en/>);
- » publication of information in the news bulletin of news agencies with notification of securities market operators;
- » use of a web page offered by one of information distributors on the securities market, when the information is published on the Internet (except for publication in the news bulletin);
- » provision of information on paper and electronic media in cases stipulated in current laws of the Russian Federation;
- » provision of shareholders with access to information and documents and issuing copies of documents at their request in cases stipulated in current laws of the Russian Federation, the Company's Articles of Association and internal documents;
- » provision of answers to shareholders' requests for information;
- » disclosure of information through the mass media;
- » arrangement of public addresses of the Company's representatives;

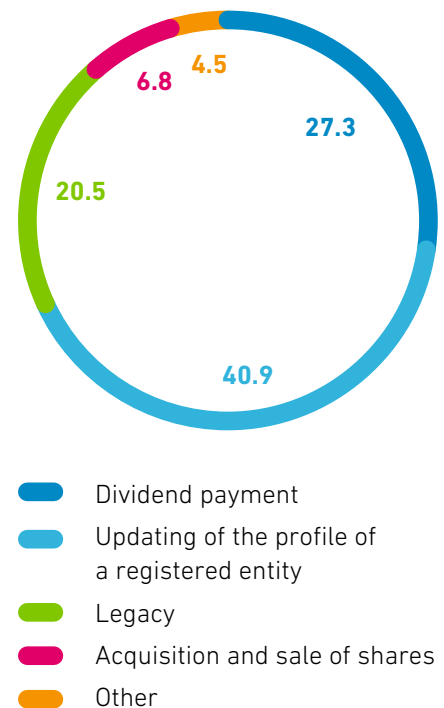
¹ As per Unipro PJSC Information Policy.

- » organisation of meetings with representatives of the investment community, conferences and presentations;
 - » mailing of requested information to related parties;
 - » publication of information in booklets, brochures and other similar information media;
 - » participation in conferences, seminars, presentations and other public events.
- » a press tour of Berezovskaya GRES for national media;
 - » a teleconference given by Company top managers for IFRS analysts and investors to review business results in 2018;
 - » regular meetings of the Company's top management with analysts and investors for providing them with information required to update investment models of Unipro PJSC;
 - » preparation of written responses and email responses to enquires from investors and shareholders.

In 2019, within its informational policy the Company conducted a number of events for interacting with its shareholders and investors:

In 2019, 205 enquiries were received from shareholders in total (87 electronic and 118 written).

Structure of shareholder enquiries in 2019, %



3.4. Compliance

Compliance is an integral part of the corporate governance system at Unipro PJSC. The Company values its business reputation and corporate culture, which have been built for many years, and operates exclusively under the applicable law, in accordance with the principles of good business conduct, high standards of business ethics and professional conduct.

The efficiency of the compliance system is based on personal responsibility of each employee. That is why, each employee of Unipro PJSC, regardless of the position, shall follow the rules of the Code of Corporate Conduct. It is a fundamental document which sets out the established

rules that are mandatory for all employees of the Company.

The Code of Corporate Governance provides for training (e-learning) once every two years, as well as upon hire of new employees.

Unipro PJSC has a compliance risk management system: compliance risks are assessed for the Company's activities, resulting in the creation of a risk map with the degree of probability of their materialisation and a set of measures to mitigate them. Further, based on the results of these actions, a detailed risk assessment report is prepared with a list of practical measures

and specific deadlines for their implementation.

In addition, with participation of the senior management of Unipro PJSC, a separate antitrust risk assessment is conducted on an annual basis.

One of the main principles for responsible business practices of Unipro PJSC is counteraction to corruption. The Company recognises and monitors the compliance with local regulatory acts on corruption, and also implements a number of additional measures in terms of countering involvement in corruption activities. In particular, Unipro PJSC has organised a hotline for informing on any

Our activity

- » **We avoid conflicts between personal and professional interests**
- » **We present and accept only relevant and reasonable gifts and hospitality signs**
- » **We comply with the laws and all applicable sanctions regimes, and also oppose money laundering and terrorist financing**
- » **We do not distribute insider information**
- » **We follow the rules of healthy competition**
- » **We protect our assets and use them wisely**
- » **We keep records and provide accurate and understandable data about business transactions**
- » **We act on behalf of the Company only with the appropriate authority**

Our employees

- » **We respect each other**
- » **We ensure safe working conditions**

Our social obligations

- » **We respect human rights**
- » **We care about the environment**
- » **We support the development of regions**

facts or prerequisites for the occurrence of a corruption situation, which is available to both the Company's employees and partners.

In 2019, an audit of the compliance management system of Unipro PJSC was conducted by a well-known international audit company (hereinafter referred to as the Audit Company). The Audit Company conducted an audit to verify the suitability, implementation procedure and performance of the group-wide compliance system.

As part of the operating effectiveness testing, the Audit Company performed

walkthroughs and sample testing of the compliance ICS controls, the significant measures identified in the audit as well as the measures mentioned in the compliance management system (CMS) description:

- » testing of general CMS requirements and its measurements according to IDW AssS980 regarding an appropriate design of the compliance organisation in terms of its size, functions (guidelines, trainings, communication and compliance culture) and independence. Effectiveness testing of compliance measures implemented to adequately address the risks regarding

missing compliance awareness in the organisation;

- » testing of anti-corruption requirements and its measurements according to IDW AssS980 regarding an appropriate setup and effectiveness of anti-corruption measures and controls implemented in terms as specific risk assessment performed, offering specialised trainings for risk groups and adequate controls in identified high risk areas, e.g. new hires, procurement, sales and conflict of interest disclosures.

The Board of Directors of the Company reviewed and took note of the Audit Report of the

Compliance Management System on 10 December 2019 (Minutes No. 283 of 12 December 2019).

In 2019, the compliance officer received more than 10 requests from employees of the Company, including requests in the field of potential conflicts of interest and requests on participation in events and congratulations to partners on memorable dates. Based on the results of the consideration of these appeals, all situations were assessed in terms of compliance with the principles

of the Code of Corporate Conduct of Unipro PJSC, and the employees were offered the correct procedure.

In order to eliminate the risk of situations that could harm the interests of the Company and employees, the compliance officer pays special attention to appeals related to potential conflicts of interest. At the same time, the Company welcomes the continuity of generations and preservation of the dynasty of power engineers. Thus, the Company adheres to the position

that each case of a potential conflict of interest is unique and should be considered individually, but additional control measures can be taken.

In 2020, Unipro PJSC will continue to work on development and improvement of the CMS, and will adopt a number of additional regulatory documents governing anti-corruption processes to conduct separate training and consulting for the Company's employees on compliance with anti-corruption requirements.

3.5. Risk Management

Effective risk management is one of the most important prerequisites for sustainability of Unipro PJSC business.

The current integrated risk management system is aimed at the timely identification of risks, as well as the implementation of measures to manage them. The Company regularly reviews the planning, controlling and reporting processes in order to improve the efficiency and predictability of its financial position.

Corporate risk management system

In order to reduce the negative impact of potential hazards and to use favourable opportunities, Unipro PJSC operates the Corporate Risk Management System (CRMS).

The key elements of the risk management system are the Company's strategy, internal regulations, including the Regulation on the CRMS, controlling, planning, the internal control and audit system, risks and opportunities reports, as well as operation of the Risk and Finance Committee.

Scheduled reports are provided on a quarterly basis. Moreover, the Company establishes a

procedure for compiling and reviewing urgent reports in case of emerging material risks.

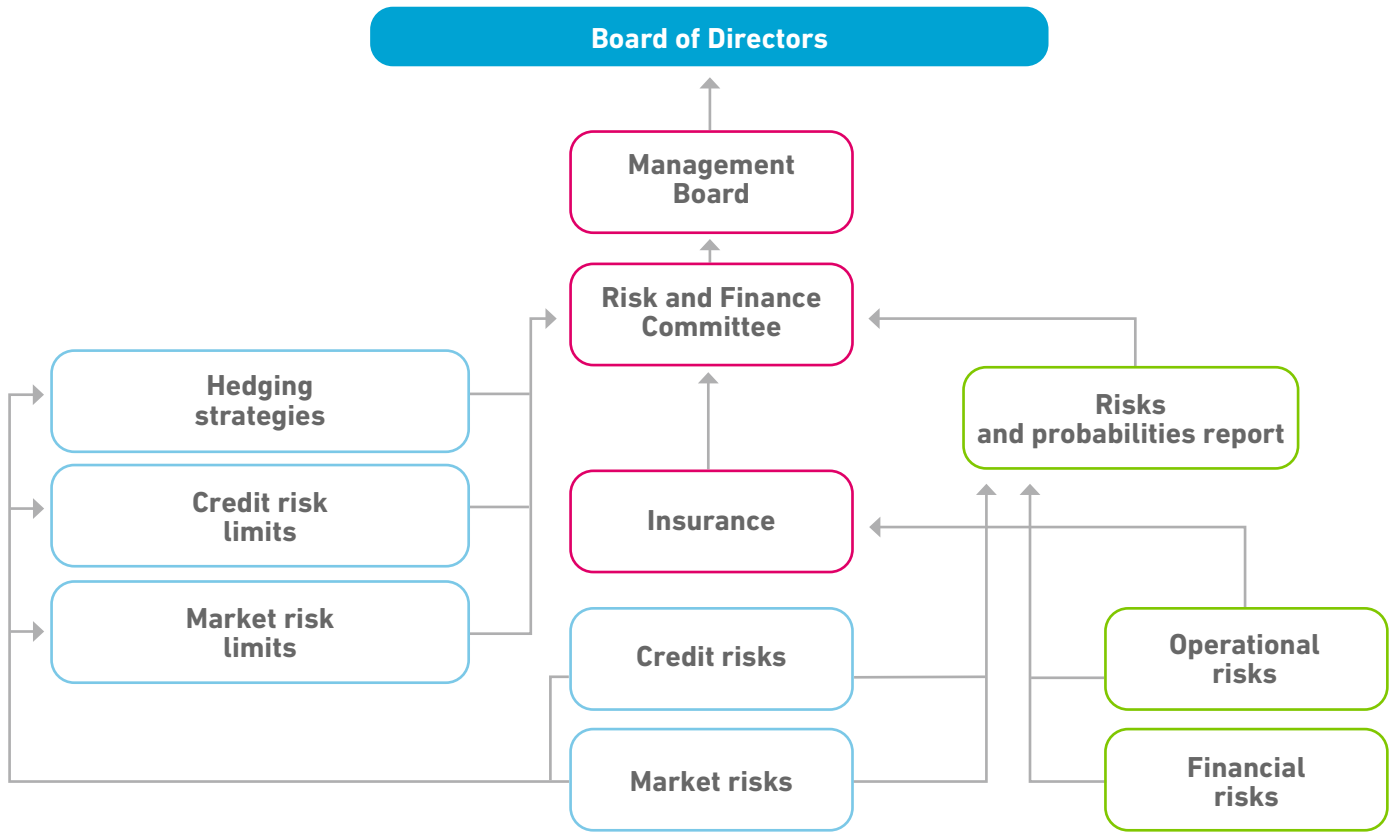
Reports on the most material risks and opportunities are laid before Unipro PJSC Audit Committee and the Board of Directors for consideration.



The Risk and Finance Committee of Unipro comprises heads and representatives of the key business units who are in charge of operational, legal and financial activities.

The committee ensures implementation of the credit and market risks management strategy, prepares recommendations for the Company's executive bodies on risk management, reviews and approves risks and probabilities reports.

CRMS organisational structure



At Unipro PJSC, the effectiveness of the CRMS is assessed as follows:

- » the management informs annually the Board of Directors on results achieved in the field of risk management in the framework of corporate reports;
- » twice a year, the Risk and Finance Committee evaluates the effectiveness of the CRMS operation in terms of involvement in the process of all relevant functional and legal structures of the Company;
- » an independent audit of the risk management system is conducted annually.

Performance results of the risk management system in 2019

In the reference period, the Risk and Finance Committee paid special attention to monitoring the risks of the project to restore Power Unit No. 3 of Berezovskaya GRES, to the progress of fire hazard reduction recommendations issued during (Uni)performance inspections, as well as to monitoring the development and mitigation of the risk of BGRES Power Unit No. 3 CSA Unilateral Repudiation by capacity buyers.



With the existing risk management system, the Company ensures that risks are timely detected, estimated, managed, and controlled.

However, some risks may still emerge that are currently unknown or insignificant. Such risks may negatively affect the future performance of Unipro PJSC.

In 2019, the Treasury Operations and Risk Management Department focused on organising the process to identify and assess risks as well as to develop corresponding preventive measures with regard to projects aimed to implement the TPP modernisation programme, as well as on updating the insurance policies for construction and installation works under the Berezovskaya GRES Power Unit No. 3 recovery project with the significant reduction of the property franchise.

The insurance coverage for property damage and losses from business interruption in 2019 was renewed and expanded in respect of cybernetic risks and

losses from employee disloyalty; the list of insured events was also expanded (in particular, consequences of terrorist acts and sabotage were included in the number of insured property losses and business damage).

Plans for 2020









In the coming year, Unipro PJSC will continue its ongoing optimisation and improvement of the CRMS. The persistent task is to maintain the risk management function in terms of risk owners' influence on the quality of risk management processes at a high level.

Besides, in 2020, it is planned to optimise the insurance terms and purchase additional coverage for contracted works performed during main production and design activities (overhauls, technical refurbishment, modernisation).

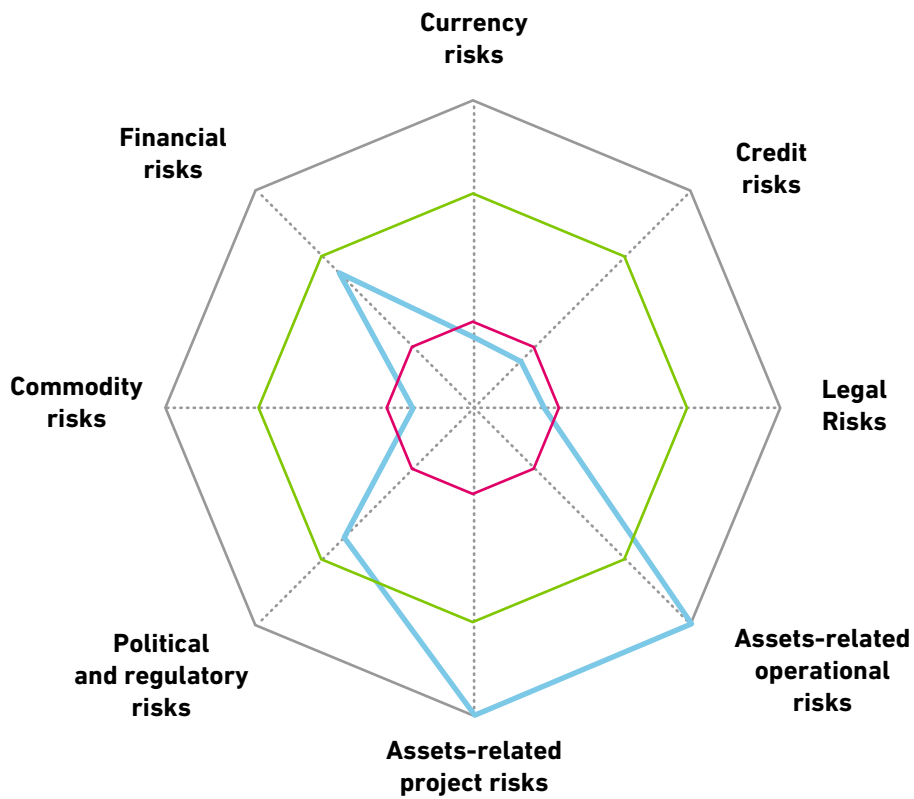
Major risk management efforts in 2019 were directed at coordinating interactions of the Company's divisions and their participation in the identification and mitigation of risks.

Key risks

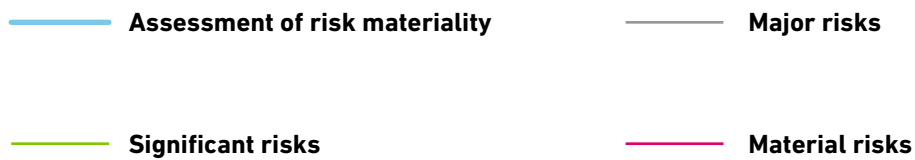
Most material net risks of Unipro PJSC at year end 2019

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risk dynamics
Market risks	Commodity risks The main sector exposed to the commodity risk in the day-ahead market (DAM), where pricing takes place on an arm's length principle. Thus far, excess capacity has been formed in the energy system as a result of commissioning of capacities by generators under investment programmes and zero growth of electric power consumption taken into account during the development of investment programmes. This fact has changed the flow volumes in the energy system and strengthened influence on the DAM price regarding the grid transmission capacity, grid maintenance, regional supply and demand balances. Nevertheless, the Company utilises all methods provided by the Wholesale Market Rules to increase its revenues from electric power sales in the free market sector.	 
	Currency The Company minimises the foreign exchange risk by hedging future liabilities in foreign currency.	 
Credit risks	Unipro PJSC manages credit risks by assessing fair practices of counterparties, by setting and controlling limits on transactions with financial institutions.	 
	In its operations, the Company has to supply electricity to certain regions of the Russian Federation, which fail to pay for consumption in full or in due time and increase their receivables to Unipro PJSC.	 

Most material net risks of Unipro PJSC at year end 2019







Risk materiality level¹ at year-end 2019






Dynamics of risk materiality in 2019





¹ Risk materiality is the product of risk probability and the amount of consequences for the Company in monetary terms.

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risk dynamics
Financial risks	<p>Tax risks</p> <p>Tax risks of the Company are caused by:</p> <ul style="list-style-type: none"> » reformation of the state oversight function; » invariability of business tax conditions and length of the investment planning horizon; » state readiness to support business initiatives by means of legal tax tools; » gaps and contradictions in the tax legislation. <p>Tax risks affect the Company activities to the same extent as those of any other players in the wholesale electricity market, which is typical for conducting business in the Russian Federation.</p> <p>The Company closely follows-up on trends in changes to the tax legislation and law-enforcement practices related to tax cases in order to timely incorporate these changes into its tax obligations.</p>	 
Operational risks	<p>Asset-related operational risks</p> <p>Business interruption risks</p> <p>This risk is caused by any factors that can lead to business interruption. Meanwhile, this risk includes both a direct stoppage in production resulting from physical damage of the equipment, and a consequential business interruption resulting from material loss at an outside facility that does not belong to the Company, and is not maintained or managed thereby.</p> <p>The main factors when assessing the possible losses include turbine oil catching fire, damage of the turbine wheelspace, explosion of the boiler at ignition, explosion in the chemical water treatment ammonia storage, washout of the water gathering pond dam, etc.</p> <p>In order to reduce the probability of adverse effects of such negative events, the Company takes the following measures:</p> <ul style="list-style-type: none"> » establishing a four-tier system of industrial control and industrial safety management; » carrying out equipment maintenance in line with a strict schedule; » ensuring high-quality training of the personnel (especially the employees operating hazardous industrial facilities), assessment of their knowledge and analysis of their reliability based on the investigation of incidents and near misses; » ensuring systematic work with the personnel to increase their reliability manifesting itself in the absence or minimisation of consequences of any accidents/incidents resulting from human errors; » performing close technical investigations of accidents, process incidents and significant defects with the identification of primary (root) causes and development of accident prevention measures using various tools, including the BSCAT methodology; » organising a system to monitor the implementation of the accident prevention measures developed based on the investigation results, ensuring their use with the similar equipment at all power plants of the Company; 	 

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risk dynamics
<p>Operational risks</p>	<ul style="list-style-type: none"> » implementing a risk-oriented approach to planning targeted measures improving the equipment reliability and implemented as part of repair and modernisation operations by generating risk maps for each equipment group, analysing previous and forecasting future forced unavailability; » calculating and analysing the reliability indicators for equipment groups to forecast its forced unavailability and ensure that investments are used to minimise such forced unavailability; » implementing the recommendations of risk engineers from insurance companies (following the audits) that are based on the best practices in improving the reliability and fire safety of equipment, buildings and structures; » identifying and evaluating hazards and threats using the BowTie methodology, developing safeguards; » ensuring thorough supervision over the maintenance personnel in terms of their strict compliance with the procedures for the maintenance and technical acceptance of repaired equipment by the customer's representatives; » using the system of regular equipment performance assessment; » involving specialised contractors to assist with technical condition diagnostics and assessment; » conducting on-site inspections to assess equipment maintenance readiness and completed repairs; » investigating all instances of equipment failure affecting the operation of generating equipment; » analysing changes in the equipment performance indicators and cost/performance ratios; » implementing a comprehensive programme for the equipment replacement and per-unit reconditioning; » implementing a comprehensive programme for advanced training of the production personnel; » standardising repairs, including by developing maintenance data sheets and maintenance workflow specifications; » providing employees with incentives intended to reduce the equipment damage rate and forced unavailability (including targeted reduction of the bonus rate depending on the contribution of specific employees to the forced unavailability value); » insuring business interruptions and property damage. 	<div style="text-align: center;">   </div>
<p>Asset-related project risks</p>		
<p>Risks associated with Berezovskaya GRES Power Unit No. 3 recovery</p>		
<p>A fire outbreak in the boiler house of Power Unit No. 3 of Berezovskaya GRES, that caused damage to the boiler, occurred on 1 February 2016. The fire was extinguished. Power Unit No. 3 of Berezovskaya GRES is currently under repair. There is a risk that the actual date of putting Power Unit No. 3 of Berezovskaya GRES into operation may differ from the scheduled one. The factors of this risk include unscheduled works (design and planning flaws, remedial works, accidents, etc.) and delays by contractors.</p> <p>The Company pays maximum attention to managing this risk through careful monitoring of the repair process. Moreover, the Company partially insured risks related to the project "Recovery of Power Unit No. 3 at Berezovskaya GRES".</p>		

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risk dynamics
	<p>Legal risks</p> <p>One of the risk groups significantly affecting the activities of Unipro PJSC are legal risks, i.e. the risks of adverse effects as a result of any misuse or misunderstanding of legal rules when making or implementing any managerial decisions and carrying out activities, or due to a significant change in any legal rules during the performance of a transaction or managerial action versus the period when such transaction has been agreed upon or such managerial decision has been made. Generally, such risks are borne by the majority of businesses operating in Russia and affect the Company's activities to the same extent as those of any other players in the wholesale electricity market. Since the Company does not operate in foreign markets, legal risks are only described with regard to its domestic market.</p> <p>The Company's core business activity covers generation and sales of electric and heat power, thus, legal risks related to the regulation of this area may have a significant impact on the Company's situation.</p> <p>The enforcement of industry regulatory laws and regulations is aimed at deregulating the electric power and capacity market, transitioning to market pricing of electric power and capacity, creating a legal framework for deregulated electric power and capacity market operations, developing a competitive environment in the sector of electric and heat power generation and sales, creating mechanisms of flexible and balanced tariff regulation that would ensure the availability of products and services for consumers as well as a reasonable level of revenue and return on the Company's investments.</p> <p>Another important aspect for the Unipro PJSC activities is self-regulation exercised through Association NP Market Council and its activities related to setting detailed rules of operations in the wholesale market for electricity and power, approving regulations and standard contracts regulating such activities.</p> <p>Taking into account that the government regulation in Russia tends to change frequently and fast, it cannot be guaranteed that the government would not cancel market deregulation and transition to the free market or would suspend reforms of the heat power market, or change – in any way that would be unfavourable for generation companies – its approaches to such reforms, retreat from the balanced approach to various types of tariff regulation in the industry, which, in its turn, may have an adverse impact on the Company's activities and present a significant legal risk associated with the Company's core business activity.</p> <p>Moreover, the independence of the Russian judicial system and the reliability of mechanisms protecting it against any economic, political and social impact have not been tested enough in practice yet. The judicial system suffers the shortage of competent staff and lack of funding, as well as an overload due to a great number of court cases pending. The enforcement of judgment may prove to be difficult.</p>	

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risk dynamics
Operational risks	<p>Frequent reforms to the organisation of courts and amendments to the procedural legislation, including the matters of competence of the court and its jurisdiction over a case, together with changes in approaches applied by courts to any particular category of cases, bring even more uncertainty to the judicial system operations. The said factors make it impossible to predict the outcome of court proceedings in Russia and guarantee the efficiency of remedies. Moreover, sometimes claims may be brought to courts or administrative authorities, or a prosecution may be initiated for some political, competitive, administrative or other reasons rather than on legal grounds. Such actions can also be initiated against Unipro PJSC with no guarantee of impartial trial.</p> <p>The Company carefully and regularly studies changes in judicial practice related to its activities so as to ensure their timely consideration and take them into account in any then-current proceedings held with participation thereof. The judicial practice is analysed at the level of both the Supreme Court of the Russian Federation and commercial courts; the Company also examines the legal position of the Constitutional Court of the Russian Federation on certain law enforcement matters.</p>	 
	<p>Political and regulatory risks</p> <p>The Russian wholesale electricity market regularly undergoes changes, which affect both the structure of the electricity market and relations between its participants.</p> <p>According to the Company's estimates, the important industry-specific risk that may significantly affect Unipro PJSC is the risk of change in functioning rules for the electricity and capacity market. Increase in the share of the regulated component in the wholesale market negatively affects the Company's yield because it reduces the share of more efficient sales at non-regulated (free) prices.</p>	

Risks insurance management

In Russia, Unipro PJSC has the reputation of a leading insurer, whose experience is exemplary for the market.

The Company forms its insurance coverage according to the corporate Insurance Policy of Uniper SE under the supervision of corporate insurance broker Uniper Risk Consulting GmbH (URC).

The risk insurance function in Uniper SE is responsible for the implementation of measures related to the solution of insurance tasks within the perimeter of entire Uniper Group.

Together with the risk owners (legal entities, including Unipro PJSC) and the responsible functions of the Group, the insurance function determines whether it is necessary to use insurance contracts concluded by Uniper Group, coordinated programmes, regional or individual insurance contracts to cover the risks considered. Insurance tasks are solved taking into account commercial, legal, and regional aspects.

The insurance function is performed by achieving the following goals:

- » provision of centralised access to the insurance markets for Uniper Group's companies;

- » support of legal entities and functional units in the analysis to identify, study, evaluate and quantify the risks to be insured;
- » development, presentation and provision of risk-adequate and cost-effective insurance coverage, e.g. by considering self-insurance options (through deductibles or franchise pooling) and using internal risk carriers (captive insurance companies);
- » ensuring standardised and efficient insurance claims management;
- » ongoing monitoring of insurance markets and effective insurance terms.

3.6. Business Ethics and Anti-Corruption



When implementing its contractual obligations under the contract with Ekopromsistemy LLC, Unipro PJSC proved itself as a fair and reliable partner. The analysis of the corporate culture state performed by Ekopromsistemy LLC showed a high level of management development in the Company, involvement of employees at all management levels in the discussion and resolution of crucial production, social and environmental issues. The Company consistently implements principles of prioritising labour safety, sensitivity and attention to employees' interests and needs.

Marina Alekseeva,
CEO Ekopromsistemy LLC

The Company carries out its activities in strict compliance with the requirements of the anti-corruption laws of the Russian Federation, recognises anti-corruption procedures and controls compliance therewith.

For this purpose, the Company takes actions to identify, prevent

and combat corrupt practices, provides support to law enforcement authorities in the identification and investigation of facts of corruption, takes necessary measures to keep and transfer documents and information on corruption offences to law enforcement authorities. For instance, together

with law enforcement authorities, the Company identified and prevented illegal cash transfer from a representative of a commercial organisation to a Company employee as a bribe to win a tender for suppliers and get awarded with a service contract; corresponding criminal proceedings were initiated.

SUSTAINABLE DEVELOPMENT/ SUSTAINABILITY

~40% No. 3

of the total electric
power generation

of Khanty-Mansi Autonomous Area –
Yugra is provided by Surgutskaya
GRES-2

by capacity

among global thermal power plants



SCHOOL – UNIVERSITY – ENTERPRISE

Surgut school No. 19,
implementing the School –
University – Enterprise
programme, earned
a diploma of the winner of the
“Russia’s 100 Best Schools”
contest.



CONTESTS IN PROFESSIONAL MASTERY

Combined contests in
professional mastery of the
operating staff teams in
Unipro branches took place
in Surgut.



SURGUT RING

A record number of athletes – over 190 – took part in the 24th “Surgut Ring” all-Russian track-and-field semi-marathon arranged by Surgutskaya GRES-2.



SAFE BEHAVIOUR

Uniproshka held trainings on safe conduct for junior schools children and local social institutions in Surgut.



GOVERNOR'S VISIT

Natalya Komarova, Governor of the Khanty-Mansi Autonomous Area – Yugra, paid a visit to Surgutskaya GRES-2.



KHANTY-MANSI AUTONOMOUS AREA

Surgutskaya GRES is the largest power producer in Russia, supplying the districts of West Siberia and the Urals with electric power.

4.1. Approach to Sustainable Development

As an efficient producer of the electric power necessary for the society, Unipro PJSC is well aware of its economic, environmental and social responsibility.

Unipro PJSC shapes its business around a reasonable balance of shareholders' interests and assurance of a reliable and

socially and environmentally safe operation of its production facilities.

The Company implements a comprehensive approach to the management of labour, development of its employees, environmental and industrial safety, and support of populations in the areas of its presence.

In 2005, the Company joined the UN Global Compact as the most ambitious sustainability initiative for business. Unipro PJSC confirms its commitments to honour human rights, employment relations, environmental protection, and anti-corruption undertakings.

The Company's key shareholder – Uniper Group – treats sustainable development as the overarching priority and integrates it in all aspects and areas of its activities. Uniper Group has developed and approved the Group Sustainable Development Strategy based on the UN Goals (SDGs) by identifying the areas of highest relevance to its business.



4.2. People in Unipro

Human capital management

Obviously, employees are the Company's essential asset. Business development fully depends on the professionalism, high responsibility, and good practices of the employees. Unipro PJSC power facilities employ professionals with vast production experience and extensive engineering expertise.

The Company's management strives to use the entire potential and competences of its employees as much as possible by creating comfortable working conditions, providing them with continuous professional and personal development opportunities, and taking care of their health and safety.

The Company's staff management system covers a set of HR issues concerning all categories of employees – from workers and specialists to managers. The Company's activities in this area are governed by a set of bylaws that ensure the transparency and impartiality of HR decisions.

Staff profile

In 2019, Unipro PJSC had 4,585 employees.

One of the Company’s top priorities is to create a balanced team in terms of gender and age. This approach will enable the Company to ensure the continuity of personnel and in-house well-being and preserve and pass professional experience.

Unipro PJSC ensures equal rights for men and women in terms of employment, promotion and social benefits. A larger share of males in the headcount is due to the peculiarities of the Company’s business.



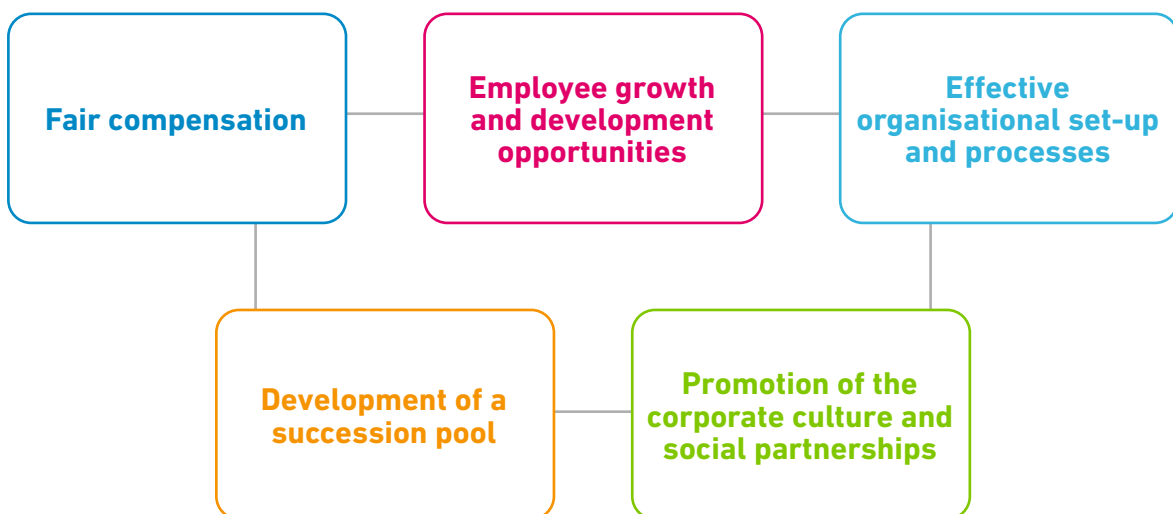
Natalya Mashistova,
HR Director, Unipro PJSC

The Company consistently develops a system for employee training and development as well as forms a succession pool. This year, we have been focusing on the development of young specialists and cooperation with youth associations. We are building our future today.

Unipro PJSC total headcount, persons¹

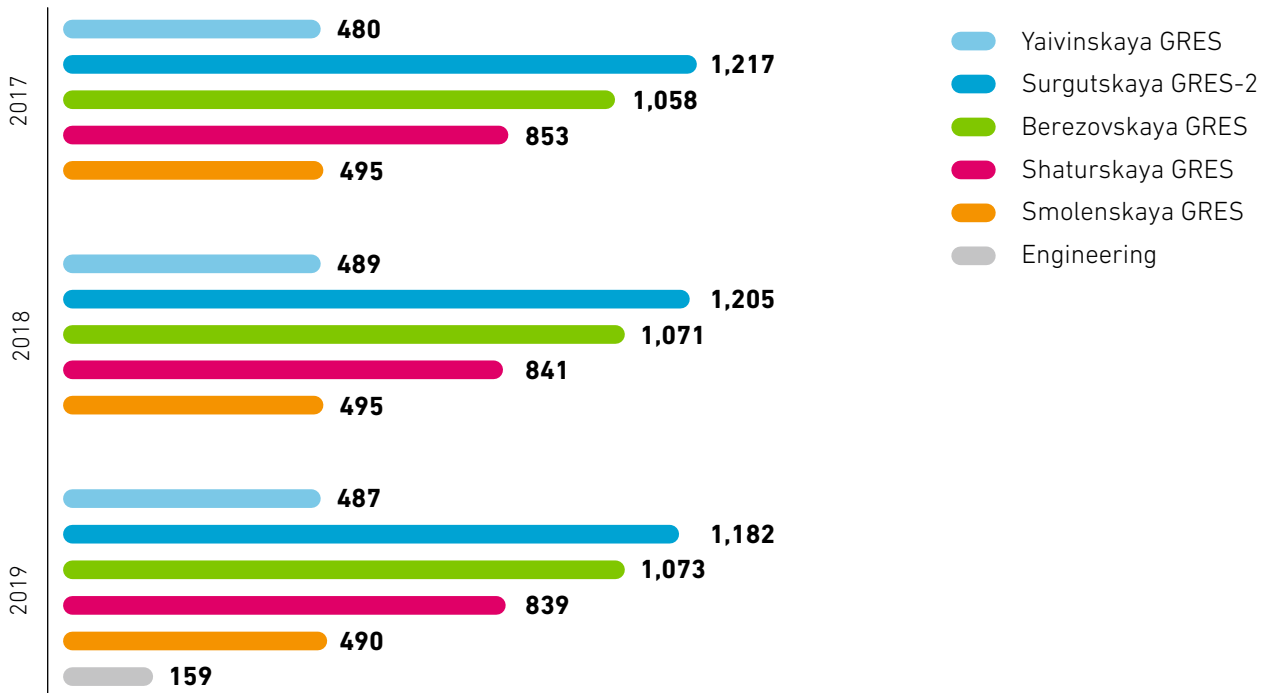


Priority areas of Unipro PJSC staff management strategy

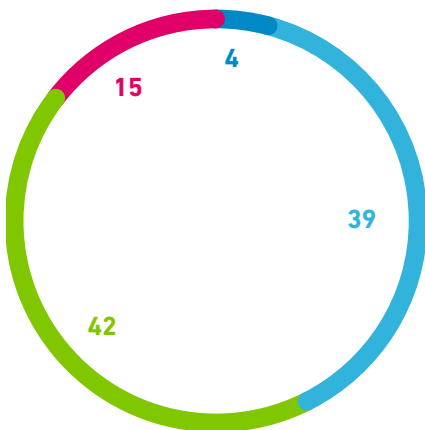


¹ The headcount means the total headcount, i.e. the total number of employees that have entered into employment contracts with the Company.

Average number of employees of Unipro PJSC branches, persons¹

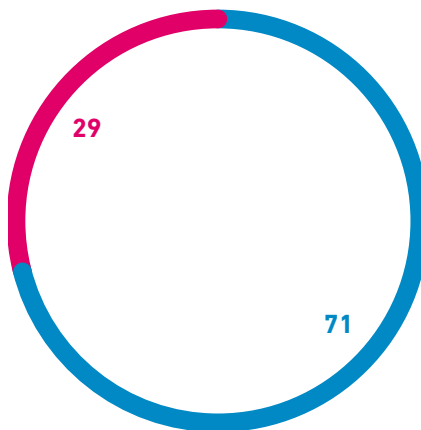


Personnel structure by age in 2019, %



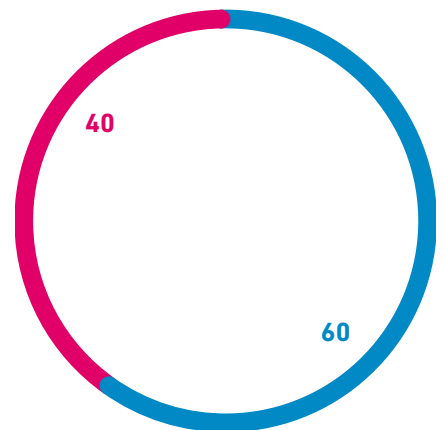
- Under 25 y. o.
- 26 to 40 y. o.
- 41 to 55 y. o.
- Above 55 y. o.

Personnel structure by gender in 2019, %



- Males
- Females

Management structure by gender in 2019, %



- Males
- Females

¹ Including the employees involved in the programmes for the implementation of investment projects.

Staff turnover rate, %

	2017	2018	2019
Moscow Representative Office	9.1	10.5	14.0
Berezovskaya GRES	17.5	11.0	12.1
Smolenskaya GRES	9.9	10.1	9.2
Surgutskaya GRES-2	7.6	7.9	8.4
Shaturskaya GRES	5.2	6.1	4.8
Yaivinskaya GRES	11.3	9.2	10.8
Engineering	–	–	5.7
Total at Unipro PJSC	10.3	8.8	9.3

In 2019, HR costs amounted to RUB 6.8 bln, which corresponds to 65% of the Company's controlled expenses.

Development and training

The professional development of Unipro PJSC employees is based on high-quality and advanced training of employees.

In 2019, the priority areas in employees' professional potential development were as follows:

Mandatory training

Mandatory training enables the employees to upgrade their skills and acquire knowledge required to perform their job duties.

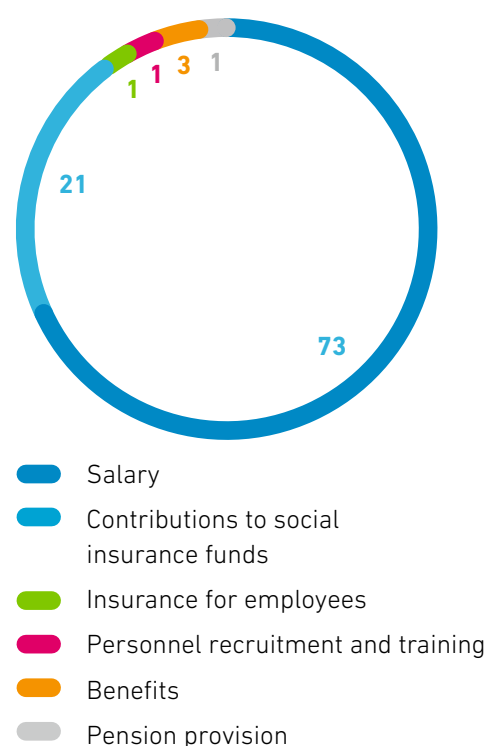
In 2019, mandatory training was administered to

4,853

employees of Unipro PJSC, which is

11%

more than in the last year.

HR costs, RUB mln**Structure of HR costs in 2019, %**

Results of Unipro PJSC employees' mandatory training in 2019

	Training in accordance with the requirements of state standards and rules	Short-term training	Further training (at least once every 5 years)	Retraining	Total (by branch)
Moscow Representative Office	273	277	11	10	571
Berezovskaya GRES	813	149	74	0	1,036
Smolenskaya GRES	253	63	204	61	581
Surgutskaya GRES-2	1,088	233	180	27	1,528
Shaturskaya GRES	505	4	89	41	639
Yaivinskaya GRES	353	63	63	19	498
Total (by type of training)	3,285	789	621	158	4,853

“Succession Pool Management” programme

The programme was launched in 2014 and provides for the evaluation of participants by means of tests, interviews, and evaluation centres involving follow-up feedback and development of personal development plans.

The objective of the programme is to bring up successors for the key positions.

In 2019, 210 new participants were evaluated, 174 participants were re-evaluated. The share of programme participants appointed to key positions in the Company amounted to 76% at the target value of 70%. 86% of programme participants with the assigned “High Potential” rating work under personal development plans. The target value of 80% has been exceeded.

Results of the “Succession Pool Management” programme in 2019

	Key positions filled	Employee from the succession pool appointed	Percentage of filling key positions using the succession pool, %	Participants with high potential	Personal development plan	Percentage of employees with the “High Potential” rating, working under personal development plans, %
Berezovskaya GRES	18	13	72	67	58	87
Smolenskaya GRES	9	7	78	45	41	91
Surgutskaya GRES-2	15	13	87	113	96	85
Shaturskaya GRES	5	2	40	40	35	88
Yaivinskaya GRES	4	4	100	29	22	76
Total (by type of training)	51	39	76	294	252	86



Thanks to the programme of professional retraining, I've gained a better understanding of the nature of corporate processes and improved the quality of interaction with colleagues from various business units. The basic knowledge of preparing and holding negotiations helps me not only in the interaction with regulatory authorities, but in everyday life as well.

The programme enables participants to develop systemic knowledge and competencies in operations management, HR, conduct of negotiations, and resolution of conflict and crisis situations.

Alexey Kupreshchenkov,

Head of Regulatory Market Development Department, Unipro PJSC,
EMBA programme participant

"Unipro Leader" programme

"Unipro Leader" represents a cycle of training programmes for managers at different levels.

In 2019, under this programme, managers received training in the following areas:

- » "Positive Influence and Feedback" – 214 managers of the Moscow Representative Office and branches;
- » "Personnel Motivation" – 197 line managers of the branches.

EMBA programme

Under the EMBA programme "Operational Excellence in the Digital Age", 16 managers of the production function and succession pool members to fill management positions received training in the following five modules:

- » module 1: "Process View of the Company" (Black Belt training programme);
- » module 2: "Data Management";
- » module 3: "Quality, Reliability and Industrial Safety Management";
- » module 4: "Digital Transformation: Business Models, Tools, Competency Models";
- » module 5: "Management of Change and Employee Involvement: Best Industry Practices in the Introduction of Manufacturing Systems and Operations Development".

The survey of participants demonstrated that

over 90%

of respondents that took part in the programmes referred to above were planning to use the skills and knowledge they had acquired in their work and to recommend them to their colleagues.

The survey of participants demonstrated that they rate the programme usefulness for career in the energy sector at a level of 8.6 out of 10 (in average).



New knowledge and skills allow me to take a fresh look at challenges related to business processes and production, improve the quality of my work, make it more focused. I'm turning into a geek, starting to reveal and eliminate all possible losses and factors related to business performance deterioration. And I demand the same from my colleagues, explaining them the consequences of particular gaps in business processes. I'm starting to see the entire picture for all business units. I've also managed to better understand how to hold successful negotiations.

Evgeny Cherkassky,

Head of Asset Reliability, Fire and Environmental Safety, Unipro PJSC,
EMBA programme participant

Programme for conscious safety culture development

In 2019, conscious safety culture continued to develop. The objective of the programme is to change personal attitude of employees towards labour safety through the development of conscious safety culture and generation of commitment to safety at Unipro. 85 managers of the branches received training.

Professional excellence contests

In 2019, joint professional excellence contests were held for the first time with the participation of composite teams of CCGT and STU operating personnel of Berezovskaya GRES, Surgutskaya GRES-2, Smolenskaya GRES, Yaivinskaya GRES and Shaturskaya GRES of Unipro PJSC.

The first aid response step was held in a new format. When accomplishing the step, the employees independently provided first aid under realistic production conditions.

The survey of participants demonstrated that

over 90%

of respondents that took part in the programme referred to above were planning to use the skills and knowledge they had acquired in their work, and

91%

of respondents were ready to recommend it to their colleagues.

During the contests, the participants used the computerised simulator and analytical complex of Power Unit 410 MW CCGT Siemens with SPPA-T-3000 DCS. The CCGT operating personnel of Yaivinskaya GRES had the

opportunity to use the simulator to train once a quarter.

In total, 44 employees of the branches took part in the joint CCGT and STU professional excellence contests.

"Involvement" programme

In 2019, results of the involvement survey performed at the end of 2018 were analysed, action plans to ensure involvement increase were developed.

The branches analysed issues in various fields: e.g. "Management communicates openly and fairly" (Surgutskaya GRES-2), "Interaction between the functions is well established" (Berezovskaya GRES, Yaivinskaya GRES), "My salary corresponds

An involved employee is an employee speaking well of a company, wishing to work in it and willing to put additional effort in complicated situations.

to my contribution to company operations” (Smolenskaya GRES), “My career prospects in the company are rather bright” (Shaturskaya GRES).

The management team analysed the following issue relevant for the entire Company, having one of the lowest results: “We have enough employees to achieve the targets”. Focus groups regarding this issue were conducted in the branches. They were aimed at

revealing the causes of such low results. Among those causes, the employees mentioned social conditions at power plant locations, a significant scope of tasks, as well as poor training of young specialists.

The working group of the management team focused on processes reducing the load on employees. The working group distinguished four directions and developed a corresponding

action plan, which is currently implemented and includes:

- » acceleration of software operation speed;
- » improvement of the work permit system;
- » reduction of the bureaucratic load;
- » simplification of business processes.



Alongside with the programmes mentioned above that have already become traditional for Unipro PJSC, the Company implemented a number of other training projects for its functions in the reporting year:

- » **“Decision making – traps and tips”** for the HR Unit of the Moscow Representative Office and the branches;
- » **“Self-regulation under pressure”** for the Procurement Unit of the Moscow Representative Office and the branches;
- » **“Change management”** for employees of the Moscow Representative Office;
- » **“Peculiarities of cost estimation for commissioning works and automated process control systems”** for employees of the Production Unit of the Moscow Representative Office and the branches;
- » **“Accounting and taxation” and “Hot topics in taxation”** for the Reporting Accounting Department of the Moscow Representative Office and the branches;
- » **“Hot topics in the enforcement of joint legislation in the field of heat supply”** for employees of the Contracts and Settlements Department of the Moscow Representative Office and the branches;
- » **“Development of skills to manage the concealed side of communications in Procurement Department employees”** for the Procurement Unit of the Moscow Representative Office and the branches;
- » **“Successful presentations: development of professional skills”** for employees of the Asset Reliability, Fire and Environmental Safety of the branches;
- » **“The Challenge of Egypt – project management”** for the IT Unit of the Moscow Representative Office and the branches.

Results of the training in TOP-5+ special areas

Branch		Height/ scaffolds	Electrical installations	Confined space	Hoisting devices	Hot works	Total (by branch)
Berezovskaya GRES	individual participants	130	52	163	9	99	453
	group participants	9	5	12	1	9	36
Surgutskaya GRES-2	individual participants	181	332	255	61	143	972
	group participants	6	10	9	3	4	32
Yaivinskaya GRES	individual participants	164	86	66	41	40	397
	group participants	22	13	8	4	3	50
Shaturskaya GRES	individual participants	226	117	229	242	158	972
	group participants	37	18	29	42	23	149
Smolenskaya GRES	individual participants	116	35	53	12	60	276
	group participants	20	7	9	3	10	49
Total (by type of training)		817	622	766	365	500	3,070

Staff motivation

Transparent and honest relations with employees lay at the basis of Unipro PJSC HR policy.

Fair remuneration, growth and development opportunities, and social partnership require mutual respect and consideration of each other's interests between the Company employees and management, as well as compliance with the laws and other regulations by the parties.

Financial incentives

The principal regulatory instruments of Unipro PJSC governing the relations between the employer and the employees are the Collective Bargaining Agreements of the Company branches (renewed for 2018–2020) and Compensation and Benefits Regulations. These documents have been developed based on the Labour Code of the Russian Federation subject to the principles of social and labour relationship regulation and regional peculiarities of the Company branches.

Payroll expenses, RUB mln



Unipro PJSC employees' salary comprises a fixed and a variable parts. The fixed part is set depending on the employee's qualification and position, while bonuses and incentives are paid depending on performance.

The Company's reward system is shaped around the "performance-based payment" principle. Employees' bonuses are directly dependent on the accomplishment of specific tasks in securing the predetermined key performance indicators (KPIs). These indicators are set for all employees at all levels, including the Chief Executive Officer, and depend on the position.

The incentive system based on Uniper standards

Individual key performance indicators (KPIs) are set for employees of the executive office and for the management and directors of the branches on an annual basis and fixed in the performance management forms. The annual bonus depends on the achievement of key financial indicators of the Company and individual KPIs.

SMART principles are used to set KPIs. This approach makes the system transparent and comprehensible, as it enables an employee and his/her superior to set priority tasks, outline evaluation criteria and timeframe, and therefore, rule out the risk of partiality in evaluating the KPIs

in the future. When an employee realises that there is a direct correlation between his/her performance and the amount of the bonus payable thereto, this serves as a powerful incentive ensuring the precision and transparency of the system, and ultimately a fair remuneration.

Payroll expenses account for 73% of the total HR costs.

Payroll expenses include all expenses associated with the payment of salaries, with due regard to estimated liabilities. At year-end 2019, the Company's expenses associated with the payment of salaries dropped by 7.6% as compared to 2018 and amounted to RUB 5,280 mln (50% of the Company's controlled expenses). The main effect regarding the decrease in the expenses associated with the payment of salaries in 2019 is associated with the optimisation of HR costs and different payout period under long-term incentive programmes.

The Company monitors the regional labour markets on an ongoing basis, including by taking part in the salary overviews conducted by major global independent companies (including E&Y, PWC, Hay Group, etc.).

Overall, the employees' average salary is similar to

salaries paid by companies of the same sector in respective regions of the branches.

Employees' official salaries are subject to indexation and may also be increased depending on employee KPIs in the relevant period within the limits of the payroll budget.

The salary revision principles are as follows:

- » follow the "performance-based payment" rule;
- » take each employee's individual evaluation (KPIs) into account;
- » take the salary level for the same position in the labour market of the respective region into account;
- » facilitate the development and growth of employees' professional qualities, promote their appetite for additional knowledge and skills and strong performance.

This approach to measuring salaries provides each

individual employee with a clear idea of the matters within his/her responsibility area and of the things he/she needs to do to secure a high evaluation of performance and, consequently, a higher salary, and enables the Company to recruit and retain top-end professionals.

Non-financial incentives

Unipro PJSC gives a lot of attention to non-financial motivation of its employees.

The Company management traditionally values excellence and outstanding performance on the part of Unipro PJSC employees, who receive the relevant awards from the Ministry of Energy of the Russian Federation for their achievements. In 2019, ten employees of the Company earned the awards.

In addition, 95 employees earned Unipro PJSC awards in 2019:

- » 35 Certificates of Excellence of Unipro PJSC;
- » 60 Letters of Appreciation of Unipro PJSC.



I learnt about Unipro PJSC and Smolenskaya GRES at a Unipro Day career event, which is held at our higher educational establishment several times a year. Besides, during studies at the higher educational establishment, I took a tour at Smolenskaya GRES. I was pleased that many Unipro employees attended career events and that all of them had something interesting to tell about the Company and its business areas and prepared interesting activities; they were very friendly and eager to answer questions asked by students.

I have worked at the plant since January 2019. Working with the staff gives me very good impressions. Openness of my colleagues, their will and ability to share their knowledge and experience with young employees was a pleasant surprise for me. A special onboarding programme was immediately elaborated for me, I have everything I need to upgrade my knowledge and personal competences. I am glad that I joined Unipro.

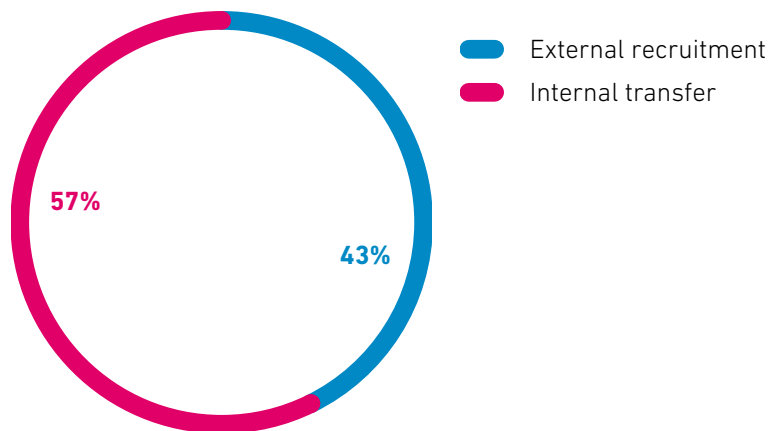
Sergey Alekseev,

power unit operator at Smolenskaya GRES Branch, Unipro PJSC

Recruitment and youth management

Recruitment at the Company is mostly effected by the HR Unit without engagement of recruitment agencies. More than a half (57%) of vacancies were filled through internal movement.

Vacancy filling in 2019, %



I was highly motivated for self-development after talking with the invited speakers. In my opinion, we formed a friendly and confident team capable of solving any problem.

Nikolay Parshin,

a participant of the Unipro suite (Smolenskaya GRES)



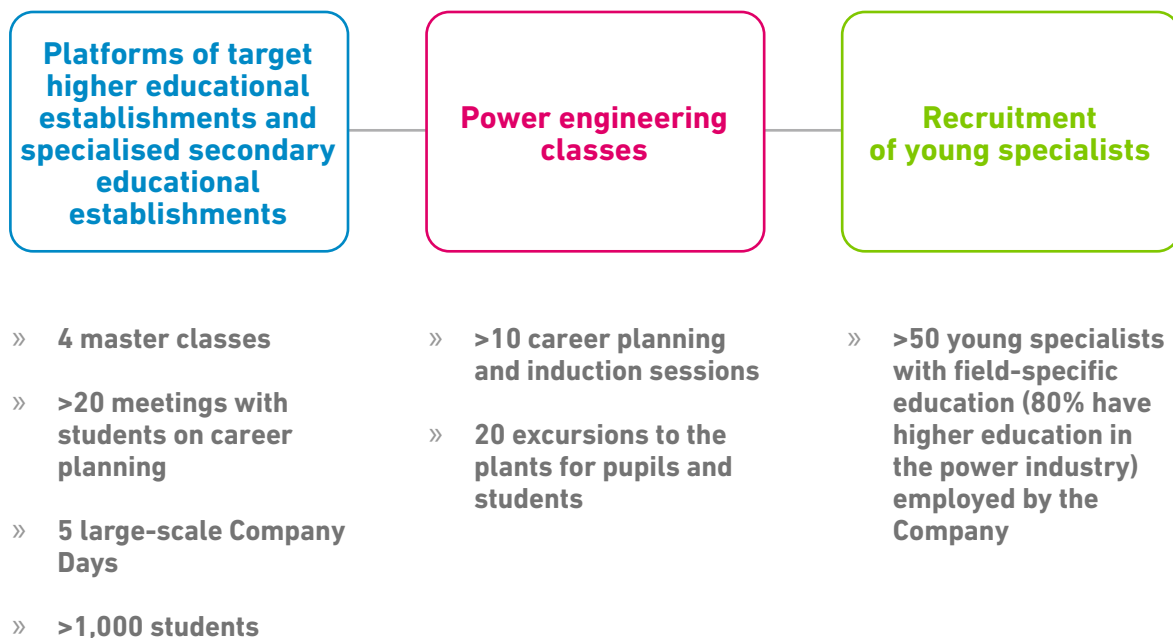
The Thermal Power Chair of the Polytechnical Institute of the Siberian Federal University jointly with Unipro PJSC implements the model of system changes in multi-level project-focused training of heat power men to meet the needs of the Company.

This approach enabled the Company to solve the issue of stable inflow of top-end professionals from the higher educational establishment with the minimum onboarding time at actual workplaces, to minimise the number of emergency failures of process equipment and increase innovative appeal of power generation facilities.

Evgeny Boyko,

D.Sc. in engineering, Head of Thermal Power Plants Chair of the Polytechnical Institute of the Siberian Federal University

In 2019, as part of promotion of the comprehensive youth, students and young specialists management programme, the Company assumed a set of measures:





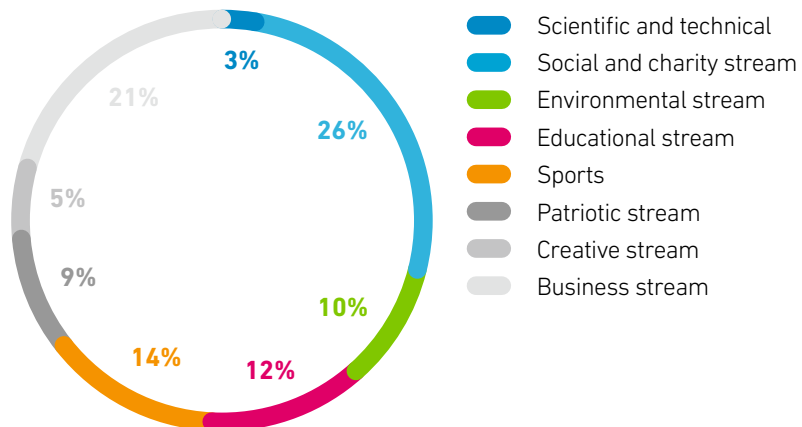
Participation in the annual youth forum “Biryusa Initiative Youth Area 2019”:

- » the Energy shift:
800 participants, 21 suites;
- » 26 young specialists
of Unipro PJSC;
- » the Unipro suite ranked the 4th
in the final suite rating;
- » 11 people participated in
the CASE-IN International
Engineering Championship;
- » 2 persons successfully defended their projects at a social programme
contest and received governmental grants for their implementation;
- » ranking the 2nd for the best results in the “University” forum
educational programme category;
- » ranking the 2nd among all suites in the “Information” category;
- » ranking the 3rd in final pass/fail exam among all suites in the “Sport”
category.

Activities of the Unipro youth associations in 2019

Through project area expansion, the number of active permanent participants of the Unipro PJSC youth associations increased by 20% and exceeded 100 people in 2019. In 2019, they implemented 14 projects.

Projects implemented by youth associations in 2019, %



Annual forum of Unipro PJSC youth associations

It has become a good tradition to hold the annual forum of Unipro PJSC youth associations. The platform has proved to be an effective tool for experience sharing among young specialists of the branches; it enables communication with the top management of the Company, and more holistic comprehension of the Company's business functioning in general, opening prospects for further development of the youth.

70 participants

2 full-time days

Forum format:

- » meetings with heads of key business functions;
- » teams for the strategy of development of youth associations;
- » project contest;
- » educational business game;
- » team-forming activities.



Social security and benefits

Unipro PJSC provides its employees with a full social package, guarantees and compensations stipulated by the law (e.g., increased salary for employees working in harmful and/or hazardous work environment, working at night, etc.), as well as additional benefits, guaranties and compensations, such as:

- » voluntary health insurance (VHI);
- » personal accident and sickness insurance;
- » non-state pension scheme;
- » and others.

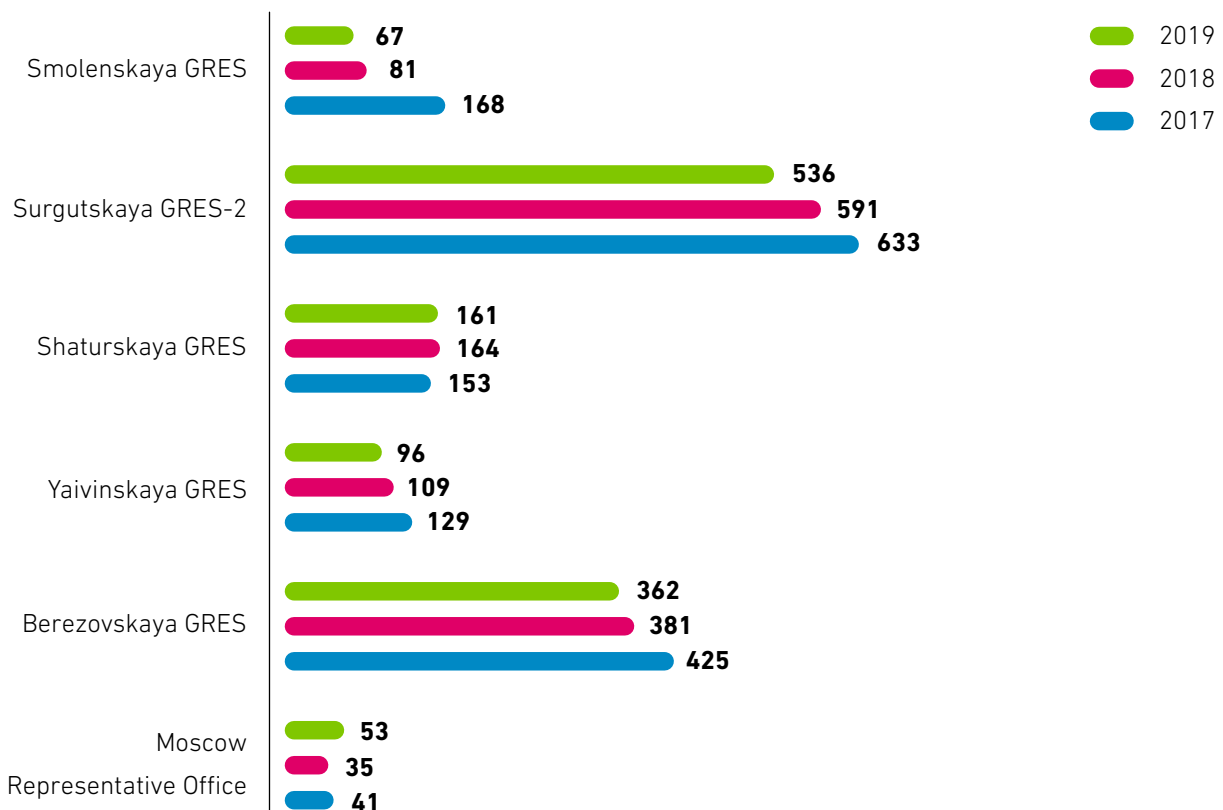
The branches also implement the programmes of provision of an interest-free loan for housing improvements, service at the laboratories for psychophysiological examination, provision of Company transport, etc.

The Company strives to provide its employees with the best health insurance schemes. In 2019, the Company jointly with an insurance broker carried out a detailed analysis of providers of voluntary health insurance (VHI) services, survey of Company employees as regards their satisfaction with medical services. The implementation of such measures enabled the selection of a new VHI provider for 2019–2021 and enhancing of medical services available under the insurance programme.

The Company strives both to provide its employees with stability and development at present, and to ensure a comparable quality of life in the future after they retire. The Company's non-state pension system (NPS) was implemented in 2005 and comprises two basic pension schemes: corporate and parity.

The corporate scheme extends to employees of Company branches and represents a variation of the non-state pension scheme when an employee retiring due to old age receives money transferred by the Company to such employee's account with a non-state pension fund (NPF) from this NPF. The amount transferred to the NPF depends on the official salary and length of service with the Company.

Unipro PJSC employees participating in the parity plan



Participation in the parity scheme enables the employees to have a major influence on their future pension amount. The programme is based on the joint involvement of the Company and its employees (co-financing in equal shares on a

monthly basis) in money savings for the payment of a supplementary non-state pension benefit.

In 2020, Unipro PJSC will continue to engage its employees in the parity pension scheme.

Corporate support to employees for housing improvements

In 2019, with a view to contribute to housing improvements, Unipro PJSC Management Board approved the lists of 43 employees who were offered to make agreements for the provision of an interest-free target loan for the purchase (construction) of housing accommodations and for the repayment of the principal on the mortgage loan.

The categories of employees enjoying the priority right to corporate support are as follows:

- » young specialists employed after graduating from relevant higher and secondary education institutions;
 - » high-end workers or specialists whose professional expertise is relevant for the Company;
 - » employees from the succession pool.
-

Corporate culture

The Company has a friendly corporate culture and an atmosphere of appreciation, care and recognition of everyone's achievements.

The Company's corporate culture is based on the "Unipro Path" concept geared towards staff capacity building and support and motivation of employees.

The Company continues to promote the healthy lifestyle culture among its employees thorough the implementation of various sport and development programmes.

Moscow marathon

In 2019, a combined team of all the branches and the Representative Office in Moscow of Unipro PJSC took part in a charity run of the Moscow marathon in favour of children with disabilities. The project was called "Blagobeguny" (Runners for Welfare). For several months, the members of the combined team prepared to take their distances of 10 or 42 km; in parallel, a fund-raising campaign was carried out to meet specific needs of children with disabilities, for whose favour the marathon participants ran.

A webpage was created for each "Blagobeguny" runner, where personal stories of the sportsman and the child, for whom the runner raised funds, were posted. The sportsmen were actively supported by their colleagues throughout the Company, both individually and as entire departments.

On 22 September, the Moscow marathon was held, before the commencement of which, participants of the corporate team met with the children and presented them with memorable gifts.

The experience of participation in the marathon as a single team of Unipro PJSC was highly estimated by the employees, and it will be continued, for sure.



For me, it was not the first marathon. This time, I decided to combine personal pleasure of participation in this sport event and a good cause – charity fundraising for children who were disadvantaged in such a young age. Thanks to Unipro for such an opportunity.

Alexandr Golovkin,
a Moscow marathon participant

UNIPRO PATH	Terminate	Support and encourage	Start
LEADERSHIP Grow and empower people	Being inconsistent	Valuing our people and their capabilities	Assume responsibility
TEAMWORK Become one team and simplify the work	Thinking in silos	Working together	Making complex simple
PERSONAL CONTRIBUTION Act as if it is your own company	Sticking to the comfort zone	Striving for excellence	Being enterprising



All my life, I ran short distances up to 15 km and played football. I decided that running 42 km would be a challenge for me, as a couple of years ago I thought it impossible for me. Running the marathon as a part of the corporate team is not only honour, but great responsibility as well, when your result is a part of the common achievement.

Artem Koblov,
a Moscow marathon participant



I notice that sport becomes more popular in our region. Well, you walk in a park and see that people “run for health”. I became fond of jogging – it is the cheapest sport. All you need is good jogging shoes to protect your joints. You don’t need to go to any gym: you come home from work, change your clothes and – go! – for any distance. There is no need to count kilometres – just mark the time: a half an hour is enough. If you got tired at work – put on the jogging shoes and go to a forest. In winter, put on skis and enjoy a frosty day! I am pleased that our plant is in trend in this regard, creating opportunities for physical self-perfection of employees.

Alexey Rufov,

Deputy Head of Production Engineering Service of Surgutskaya GRES-2, a participant of the “Surgut Ring” semi-marathon

Corporate trainings

As part of the health lifestyle culture promotion in the Company, corporate trainings in volleyball, football, basketball, and ping pong were organised in the Representative Office in Moscow and the branches in 2019.

Family sport events

The Company goes on developing health lifestyle programmes for both employees and their family members, especially children.

In autumn 2019, traditional family sport events were held in the branches and the Moscow Representative Office of Unipro PJSC.

Children of employees of the Company’s Representative Office in Moscow felt themselves real superheroes, overcoming multiple tests on the way to salvation of our main character – Uniproshka.



At Shaturskaya GRES branch, on 7 September, the “Unipro Galaxy” sport party for children was held in the city park. Children and their parents took part in relay races, contests and sport missions.

Berezovskaya GRES held a family party named “Unipro-Coloured Sky”, where plant employees and their families took part in various contests and competitions.

Unipro-Coloured Sky

In 2019, a family party named “Unipro-Coloured Sky” took place at Berezovskaya GRES. The party was organised to celebrate the 3rd anniversary of the Company’s brand and Day of Family, Love and Fidelity.

The presentation of a plan of landscaping of a wasteland behind the plant parking lot was the main event of the party. On the proposal of the youth association, it is planned to develop a recreational area for the staff there: to arrange a stage, benches for spectators, vandal-proof devices for physical exercises, sites for mini football, volleyball and basketball, jogging and bicycle lanes, as well as playgrounds and amusement facilities for children. The site was already cleaned from construction waste, the youth association arranged for planting a pine parkway of employees’ family trees, and, on 22 June, powermen took part in a voluntary clean-up event: to clean the site, remove deadwood and water the young plants.

One of the main tasks of a family party is to familiarise powermen’s family members with the specifics of work of their parents at the shops of Berezovskaya GRES. For this purpose, each plant shop prepared its location, where it described the shop role in generation of electricity and heat in an intelligible form:

- » the Fuel and Transportation Shop made a moving billboard depicting the entire process of coal delivery to the plant;
- » the Chemical Shop demonstrated the effect produced by chemicals on water and described the role of water in power generation at thermal power plants;

- » the Boiler and Turbine Shop prepared a boiler mock-up and demonstrated its dimensions by comparison with a toy car;
- » the Electrical Shop demonstrated a power release diagram and the way electricity is supplied to homes;
- » the PCS Shop presented a mock-up of automated start of a mini power plant from a notebook; wherein, if the startup was successful, the stack started emitting soap bubbles;
- » the Hydraulic Facilities Operation Shop made it abundantly clear to children why a heat sink is used in the production process and why heating radiators in their flats are warm in winter and cold in summer.

While the adults listened to a concert of the Volnitsa band from Krasnoyarsk, their children occupied the entertainment areas. An area for drawings on the pavement was arranged in front of the plant; a bit further, in the shadow of trees, young artists painted in water-colours; they could drive various electric cars, try face painting and play ancient Russian games: *lapta*, *gorodki*, *salki* (game of tags) and *klassiki* (hopscotch).

The youth association organised a charity fair at the party to raise funds for purchasing school supplies for children from a charity school. They addressed their colleagues with a request to bring pastry and fruit-and-berry desserts for the fair. More than 20 people responded to the request. They raised over RUB 13,000 for 1 hour of work.

Participation in sport competitions

The team of Surgutskaya GRES-2 took part in the City Football Championship, the city sports and athletic contest, a sport event named “Steel Character”, and friendly hockey matches.

The team of Yaivinskaya GRES took part in the Urals Cup for strength sports, the field-and-track relay race dedicated to Victory Day, the Perm international marathon, the sports and athletic contest of the Electricians Trade Union. Besides, the plant has an active sport life: a WRPB benchpress open championship was organised, and branch

departments took part in sports and athletic contests in 12 sports throughout the year.

Berezovskaya GRES carried out a sports and athletic contest dedicated to Victory Day, an athlete day under the slogan “I Am Sport and Energy” at Lake Ingol, a tourist meeting at the bank of Lake Linevo for employees and their families, a beach volleyball tournament on Sharypovo City Day. Besides, the combined team of the branch took part in the 5th sports and athletic contest among enterprises and institutions of Sharypovo.

The #YAENERGIYA (I Am Energy) sport competitions took place at Smolenskaya GRES. The branch



employees and their family members participated in a bicycle race for 8 km and a field-and-track relay race for 4 km. A 300-metre race was organised for the youngest sportsmen. Russian Ski Track 2019 competitions, XIV Winter Sports and Athletic Contest in seven sports (mini-football, volleyball, street ball, ski race, chess, ping pong, kettlebell lifting) were carried out among the branch functions.

In September, Shaturuskaya GRES took part in the all-Russian running day – “Nation’s Cross-Country Race”.

Children and social events

The Company does not only focus on sport events, but also on events contributing to the development and support of its HSE values.

In 2019, the Company held a New Year party for children of employees of the Representative Office in Moscow at the area of the Izmaylovo Kremlin. The children had to pass a quest to take their presents from resentful Baba Yaga, who had stolen the sack with presents. Uniproshka told children about safety rules during winter entertainments.

In March 2019, Shaturuskaya GRES celebrated the “Farewell to Winter. Maslenitsa” festival.

Employees of Surgutskaya GRES-2 took part in city voluntary clean-up events and a voluntary clean-up at the water-storage pond bank.



4.3. Occupational Health and Safety

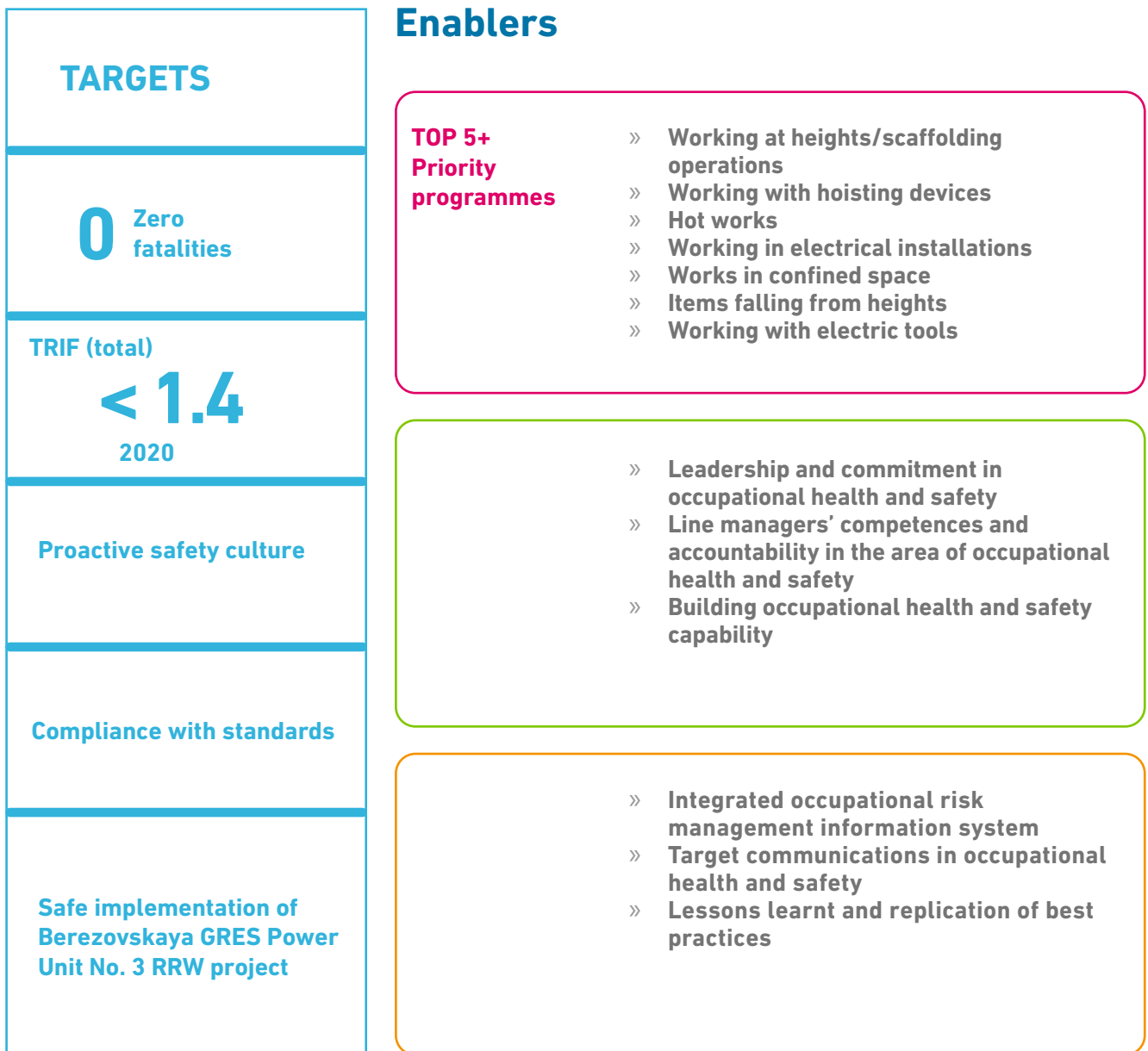
Enhanced health and safety of employees is a key component of the Company’s development. The Unipro PJSC occupational safety strategic

vision 2019–2021 will be achieved by securing the occupational health and safety targets and implementing the priority initiatives.

Unipro PJSC Occupational Safety Strategy 2019–2021

STRATEGIC VISION

International-level safety of the work environment, health and safety of the employees are the core values of Unipro PJSC corporate culture



Injury risk mitigation, safety culture improvement and special assessment of work environment were the main targets of occupational health and safety activities in 2019.

Occupational health and safety performance in 2019

One of the key results of the reporting year is securing of a strategic target: zero workplace fatalities for Company's own and contractors' employees.

Total recordable incident frequency (TRIF) reduced by 38% against the previous year and amounted to 0.39 for Unipro PJSC (including projects of Engineering Branch) with the threshold value of <1.75, which is one of the best results among business units of Uniper Group at the end of 2019.

Dmitry Kolmakov,

Director for Labour Protection and Industrial Safety



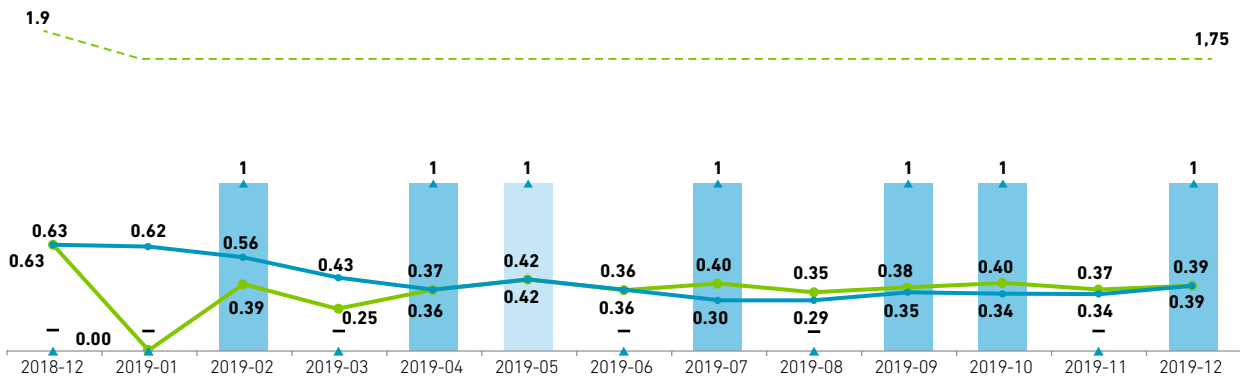
In 2019, our target was to ensure the work environment, when each worker of the Company or a contractor can be sure that his/her life and health are safe irrespective of the workplace (office or production site).

We secured our strategic target: zero workplace fatalities. Total recordable incident frequency (TRIF) amounted to 0.39 with a threshold value of <1.75. Meanwhile, the number of incidents involving lost time injuries reduced from 10 to 7, as compared to a similar period in 2018, and the Berezovskaya GRES Power Unit No. 3 RRW project recorded zero incidents involving lost time injuries.

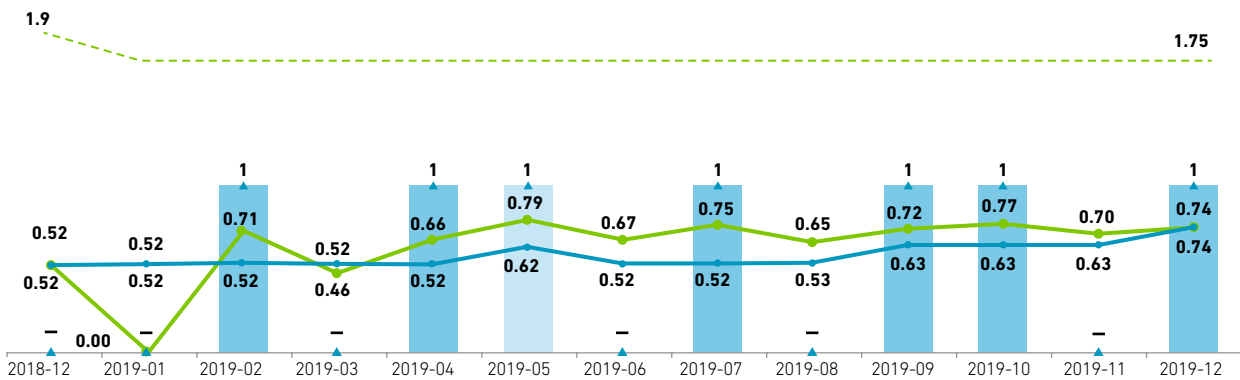
Total recordable incident frequency (TRIF)

	2017	2018	2019
Threshold value	2.38	1.9	1.75
Actual	0.62	0.63	0.39
Unipro PJSC	0.81	0.52	0.74
Projects of Engineering Branch	0.22	0.80	0

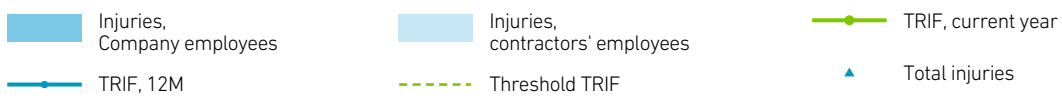
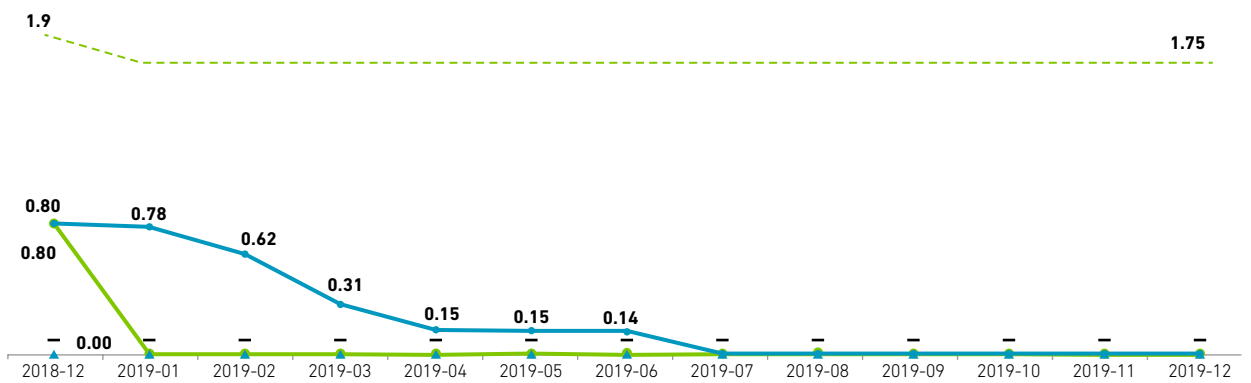
TRIF dynamics including Engineering Branch projects in 2019



TRIF dynamics net of Engineering Branch Unipro PJSC projects (Berezovskaya GRES – Power Unit No. 3, Fuel Receiving Station) in 2019



TRIF dynamics of Engineering Branch Unipro PJSC (Berezovskaya GRES – Power Unit No. 3, Fuel Receiving Station) in 2019



Unipro PJSC key occupational health and safety indicators for 2018 and 2019¹

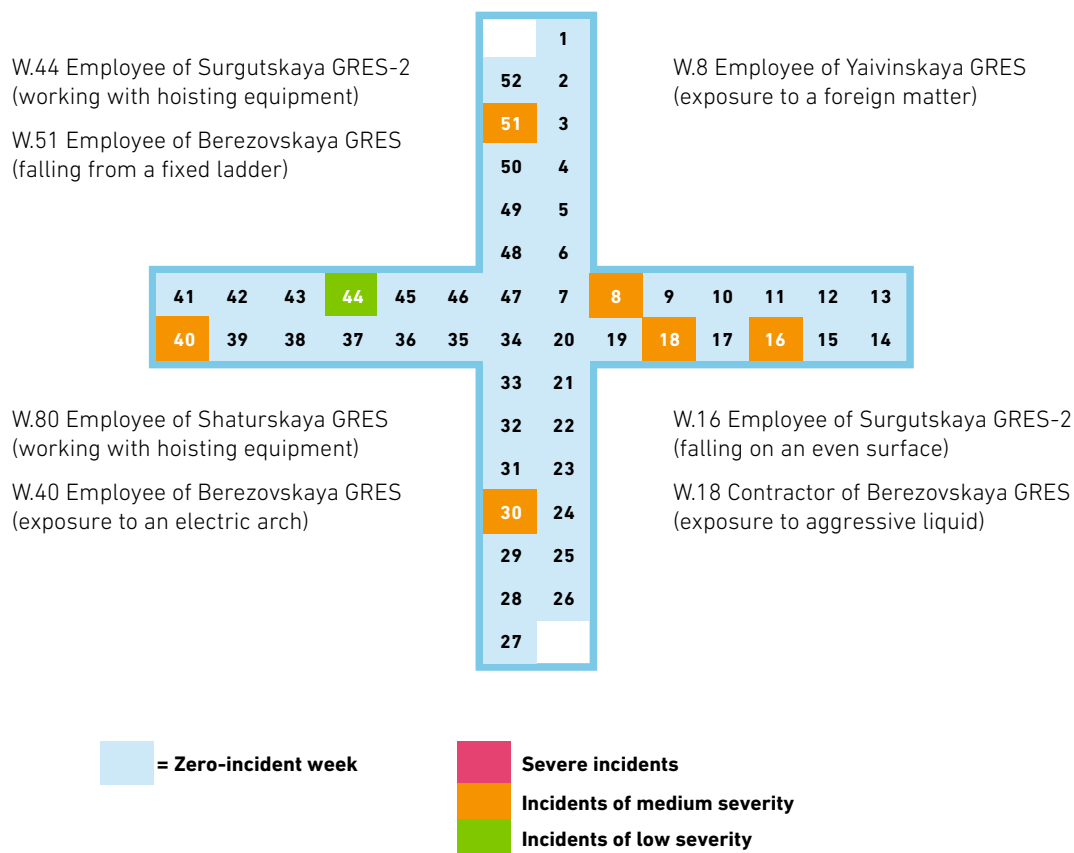
	From 2018-01 to 2018-12			From 2019-01 to 2019-12		
	Contractors	Company	Total	Company	Contractors	Total
Fatalities	0	0	0	0	0	0
Lost time injuries	7	3	10	7	6	13
Recordable injuries	7	3	10	7	6	13
First aid cases	6	6	12	4	2	6
Near misses	18	2	20	8	1	9
Suspended teams	25	3	28	15	3	18
Non-conformities revealed	75,067	626	75,693	57,744	556	58,300
Workplace inspections	68,390	6,077	74,467	61,089	5,879	66,968

The number of lost time injuries reduced from 10 in 2018 to 7 in 2019. For the entire reporting year, the Repair and Refurbishment Works Project

of Berezovskaya GRES Power Unit No. 3 operated without lost time injuries, and, in December 2019, the Engineering Branch projects (Berezovskaya GRES –

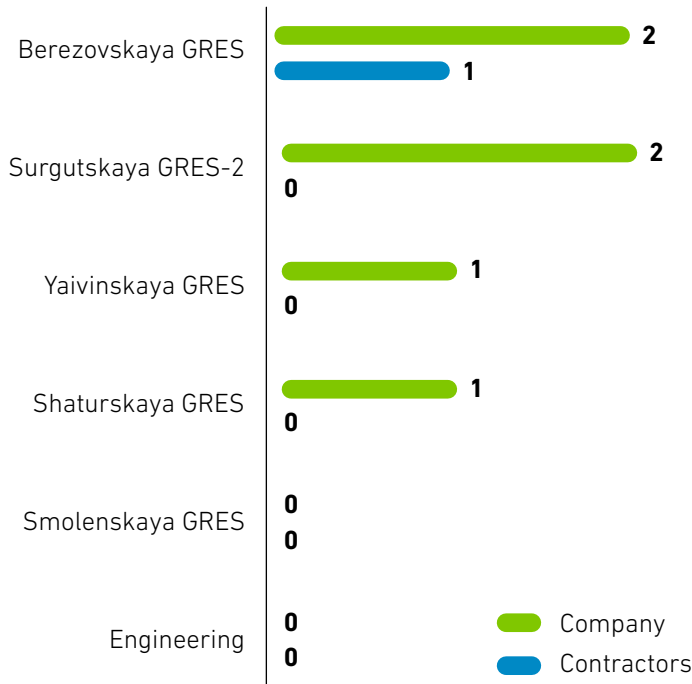
Power Unit No. 3, Fuel Receiving Station, including contractors' employees) achieved 11 mln man hours without occupational injuries (since 25 July 2018).

Distribution of total recordable incidents (TRI) involving lost time injuries in 2019



¹ The pyramid data is set forth including the Repair and Refurbishment Works Project of Berezovskaya GRES Power Unit No. 3.

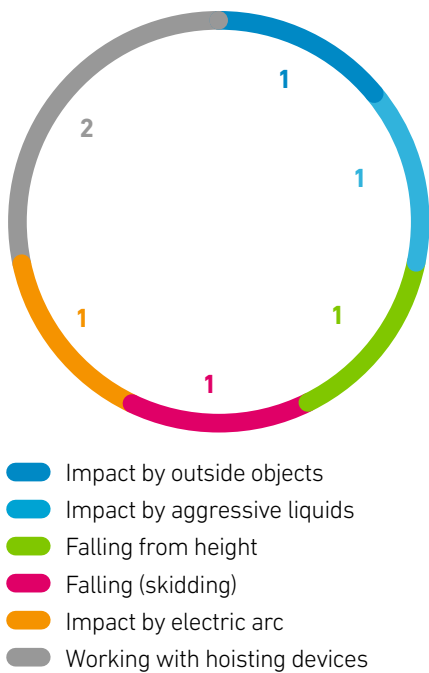
Distribution of total recordable incidents (TRI) by branch and staff of the Company and contractors in 2019



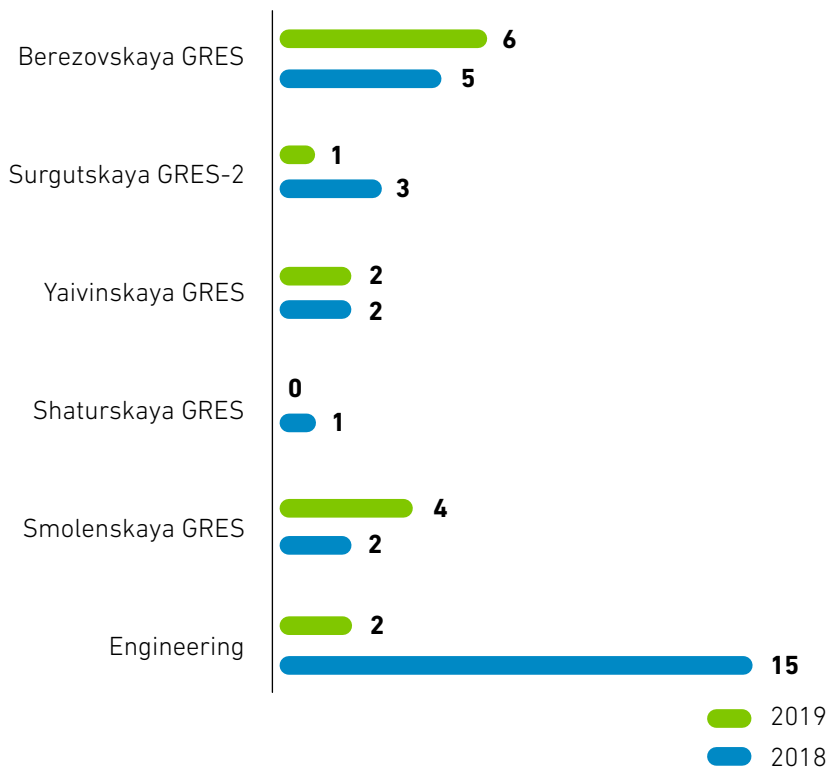
6 out of 7 incidents resulting in injuries recorded by Unipro PJSC in 2019 involved Company employees and 1 – contractor employees. All the incidents resulted in hand or finger injuries of workers.

In 2019, the number of near misses resulting in suspended work reduced 2 times.

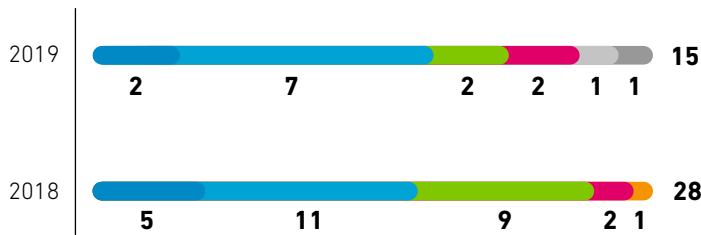
Distribution of total recordable incidents (TRI) by immediate cause



Distribution of near misses resulting in suspended work (by branch)



Distribution of near misses resulted in suspended work (by type of works)



- With hoisting devices
- At heights
- Other (Work permit system, Method statement)
- In electrical installations
- In confined space
- Hot works
- Excavation

Most near misses recorded in 2019 were related to works at height.

All incidents involving lost time injuries, near misses and accidents that occurred within the Company were investigated, with root causes determined, corrective/pro-active actions developed, and notifications provided to the relevant Company and contractor employees. Two reports on occupational health and safety with overview of incidents at Uniper and Unipro were issued and analysed with employees.



Key occupational health and safety initiatives in 2019:

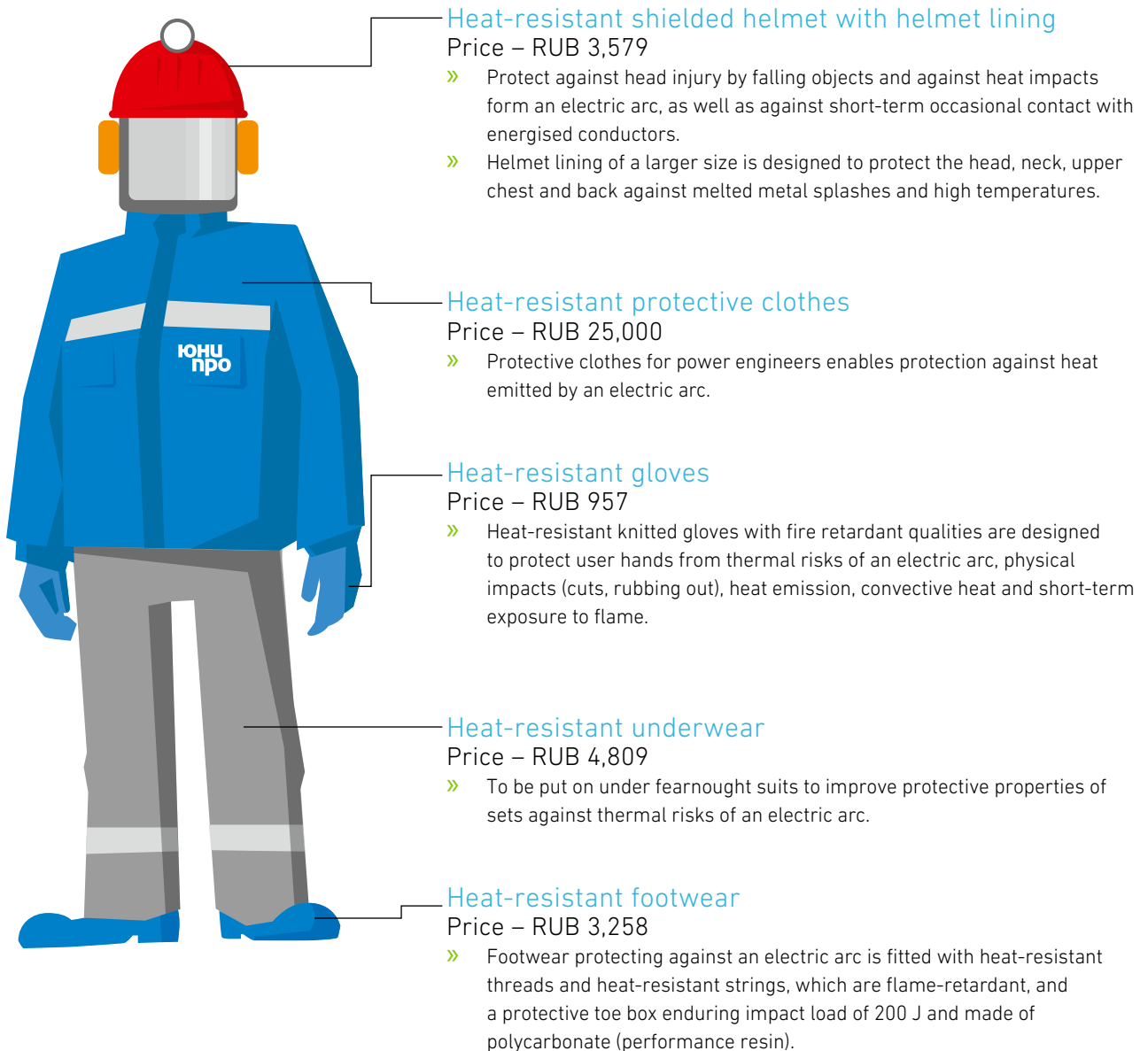
- » the Company successfully passed the **certification audit** of Unipro PJSC activities for compliance with the requirements of **OHSAS 18001:2007** for the ninth time;
- » special assessment of work environment was carried out at **2,900 workplaces** of the Company;
- » the **LOTO system** was implemented on the equipment of two 400MW CCGT Units of Surgutskaya GRES-2;
- » the **Essential Occupational Health and Safety Rules** were developed and implemented;
- » the Company administered a training in "Occupational Health and Safety Leadership" to **165 heads** of the branches' functions to build up leadership capabilities and practical skills in effective occupational health and safety management;
- » as a result of **4 meetings** of the Occupational Health and Safety Committee, **26 HSSE enhancement measures** were implemented, and the occupational health and safety strategy for 2020–2022 was approved;
- » **6 priority programmes** aimed to mitigate high risks of injuries for workers (working at heights, in confined space, in electrical installations, etc.) were implemented;
- » **5 due diligence surveys** in occupational health and safety were carried out with subsequent elaboration of corrective measures.

Personal protective equipment

The Company uses new approaches and solutions when selecting personal protective equipment (PPE). Specifically, in the course of procurement of corporate special protective clothes resistant to electric arc impacts, the commission included representatives of

branches and shop-floor union organisations of Unipro PJSC, whose opinion was decisive in products selection. In 2019, participants of youth associations were involved in selection of special protective footwear. It is planned to use this approach for selection of other PPE as well.

Personal protective equipment resistant to electric arc impacts



Implementation of Occupational Safety Plan

The Occupational Health and Safety Enhancement Plan for 2019 was implemented in full. Additional measures were also implemented to develop competencies and involve occupational health and safety staff.

As part of the Occupational Health and Safety Enhancement Plan for 2019, the following key measures were implemented.

Leadership and commitments

- » The Company held 4 meetings of Unipro PJSC Occupational Health and Safety Committee chaired by the Chief Executive Officer. 26 HSSE enhancement measures were endorsed and implemented.
- » The Company held 3 meetings of the Occupational Health and Safety Committee chaired by the Chief Executive Officer and attended by the executives of Unipro PJSC, and contractors involved in the Repair and Refurbishment Works Project (hereinafter – RRW) of Berezovskaya GRES Power Unit No. 3. Effect was given to measures aimed to improve the HSSE level at the site of the RRW project of Berezovskaya GRES Power Unit No. 3 of Unipro PJSC.
- » Each individual top manager of Unipro PJSC, the Unipro PJSC Engineering Branch developed and implemented a personal Safety Leadership Development Plan. The Knowledge River tool forming part of the Destination Zero programme was used by the branch top manager (Director, Chief Engineer, and deputies) to develop personal safety leadership development plans.
- » Each individual branch has a functioning Centre of Competence in one of TOP 5 areas under supervision of branch directors. Deputy CEOs and functional directors of the Company provide leadership support of development of one of the TOP 5 areas at the Company branches.
- » The Company reviewed the performance of the occupational health and safety management system in the branches in accordance with the requirements of OHSAS 18001-2007 international standard. The strengths and weaknesses of the occupational health and safety system were identified. Recommendations for further enhancement of the occupational health and safety system were developed.
- » Under the Berezovskaya GRES Power Unit No. 3 RRW project:
 - the Safety Plan including 42 procedures was reviewed;
 - Centres of Competence in TOP 5 areas under the supervision of contractor executives were established.
- » aimed at high injury risk mitigation in TOP 5 areas were developed and are currently implemented.
- » To improve the working conditions of the employees, to identify harmful and hazardous factors of the working environment and to assess the level of their impact on the employees, special assessment of work environment was held at 2,900 workplaces of the Company. A work environment improvement plan is being developed. As part of the special assessment of work environment, the Company trained commission members in carrying out the special assessment of work environment and implemented an automated system for analysing the results of the special assessment of work environment.
- » As part of risk management system improvement, a new revision of the Company's standard for risk assessment before work against work permits was approved. The standard establishes the procedure for risk assessment before work against work permits and the procedure for dynamic risk assessment in the course of work at Unipro PJSC.
- » In order to arrange for use of scaffoldings, including their installation/disassembly, transfer into the operational responsibility, accounting and monitoring of their condition, a temporary procedure for scaffolding management at Unipro PJSC branches was approved.

Risk management

- » As part of the priority programmes aimed at TOP 5+ high risk mitigation, the Company held 6 monthly safety campaigns in TOP 5+ areas to assess the implementation quality of statutory and regulatory standards in these areas. Long-term programmes

- » The combined cycle shop of Shaturinskaya GRES-2 introduced the LOTO system (Lockout/Tagout). The system makes it possible to rule out any potential hazards associated with unauthorised (electric, thermal, etc.) power supply during adjustment and repair works on electrical and thermal and mechanical equipment.
- » Scheduled hazard identification and risk assessment was conducted by the CEO and all the Company branches. As a result, the risk is now at mid level, and thus considered acceptable, provided that the required control actions are taken.
- » Implementation of the Long-Term Programme for Removal of Asbestos used by the branch equipment continued. In 2019, 115.6 tonnes (149% of the plan) of asbestos-containing materials were actually dismantled. Monitoring of asbestos dust content in the working zone air proved that concentrations of asbestos fibres in the air do not exceed the Russian sanitary standards.
- » Under the long-term remedial programme for the defects of process equipment service ladders and platforms, the Unipro PJSC branches remedied 135 defects (100% of the plan) in 2019.
- » The Unipro PJSC branches implemented 215 measures (100% of the plan) under the long-term programmes intended to cure the breaches of health and safety requirements for works in electrical installations.
- » Under the Berezovskaya GRES Power Unit No. 3 RRW project:
 - developed and implemented action plans for safe works with hoisting devices and labour saving tools, hot works, works in confined space, and for prevention of objects falling from height;
 - developed and implemented two communication programmes to prevent high/low temperature hazards in summer and winter, respectively.
- » Under the Berezovskaya GRES Power Unit No. 3 RRW project, the Company administered:
 - training of all the contractors' new employees in "Internal Occupational Health and Safety Requirements";
 - training of 235 mid-level managers in "Occupational Health and Safety Leadership";
 - training of 13,182 contractors' employees in "TOP 7 High Risk Management";
 - training of specialists of the work-at-height team of the Engineering Branch of Unipro PJSC for the right to accept newly erected scaffoldings in operation;
 - training of contractors' employees in rescue of the injured from height and from hard-to-reach places during work in the boiler.
 - fire drills incorporating some elements of staff evacuation;
 - behavioral safety audits with the participation of occupational health and safety specialists of contractors.

Staff development

- » The Company administered a training in "Occupational Health and Safety Leadership" to 165 heads of the branches' functions to build up leadership capabilities and practical skills in effective occupational health and safety management.
- » The results of the competences evaluation were used to develop and implement personal development plans for the heads and specialists of the occupational health and safety departments of the Company branches.
- » The Company administered a training of branch electricians in proper application of the special protective cloths, resistant to electric arc impacts. Contests and interactive games in occupational health and safety were held in the course of the training.

Efficiency monitoring

- » In total, five audits of the occupational health and safety management system were performed and documented. The audits included checks of the occupational health and safety management system in accordance with OHSAS 18001-2007 and of the

efficiency of the actions taken. The employee survey results showed a positive dynamics in growth of the occupational health and safety personnel competence.

- » The Company passed the certification audit of Unipro PJSC activities for compliance with the requirements of OHSAS 18001:2007. The Russian Register Certification Association accredited by international certification body – member of the International Accreditation Forum (IAF) – noted that the occupational health and safety system introduced by the Company is characterised by strong performance and continuous improvement. The auditors emphasised strengths of the occupational health and safety management system at Unipro PJSC, which include high involvement of branch managers and specialists in the processes aimed at maintaining and improving the occupational health and safety management system.
- » A report on the key HSE indicators was presented to the Company management on a monthly basis for monitoring and awareness-building purposes.
- » Under the Berezovskaya GRES Power Unit No. 3 RRW project:
 - the corporate audit with the participation of representatives of Uniper was passed, the recommended activities were performed within the established deadlines;
 - within the framework of in-process monitoring, quarterly illuminance, dust, noise, gas contamination,

microclimate measurements were arranged with the development and implementation of corrective activities.

Engagement of employees

- » The Essential Occupational Health and Safety Rules were developed and are being implemented – simple rules that allow eliminating major threats to the life and health of the Company's employees, contractors' employees and third parties during work on the Company's premises.
- » 85 managers of the branches' functions were trained under the "Safety Consciousness" programme aimed at the proactive safety culture development at the Company.
- » To determine the attitude of the employees to risk and precaution, their own life value, to identify the existing mental sets preventing safe behaviour at the enterprise, occupational health and safety studies were conducted at Berezovskaya GRES branch. Recommendations to change the mental sets and behaviour of the employees in terms of establishing a habit of complying with the occupational health and safety rules and mitigating risks were developed.
- » Berezovskaya GRES, Yaivinskaya GRES and Smolenskaya GRES branches held occupational health and safety tournaments modelled after "Brain Ring" and "What? Where? When?" intellectual games. The main purpose of the games was to increase the income-earning youths' level of involvement and knowledge

of the occupational health and safety rules. The questions were developed specifically for power engineers.

- » Peer reviews in occupational safety were conducted between Shaturskaya GRES and SSurgutskaya GRES-2 as well as Smolenskaya GRES and Yaivinskaya GRES branches. The peer review objective was to share best practices and to foster symbiotic professional partnerships.
- » All the Company branches held competitive reviews in occupational health and safety in their production functions. The review winners earned the title of the Best Function in Occupational Safety and the employees most heavily involved in the review received prizes and financial awards.
- » At Shaturskaya GRES:
 - the "Safety Star" project was successfully implemented to encourage the branch employees to comply with the occupational health and safety requirements;
 - a health and safety review contest for the title of the "Best Contractor" was held. The primary objective of the contest is to encourage contractors' employees to create safe workplace conditions and to encourage contractors' staff involvement in the reporting of the near misses.
- » Under the Berezovskaya GRES Power Unit No. 3 RRW project:
 - implementation of the staff competence visual



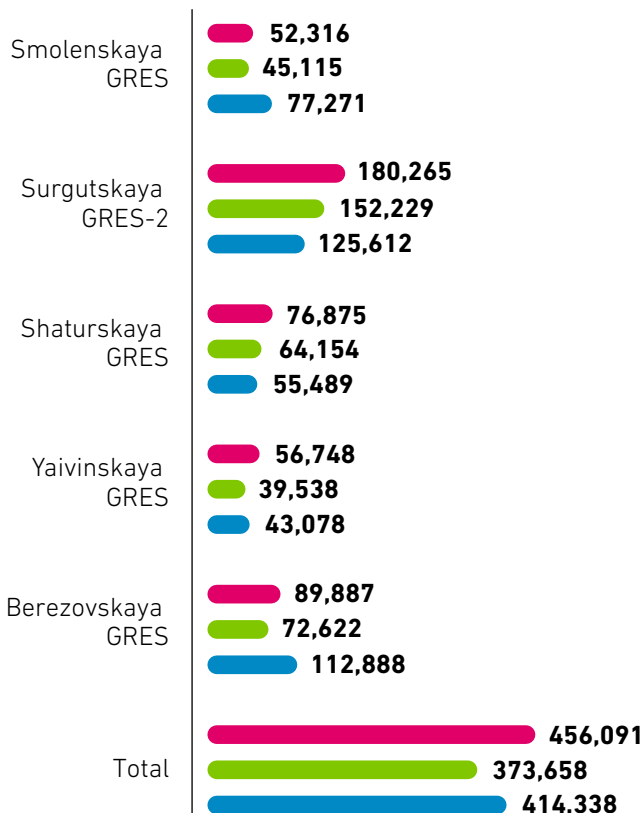
identification programme by placing the relevant stickers on the safety helmets was continued;

- implementation of the staff incentive system involving the provision of a gift certificate on a monthly basis ("Best Work Supervisor", "Best Occupational Health and Safety Specialist") was continued.

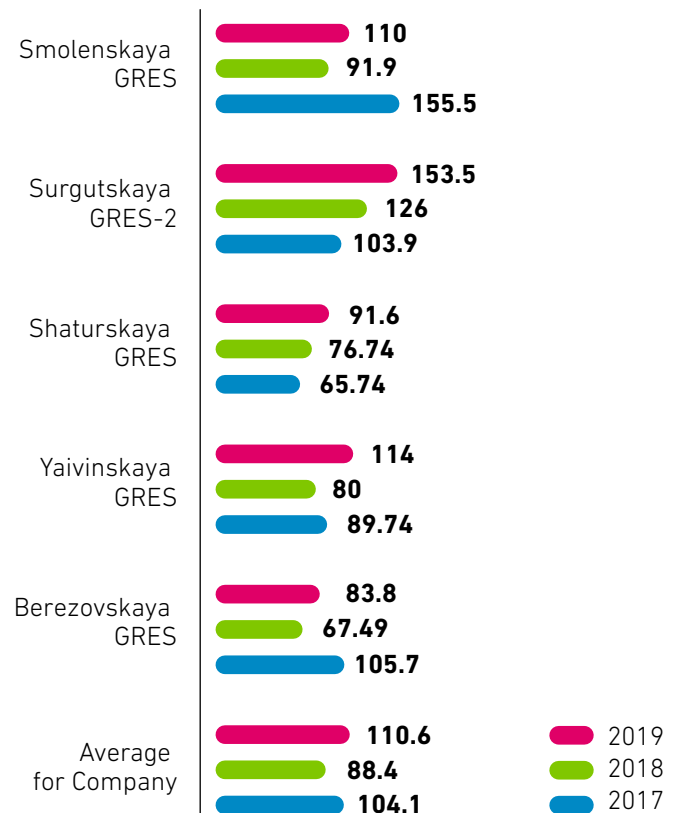
Occupational health and safety expenses

All occupational health and safety measures scheduled by the branches for the reporting period were taken in full.

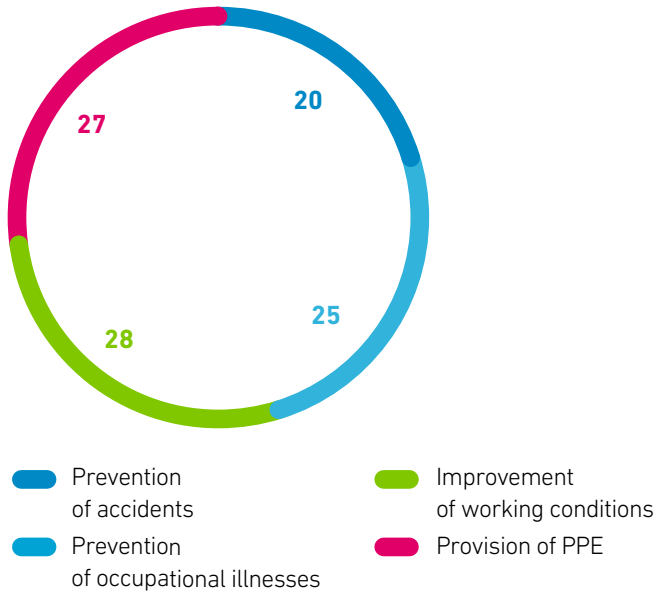
Occupational health and safety expenses, RUB thousand



Occupational health and safety expenses, RUB thousand per employee



Allocation of expenses by activity type in 2019, %



In total, in 2019, PJSC Unipro allocated for occupational health and safety measures

RUB 456 mln,

20% more than in 2018, and on average, per employee, amounted to

RUB 110,6 thousand

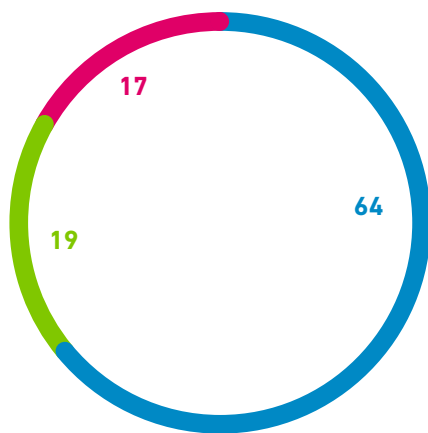
Special assessment of work environment

To improve the working conditions of the employees, to identify harmful and hazardous factors of the working environment and to assess the level of their impact on the employees, special assessment of work environment was held at 2,900 workplaces of the Company.

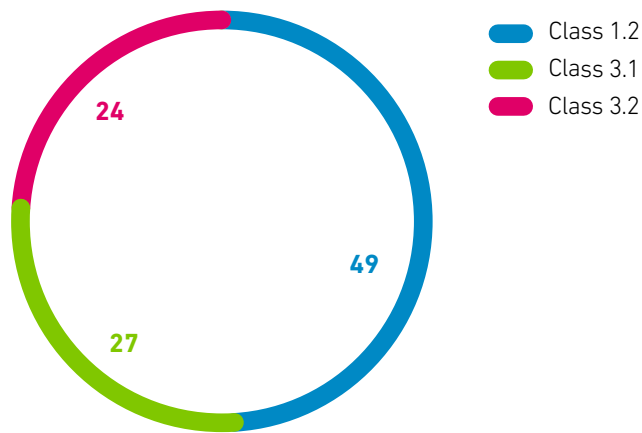
According to the special assessment of work environment at the Company, it was confirmed that there are no workplaces with harmful and/or hazardous working conditions with classes 3.3 and 3.4.

To further mitigate the impact of harmful and/or hazardous factors of the working environment, the Workplace Working Conditions Improvement Plan will be developed in 2020.

Distribution of workplaces by class of working conditions, %



Distribution of employees by class of working conditions, %



Plans for 2020

Within the framework of the Occupational Health and Safety Plan, the following activities are planned to be performed in 2020:

Leadership and commitment:

- » holding quarterly meetings of the Occupational Health and Safety Committee;
- » encouraging leadership support on the part of the Company's top management to mitigate high risk in the priority areas;
- » developing the Centres of Competence to mitigate high risk in the priority areas under the branch directors' supervision.

Risk management:

- » implementing the corporate integrated information System for Occupational Safety Risk Management;
- » developing and implementing the Working Conditions Improvement Plan according to the special assessment of work environment;

The main occupational health and safety tasks in 2020 will include transition to a new level of managing the occupational health and safety management system and certification for compliance with the requirements of ISO 45001-2018.

- » implementing the priority programmes to mitigate high injury risks, including the hand and finger safety programme;
- » improving the behavioural audit and workplace inspection system.

Personnel development:

- » the "Leadership in Occupational Health and Safety" course for line managers of the branches;
- » training the Company's employees in ISO 45001-2018 standards.

Performance monitoring:

- » transition to a new level of managing the occupational health and safety management system with further certification for compliance with the requirements of ISO 45001-2018;
- » conducting internal audits of the performance of the occupational health and safety management system.

Employee involvement:

- » implementing the Essential Occupational Health and Safety Rules.

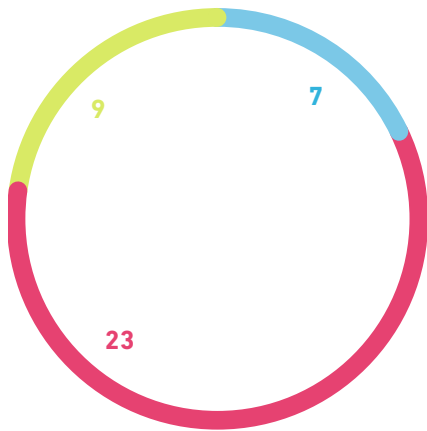
4.4. Process Safety

Unipro PJSC operates 39 hazardous production facilities (HPFs) registered in the state register as required by Federal Law No. 116-FZ dated 21 July 1997 "On Industrial Safety of Hazardous Industrial Facilities" and assigned a relevant hazard class – Registration Certificate A58-70689.

Distribution of HPF, hardware, buildings and structures, and hydraulic structures in 2019

	HPF	Hardware	Buildings and structures	Hydraulic structures
Yaivinskaya GRES	8	546	137	12
Surgutskaya GRES-2	6	1,045	219	1
Berezovskaya GRES	6	950	187	26
Shaturskaya GRES	14	729	460	1
Smolenskaya GRES	5	379	108	3
Total	39	3,649	1,111	43

HPF distribution by hazard class



- Hazard class II
- Hazard class III
- Hazard class IV

All the HPFs are insured in accordance with Federal Law No. 225-FZ dated 27 July 2010 "On Mandatory Third-Party Liability Insurance of the Owner of a Hazardous Production Facility against Damage Resulting from an Accident at the Hazardous Production Facility" and the current rules for mandatory third-party liability insurance of the owner of a hazardous production facility against damage resulting from an accident at the hazardous production facility.

Regarding the HPF of hazard class II where hazardous substances are produced, used, processed, generated, stored, transported, destroyed in the quantities specified

in Appendix 2 to the said Federal Law, industrial safety declarations (hereinafter referred to as the "ISDs") were developed, safety expert review of ISDs was conducted, opinions of safety expert reviews of ISDs were entered into the state register of opinions, ISDs were entered into the state register of declarations.

The Company ensures control over the operation of HPFs in accordance with Unipro PJSC Regulation on the Process Control over Compliance with the Industrial Safety Requirements at Hazardous Production Facilities (approved by Order of the CEO No. 145 dated 2 October 2018) through a four-step process as per the annual production control plan.

Process safety improvement results in 2019

To ensure safe operation of HPFs, 327 expert reviews of industrial safety were conducted in 2019 as per the schedule, aimed at extending the lifetime of 295 technical devices and 32 buildings and structures operated at the HPFs.

In accordance with the approved production programmes, comprehensive activities continue to be performed, aimed at bringing the HPFs in compliance with the requirements of the Federal Rules and Regulations in industrial safety: "Safety Regulations for Chemically Hazardous Production Facilities" (hereinafter referred to as the "ChHPF FRR"); "Code of Industrial Safety of Hazardous Production Facilities Where Equipment Operating Under Excessive Pressure is Used (hereinafter referred to as the

"EOuP FRR"). The measures planned for 2019 were taken in full.

To ensure safe and reliable operation of HPFs, compliance with the legal requirements, and timely planning and scheduling as well as performance and control of diagnostic and routine procedures by Unipro PJSC, the Company continued implementing the Industrial Safety Management Automated Information System (ISMAIS) in 2019.

With regard to the experience of operation of the ISMAIS operating elements, works aimed at upgrading and setting the following modules were performed: diagnostic procedure and routine operation management, events, control charts, planning and scheduling, regulatory documentation stock.

The "Electrical Equipment" module was implemented, ensuring generating and updating the information on the major power electrical equipment, which allows for ensuring planning and scheduling, fulfilment and control over timely performance of routine repair works and technical examination.

Consistent modernisation of the ISMAIS enables Unipro PJSC to ensure a more efficient management of industrial safety business processes, reveal and correct all irregularities promptly, and plan its process safety ensuring efforts.

The ISMAIS enables Unipro PJSC to:

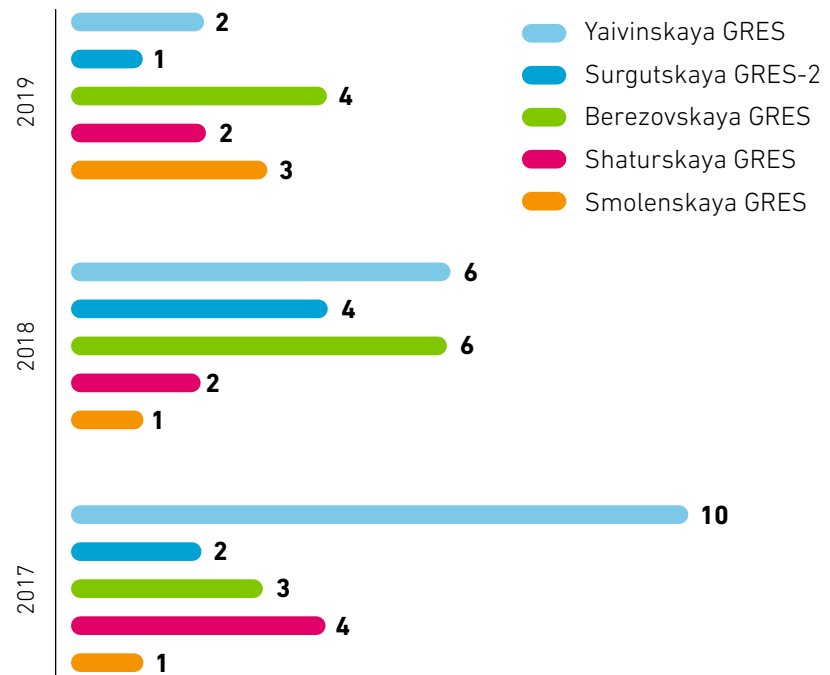
- » ensure an efficient operation of the industrial safety

management system (ISMS) through ongoing and prompt analysis of the situation, forecasting, and prompt managerial decision-making;

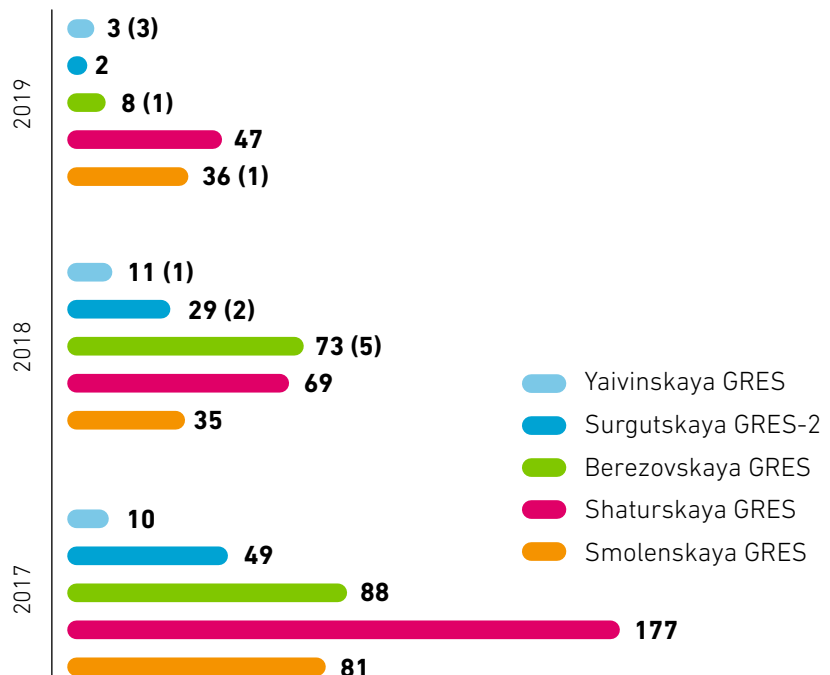
- » schedule and control activities and steps in the ISMS;
- » conduct the performance testing of the ISMS functions, schedule and control the necessary corrective actions;
- » control legal compliance and integrated management of operational risks relating to industrial safety;
- » upgrade the employees' skills in industrial safety;
- » control and analyse the results of the inspections conducted, various control levels (internal inspections and external inspections – Federal Services).

In 2019, within the framework of government oversight, Unipro PJSC was inspected on 12 occasions, which is 36.8% less than in 2018. However, the total number of revealed violations of the mandatory legislation decreased by 55.1% when compared to 2018.

Number of inspections of Unipro PJSC conducted within the framework of government oversight



Number of violations revealed by oversight authorities during various inspections of Unipro PJSC facilities within the framework of government oversight/control implemented (not due yet)



Plans for 2020

- » Conducting expert reviews of industrial safety, confirming compliance with the requirements of the Technical Regulation of the Customs Union "On Safety of Equipment Operating under Excessive Pressure" (TR TS 032/2013) followed by registration with a local office of the Federal Environmental, Industrial and Nuclear Supervision Service of Russia (Rostekhnadzor) of the technical devices which will be operated within Power Unit No. 3 of Berezovskaya GRES branch of Unipro PJSC, arranging commissioning of the technical devices in accordance with the requirements of the EOuP FRR.
- » Introducing amendments to the license for operation of fire explosive and chemically hazardous production facilities of hazard classes I, II and III (new place of business addresses not previously specified in the license) after taking the remedial measures provided for by the opinions of expert reviews of industrial safety executed regarding the buildings and structures operated within the "Heat Network Pipeline Section" HPF of Berezovskaya GRES branch of Unipro PJSC.
- » Performing the activities of comprehensive programmes to bring the HPFs in compliance with the requirements of the ChHPF FRR and EOuP FRR.
- » Arranging the staff certification process in accordance with the requirements of the

"Regulation on Staff Certification in Industrial Safety, Safety of Hydraulic Structures, Safety in the Electric Power Industry" approved by Resolution of the Government of the Russian Federation No. 1365 dated 25 October 2019 – using the "Single Testing Portal" information system.

- » Continuing the activities aimed at setting and implementing the ISMAIS modules, implementing the "Production Control Electronic Log" module.

Provision of security and anti-terrorism measures at facilities

The Company carries out its activities in strict compliance with the requirements of legislation of the Russian Federation in ensuring security of fuel and energy sector facilities to prevent the entry of violators into the Company's facilities to commit unlawful interference acts.

Within the framework of implementing the investment programmes in the reporting period, the works on designing, upgrading, and reconstruction of security engineering and technical devices and improvement of the physical security system of the facilities were continued using state-of-the-art technologies. Thus, Surgutskaya GRES-2 branch commissioned the radar system for perimeter intruder detection that allows for carrying out control with a larger range of detection in all weather conditions.

To increase the level of anti-terrorism protection, security

of the Company's branch facilities was inspected with the participation of competent authorities. To test the performance of the physical protection systems of facilities, the Company held training activities jointly with the representatives of local offices of the Federal Security Service, the Ministry of Internal Affairs, and EMERCOM of Russia that involved the testing of procedures to implement legal requirements to the provision of security at the facilities of the fuel and energy complex.

In the reporting period, no unlawful interference acts were recorded at the Company's facilities.

Civil defence and emergency control

Throughout the year, the activities aimed at ensuring readiness for accomplishing civil defence tasks and emergency response were systematically performed.

The Company focused on drilling the actions of the management and plant employees. Nearly 70 drills and training sessions were conducted with the participation of 3,360 employees. Non-regular emergency rescue teams (NRERTs) of the branches, fire departments and professional emergency rescue teams providing emergency and rescue services were engaged to take part in the drills.

In 2019, a course of training and certification of the NRERTs for search and rescue operations was completed. All the plants certified the NRERTs, and 25 Company employees were qualified as lifeguards.

There is still a high level of the fire brigades' response to fire hazards at the branches. The fire brigades include a total of 303 employees. Taking into account acquisition and putting on alert of the new fire truck with a high-pressure pump based on KAMAZ at Berezovskaya GRES, the total number of fire-fighting and special-purpose machinery increased up to 22 units.

During 2019, government oversight authorities conducted scheduled and unscheduled inspections of compliance with the established requirements. Following the inspections of Shaturskaya, Smolenskaya and Yaivinskaya GRES by the Oversight Activity Departments of the local offices of EMERCOM of Russia, the plants were recognised to be fully complying with the requirements of the legislation in civil defence and emergency response.

In the reporting period, a civil defence shelter at Yaivinskaya GRES was commissioned, where

over 300 people can be sheltered at the same time from military threats, technogenic and natural emergency consequences.

Taking into account the increase in the hazard class of the hydraulic structures at Smolenskaya GRES, works to create a local alarm system (LAS) for the staff were performed at Smolenskaya GRES. The LAS refurbishment works performed at Yaivinskaya GRES ensure complete coverage of the plant staff when warning of emergency threats. The educational and methodological course in civil defence and emergency response created at Yaivinskaya GRES allows training of the plant staff on the rules of behaviour in emergencies.

Throughout the year, the Company branches took an active part in review contests conducted by the local offices of EMERCOM of Russia, according to the results of which Shaturskaya GRES took the first place for the best maintenance of civil defence

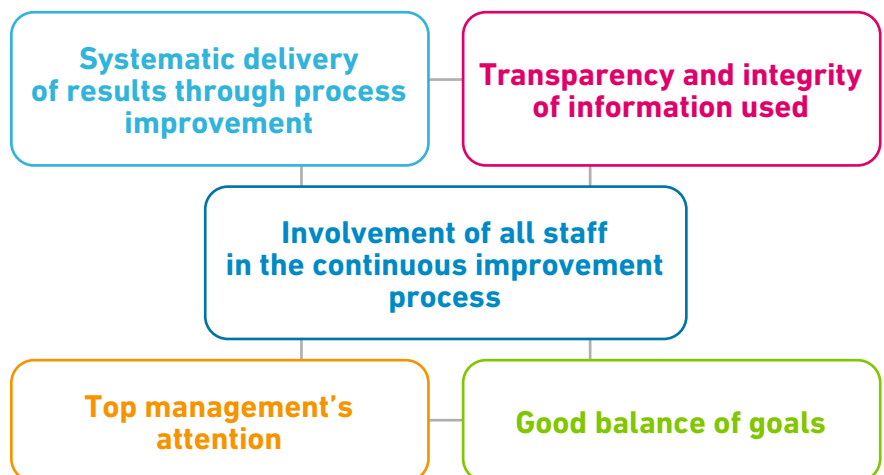
shelters and the third place for the best maintenance of the training and material resources in civil defence and emergency response among the enterprises of the Moscow Region. Surgutskaya GRES-2 won prizes in similar contests among the enterprises of the Khanty-Mansi Autonomous Area – Yugra, and earned three award diplomas from Surgut administration in civil defense and emergency response, including for the best civil defence shelter and for the best non-regular emergency rescue team.

25
employees
of Unipro PJSC were qualified as lifeguards in 2019

4.5. Operational Excellence

The operational excellence (OE) system is one of the tools implemented by the Company to become a leader in excellence. The Company's OE system is a business management approach based on the combination of processes and optimisation tools for such processes aimed at the maximum use of available resources and loss control. The Company's strategic objective in this area is to make OE part of the culture, to turn it into everybody's conduct, to integrate it into the Company's DNA.

To achieve that objective, it is necessary to adhere to the following key principles of the OE system:



The priority technical growth areas of the OE system in 2018–2022 are:



Increasing productivity in repairs

The OE system framework included three branches in 2019 – Surgutskaya GRES-2, Berezovskaya GRES, and Shaturskaya GRES; Yaivinskaya GRES and Smolenskaya GRES are planned to be included in 2020.

As a result of implementation of the OE system in 2018 and 2019,



Reducing the cost of production

1,030 employees were trained on the OE basic instruments, over 300 optimisation initiatives were developed in the following major areas: increasing staff productivity in repairs, optimisation of equipment repair strategies, reduction of expenses on overtime work of repair staff,

fuel efficiency upgrading, improvement of working conditions and occupational safety. Pilot projects were launched with the application of the following digitalisation tools: video analytics in repairs and stabilisation of the process parameters using control cards.

In 2020, we plan to continue developing technical streams of the OE system, while additionally focusing on improving the cultural dimension and developing the staff competence. This will allow us to keep and to multiply the achieved result, to ensure continuous improvement of the Company's financial performance.

4.6. Environmental Responsibility

Environmental management

Unipro views protection of the environment as a prerequisite for doing business as a going concern.

The objective of Unipro PJSC environmental policy is to define the framework for the Company's business and commitments in various environmental areas subject to the requirements of ISO 14001:2015. These are decisions regulating solutions for nature protection, mitigation of adverse environmental impact, management of environmental risks, and liaison with stakeholders.

To implement the tasks set out in the environmental policy, the Company has adopted an environmental strategy that is updated on an annual basis and provides for the planning and scheduling of environmental protection activities for the

next three years. In particular, it provides for:

- » staff development in environmental and economic decision-making, including with due regard for the dynamic changes in the Russian legal environment;
- » performing activities required for upgrading the power

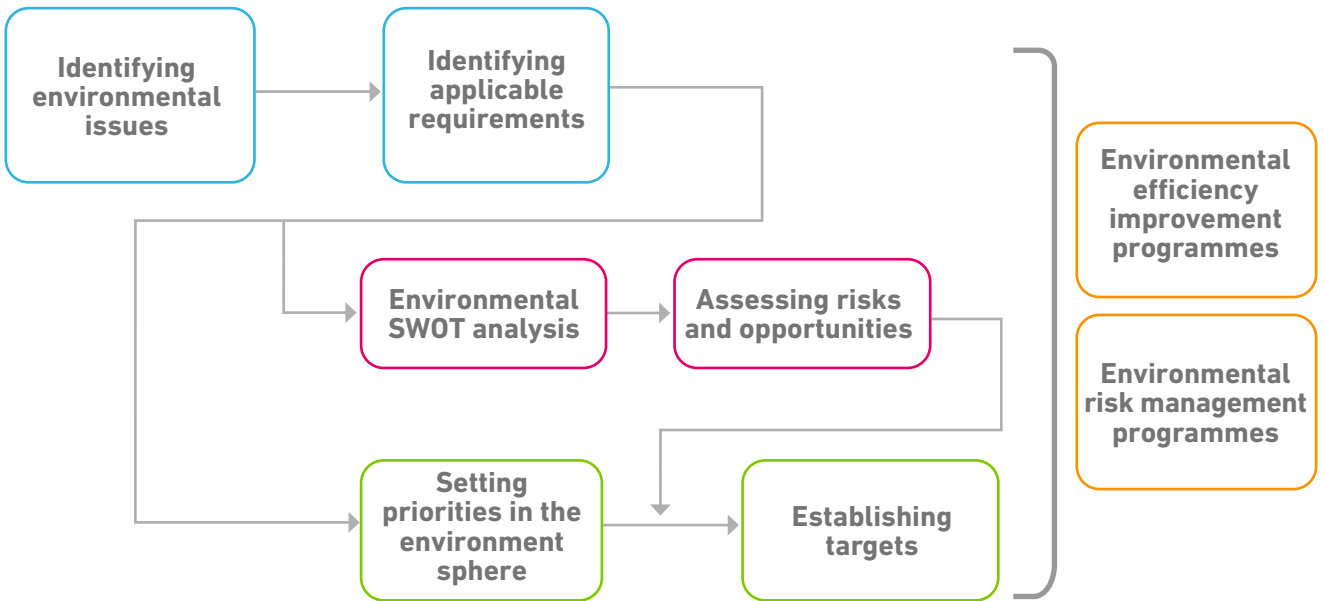
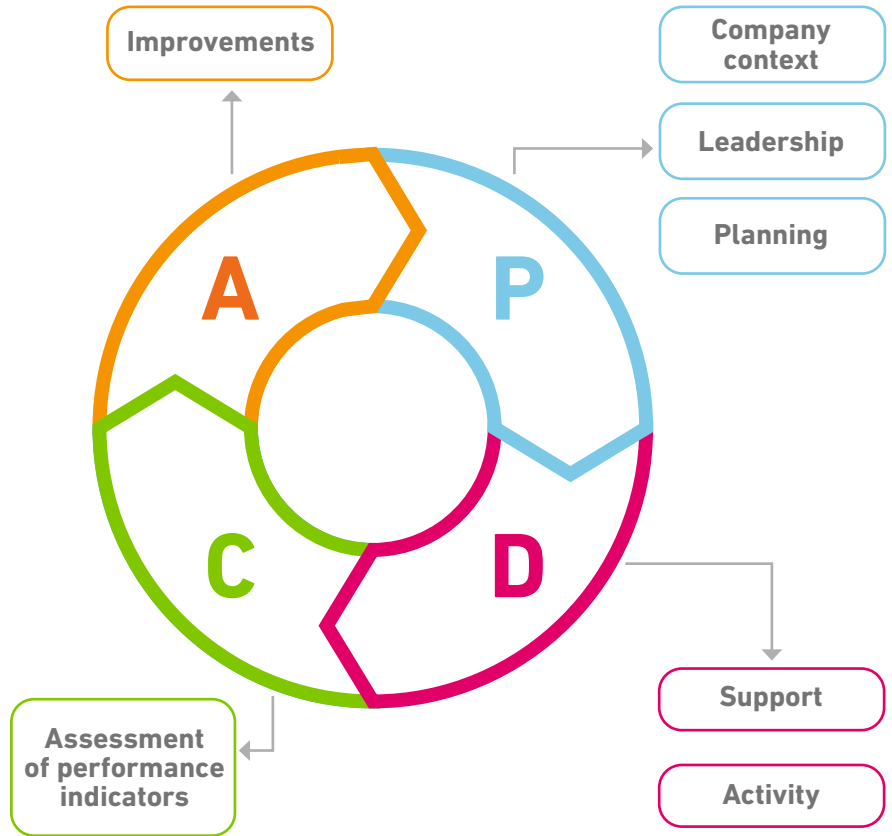
plants to the best available technologies where applicable with incorporation of large-scale environmental protection projects into the Company financial programme;

- » implementing the "zero waste" concept – waste minimisation and maximum waste processing.

Unipro PJSC implements a comprehensive approach to environmental safety management based on the best practices implemented both inside the Company and beyond.

The Company's environmental management system (EMS) uses the logic of the Plan-Do-Check-Act (PDCA) management cycle.

Appropriate responses to environmental issues, risks and opportunities have been designed for each Company's branch, offering a long-term programme to improve environmental efficiency and enable upgrading to the best available technologies for addressing the environmental risk.



In late 2019, Unipro PJSC successfully passed a re-certification audit for compliance with the new version of ISO 14001:2015 international standard in respect of electric and heat power generation, heat power transportation. The audit was conducted by the Russian Register Certification Association, accredited by international certification authorities – members of the International Accreditation Forum (IAF). The certificate obtained is valid until 13 December 2022.



The environmental SWOT analysis highlights internal and external factors and assesses their mutual impacts. The procedure for environmental SWOT analysis is set out in the Planning Rules for the Environmental Management System (EMS) (STO No. PTU-R.04).

This SWOT analysis represents a step towards transition to the international EMS standard under the updated version of ISO 14001:2015, which provides for a risk-based approach.

Supervision of the EMS and its continuous improvement is effected through internal audits and regular reviews of reports from branches by specialists at the Company executive office.

The main assessment tools used by the branches are industrial environmental control (IEC) and internal EMS audits. In 2016, pursuant to Part 2, Article 67 of Federal Law No. 7-FZ "On Environmental Protection" dated 10 January 2002, all the Company branches designed uniform IEC programmes containing full descriptions of the types and frequency of environmental monitoring in areas affected by the Company's production activities.

Environmental incidents are recorded and investigated in accordance with the rules established by the EMS.

Pursuant to Article 73 of Federal Law No. 7-FZ "On Environmental Protection", dated 10 January 2002, Unipro PJSC managers and specialists receive training in environmental protection and environmental safety at the time of hiring with refresher courses held at least once every five years.

Potential emergencies that might impact the environment were identified by the Company branches.

Emergency prevention and fire-fighting drills are carried out at all power plants in accordance with approved annual plans. Contracts were entered into for rescue services and for fire prevention services of the branches.

The following actions are taken at the branches to reduce the

probability of environmental accidents and violations of environmental security requirements:

- » identification of environmental aspects associated with industrial processes;
- » inventory of all potential reasons/causes for environmental irregularities and accidents, design of a replacement programme for obsolete equipment and technology, upgrading to environmentally-safe raw materials and supplies;
- » compliance with safety rules for equipment use, fire control and production processes;
- » maintenance of the equipment, technical devices, buildings and structures fit for use;
- » systematic analysis and check of the devices, equipment, buildings, and structures for regulatory operating compliance;



The analytical and explanatory notes of the Safety Data Sheet of the Hazardous Production Facility (GRES) of Unipro PJSC contain the evaluation of the accident risk at the HPFs. The risk assessment reviewed potential causes of incidents at hazardous production facilities, the probability of their occurrence and made forecasts of possible consequences (impacts on personnel, local people and the environment).

Potential accidents at hydraulic facilities are identified in special safety declarations for such facilities.

Documents have been prepared, which set out procedures for emergency response and prevention/mitigation of adverse environmental impacts at Unipro branches (see more details in the Unipro PJSC Annual Report for 2017).



- » proper metrological support for all measurements and analyses;
 - » systematic monitoring;
 - » a real-time management decision system and proactive measures to address environmental irregularities and accidents;
 - » personnel trainings, briefings, and drills to raise environmental expertise and competence.
- Unipro PJSC has a system of corporate environmental protection days that are primarily intended to fill in the gaps in the environmental knowledge, both for the employees and the public, for example, students of energy classes. The Company is supporting all projects associated with the employees' personal initiative. Moreover, the branches are exchanging successful experience in environmental projects proposed by the employees of production functions on a regular basis. This is the result of successful in-house communication when both environmental specialists and other employees become aware of environmental problems and take effort to contribute to the resolution of these problems.



Shaturskaya GRES took part in the “Victory Forest” annual environmental campaign in May and in the waste paper collection environmental campaign in July, put almost 1,900 silver carps into Lake Svyatoye in October.

In September, the ecologists of **Berezovskaya GRES** stocked the Yenisei River with valuable species of fish: over 6 thousand juvenile sterlets were released back into their natural habitat.

In September, **Berezovskaya GRES** issued an order on paper saving: it was decided to print documents on both sides and to agree upon them only electronically.

The Company gives special attention to improvements in the management of the so-called consequential environmental aspects that produce no direct environmental impact, but their consequences may arise in the future in the form of inappropriate managerial decisions and may harm both the Company's reputation and the environment. This area of the environmental strategy comprises business games and subject contests to be conducted in all branches and in the executive office. "Ecologic" and "Green and Great" business games proved quite effective and up-to-date as a format for engaging employees with environmental matters and as a tool that makes it possible to feel the relation between the economic mechanisms in environmental regulation and the concept of business sustainability in the present-day context as a whole and acquire



In April, the employees of **Smolenskaya GRES** held an animated video contest at the Ozerny secondary school within the framework of the all-Russian energy saving festival #VmesteYarche-2019 (Brighter Together). The contest topic was: "Energy Saving in a Spaceship".

In September, employees of **Berezovskaya GRES** taught an environmental lesson on the need for separate waste collection in the energy class at school No. 8 in Sharypovo.

the necessary skills or at least attract attention to this aspect of business operations.

Besides, to ensure the development of the staff responsible for proper and effective performance of the environmental management system, the Company arranged for an in-process practical

training of environmental specialists under individual programmes in 2019, involving preparation of research projects on the subjects relevant for each branch. As a final event of the in-process practical training, the Company held an in-house environmental conference in the premises of Surgutskaya GRES-2 in December 2019.

On 1 January 2019, legal requirements providing for cardinal changes in the procedure for the rationing of adverse environmental impact and issue of the relevant permits and approvals came in force.

In-house environmental conference

Top managers, chief engineers, and environmental specialists of the Moscow Representative Office and all branches of Unipro PJSC took part in the event. The list of invited experts included the representatives of the Federal State Autonomous Body Research Institute Environmental Industrial Policy Centre (RI EIPC) and the National Research University Moscow Power Engineering Institute (NRU MPEI).

The event involved a panel evaluation of the research projects prepared by the environmental specialists of the branches on the subjects concerning the possibility, economic and environmental effects of implementing the best available technologies (BAT) outlined in Information and Technical Reference Book BAT No. 38.

The primary objective of this event was to provide environmental specialists with an experience of a deep dive into the workflow processes and to create a team of in-house BAT experts qualified to assess the applicability of BAT to the Company branches.

A panel composed of I. Popov, Deputy General Director for Production, chief engineers of all branches, and O. Kondratieva, Chair of the Environmental Engineering and Occupational Safety Department at NRU MPEI, evaluated the projects presented by the environmental specialists according to five criteria:

1. Environmental effect.
2. Cost efficiency.
3. Feasibility and innovativeness.
4. Implementation planning.
5. Presentation.



On the second day of the conference, the participants discussed the current state of and expected changes in the statutory procedures for evaluating adverse impact category 1 facilities for compliance with the requirements of the best available technologies.

During the business game, the experts of RI EIPC and NRU MPEI and specialists of Unipro PJSC subjected the intricacies of the procedure for obtaining the Complex Ecological Permit (CEP) and expected changes in this procedure to an in-depth analysis and simulation modelling. A representative of the state environmental expert examination panel clarified the peculiarities of environmental impact assessment of an enterprise and environmental control and monitoring programme for obtaining the CEP. Besides, the participants obtained clarifications on the procedures and timeframe for the Inter-Agency Commission of the Government of the Russian Federation to approve the environmental efficiency improvement programmes.

The conference participants received comprehensive answers to questions concerning the procedure for obtaining the CEP and will continue their effort to implement the BATs.

At the end of the business game, a schedule for obtaining the CEP was developed providing for the submission of the application quite ahead of the deadlines fixed by the legislation.

Do Not Waste the Air!

In September 2019, Unipro PJSC joined the environmental awareness building campaign for primary school children ("Do Not Waste the Air!") sponsored by the Department of Natural Resources and Environmental Protection of Moscow. The campaign was implemented in Moscow schools in the period from 23 September through 18 October 2019.

The Company gives a lot of attention to separate waste collection, which is the reason why it chose to share its knowledge and experience with schoolchildren. The learning programme comprising both a lecture and trivia games was developed jointly with the employees of Unipro PJSC Press Centre and Reliability and Fire

and Environmental Safety Services and Departments. The lectures were delivered by the Company's employees. During the lessons, the children found out why it is important to sort waste, how to prepare it for disposal, what the downsides of plastics are, and why consumption of plastics should be reduced.

4

weeks

28

lessons



Environmental responsibility should be taught from an early age so that a young person should have an internal need to live in a clean country. Every adult should develop the same attitude. And, I believe, taking part in such projects really helps it along. Children inspire you with energy, making you happy with the knowledge they already have on that topic and with their involvement. They asked questions about hazardous waste, such as old phones and household appliances. Their disposal is a very acute problem today.

Evgeny Cherkassky,

Head of Asset Reliability, Fire and Environmental Safety, Unipro PJSC



When we were suggested teaching environmental lessons at Moscow schools, we agreed at once! Unipro pays considerable attention to environmental projects in the regions of presence. Namely, separate waste collection is arranged in all branches, the executive office deliver environmental lectures for the employees. We understand that environmental habits should be developed from childhood. Children are a very appreciative audience, they listen to you attentively, ask questions to some of which you have never given much thought. It is indeed encouraging that many of them already know that batteries should be collected separately, why waste should be sorted and why one should take good care of the environment. We hope that in 2020 the environmental lectures will grow into a full-fledged programme in environmental education for school-aged children.

Maria Beyger, Press Secretary, Unipro PJSC



Zapovedniki EcoCenter is grateful to Unipro PJSC for fruitful cooperation for the sake of preservation of Russia’s natural and cultural heritage. The Company actively supports conservation areas, increases its social responsibility and implements useful projects. In the current climate, this is an important advantage confirming socially responsible business operations. Whenever we arrange a joint voluntary campaign, we see how positive and motivated your employees are, wedded to the ideas of cultivating a responsible attitude to nature and ready to bring them to life.

Nataliya Danilina,
General Director, Zapovedniki EcoCenter LLC

Rational use of natural resources

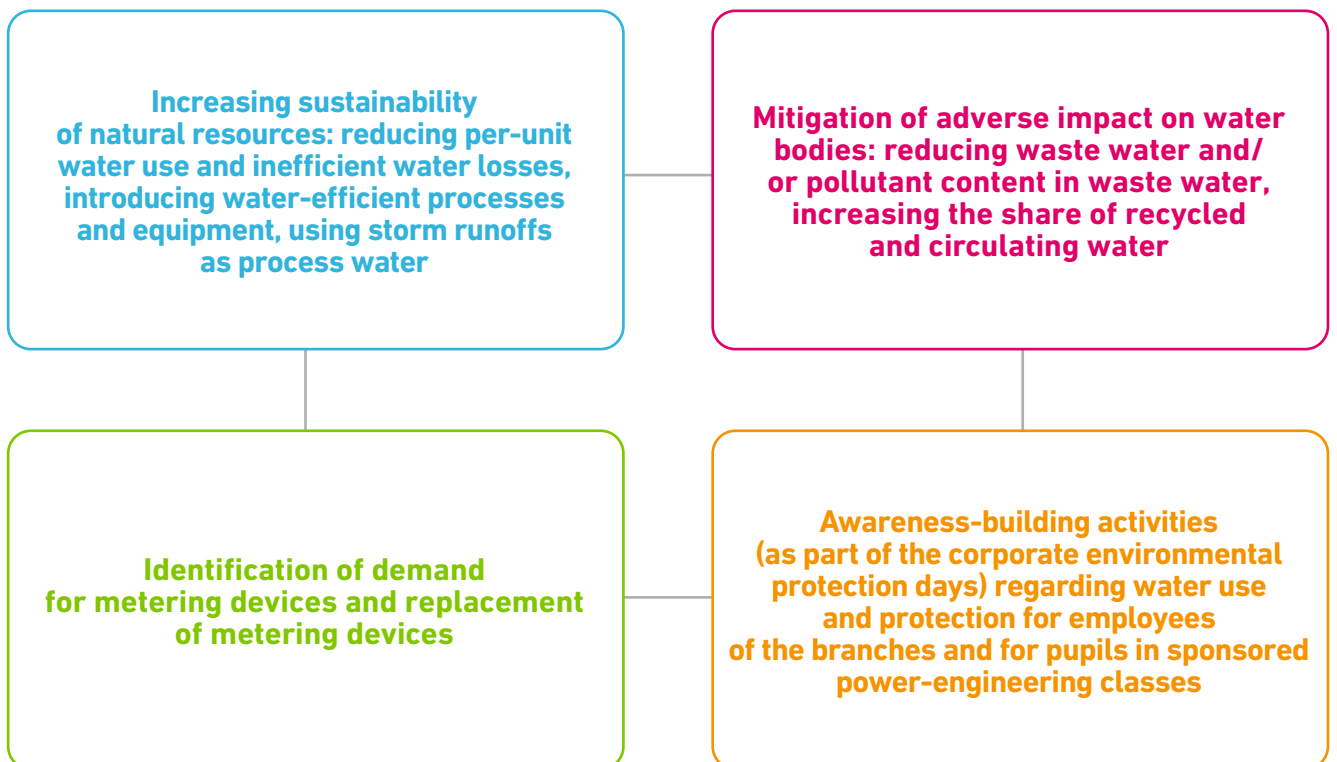
Environmental sustainability (rational use of natural resources) is a key part of Unipro’s overall management system.

The key natural resources used by the Company in its industrial processes are coal, gas, fuel oil as well as water and land.

Water use

The Company developed key performance indicators (KPIs) for irretrievable water consumption related to water treatment (the chemical plant own needs), steam and water losses, and water leakages in heating networks to be set as indicators for bonus payments to the personnel. The Company made consistent efforts in this sphere during 2019.

Key tasks for water conservation





Yaivinskaya GRES is modernising its water intake meters. In addition, the reconstruction of fish protection devices is scheduled to take account of the most recent statutory changes and to make use of the most efficient technologies.

A similar fish protection project is envisaged for **Surgutskaya GRES-2**.

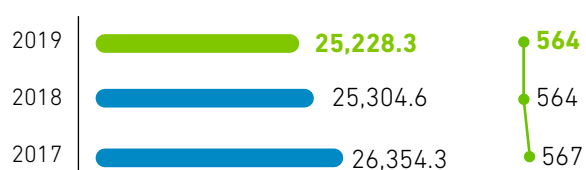
Emissions

In 2019, gross emissions of pollutants of Unipro PJSC (rated in the Russian Federation) and air emissions of CO₂ continued to decrease. This was primarily driven by lower electric power generation by steam-power units and a higher share of steam-power units in power generation, as well as atmospheric air protection measures. The figures for specific pollutant emissions have been quite stable – minor fluctuations in these figures are primarily due to changes in the fuel mix and committed generating equipment.

Emissions of pollutants, thousand tonnes

Indicators	2017	2018	2019
Gross air emissions of hazardous substances, total	57.3	53.6	51.07
Solid fuel ash	1.4	1.1	1.3
Gaseous and liquid substances, including:	56.9	52.4	54.6
sulphur dioxide	7.6	6.6	7.8
carbon oxide	9.8	8.4	7.5
nitrogen oxide	39.6	37.4	39.2

CO₂ emissions, thousand tonnes g/kWh (output)




In September 2019, the Government of the Russian Federation signed Resolution No. 1228 "On Adoption of the Paris Agreement". Pursuant to its commitments, the Russian Federation will need to adopt a law on state regulation of greenhouse gas emissions in 2020. A draft law is being currently discussed. The overall logic behind various versions of the draft law comes down to setting certain limits for each emitter of greenhouse gases and charges for exceeding the relevant limits. One of the options provides for using the model of emissions quotas to make it possible for businesses to manage the greenhouse gas units (tCO₂) at the commodity exchange.



In case of **Berezovskaya GRES**, the most important of the current projects is the project providing for implementing an automatic continuous exhaust gas monitoring system to be compliant with the most recent and stringent requirements.

At **Surgutskaya GRES-2**, repair activities and the upgrading of burner devices are aimed at reducing emissions to the maximum extent possible. At Power Unit No. 6, such activities helped gaining significant environmental effects – the concentration of pollutants has decreased from 370 mg/m³ to the minimum level of 194 mg/m³ at comparable power unit operation modes.

Unipro PJSC is committed to the best international practices of low-carbon development under its environmental policy. Greenhouse gas reporting represents the first step on the path to creating the Company's own accounting and monitoring system that is supposed to turn into an effective tool to reduce climate-related risks in the future. Furthermore, these reports comply with the governmental authorities' requirements and reliably reflect the Company's progress in securing the emission reduction targets. To affirm the reliability and validity of the quantitative evaluation of greenhouse emissions by Unipro PJSC power plants, starting from the 2018 reporting, the Company performs



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Independent practitioner's report under
 a limited assurance engagement regarding Unipro PJSC 2018
 Greenhouse Gas Emissions Report

the verification of greenhouse emissions by engaging an independent auditor.

As advised by the independent auditor and as required by Uniper SE, the corporate procedure of CO₂ monitoring

has been developed. It allows establishing consistent approaches and the most appropriate methods of calculating greenhouse gas emissions, as well as tools of controlling the reliability of corporate carbon reporting.

In the near future, the Company is planning to develop a carbon control strategy providing, inter alia, for the monitoring (estimation) and verification of greenhouse gas emissions by independent audit firms, overriding priority of energy efficiency improvement activities, evaluation and implementation of the best available technologies in the area of energy efficiency.

Waste

The Company prioritises minimisation of waste generation and maximum recycling as the key elements of waste management.

Most of the waste produced by the Company is non-hazardous in classes IV and V. Ash and slag waste from burning of coal (hazard class IV) is disposed of in ash disposal areas at Company facilities based on a special license. The same procedure is used to dispose of ash and slag waste from burning of coal, which is classified in hazard class V (not

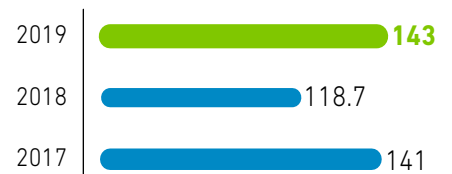
subject to licensing). The rise in ash and slag waste in 2019 is driven by the increased output at Bereznovskaya GRES.

The higher hazard category wastes (I–III) were generated in significantly smaller volumes.

Oil and petroleum product sludge in hazard class III is used as lubricants or transferred to specialised licensed providers for neutralisation (incineration).

Waste in hazard class II (sulphuric acid from batteries and sulphuric acid electrolyte sludge) is neutralised in special tanks based on a license.

Ash and slag waste, thousand tonnes



Wastes in hazard class I (mainly waste containing mercury, including fluorescent lamps, mercury thermometers and other measuring equipment) is transferred to licensed providers for neutralisation (de-mercurisation).

In 2019, Unipro PJSC did not retain any waste for land-fill disposal at its own facilities.

In order to reduce waste generation by the branches, the Company has begun entering into contracts with inventory suppliers to return packaging and products, which are past their use-by date, but contain valuable components which can be recycled by the suppliers. However, mechanisms of extended producer responsibility are still underdeveloped in Russia, so the primary method for reducing waste generated by inventory use is to forward it to third parties for recycling, including against payment for such services. All Unipro branches therefore maintain waste-sorting systems for specific types of waste that are subject to phased prohibition of land-fill disposal (burial) under the Russian Government Resolution that came into force



The applicable Russian law describes two basic concepts: waste **accumulation** (storage on a production site for up to 11 months) and **disposal**. Disposal may mean either burial (land-fill) or storage for subsequent disposal or use.

All Unipro branches have facilities for waste storage. The Company had accumulated waste at both the beginning and the end of the period. The Company duly procured a centralised license for disposal and neutralisation of wastes in hazard classes II–IV at specialised sites.

Therefore, the Company's waste disposal arrangements are in compliance with the requirements of Russian law.

on 1 January 2018. For this purpose, the Company has designed detailed territorial flow charts for waste management, identifying waste-recycling providers for specific types of waste and arranging visits to recycling plants by employees of branches.

Power consumption

In 2019, the power consumption made up 82 mln kWh. The heat power consumption made up 94 thousand Gcal.

Volume of all energy resources used in Unipro PJSC in 2019

Energy resource type	Consumption volume in kind	Measurement unit	Consumption volume, RUB thousand
Nuclear power	–	–	–
Heat power	94	thousand Gcal	4,657.16
Electric power	82	mln kWh	22,925.14
Electromagnetic energy	–	–	–
Oil	–	–	–
Motor gasoline	355.33	tonnes	
Diesel fuel	828.28	tonnes	294,098.98
Fuel oil	17.99	thousand tonnes	
Natural gas	9,910.4	mln m ³	34,097,329.0
Coal	4,127.9	thousand tonnes	
Oil shale	–	–	–
Peat	–	–	–
Other	–	–	–

4.7. People Surrounding Unipro



Dmitry Ermilichev,
Director for Public Affairs
and Government Relations,
Unipro PJSC

The year of 2019 was not easy. It was difficult because of information confrontation, corporate disputes and litigation. All of the above had a communication component. The Company had to explain the current developments to its employees, to articulate our position to journalists and the public and to find arguments that are truthful in substance and simple in form. We coped with that. We managed to find. We managed to explain.

And we did help. We helped perceiving the perfection of music and theatre – on the scene and in concert halls. We helped conserving health – in hospitals and polyclinics. We helped preserving the nature – in forests and parks, on banks of rivers and lakes. We helped children and the elderly. We did good for the people.

Unipro's team of communicators is a small group of great professionals, in which everyone is at their place, while we are all for one. We understand each other, since if not us, then who? Our work is with people. With senses. With senses for people.

Unipro pursues a broad range of social activities both inside and outside the Company. By implementing a variety of social projects, the Company contributes to improving the living standards of ordinary people and offers hope for a better future.

Corporate volunteering

Unipro has implemented a programme of corporate volunteering since 2017 and the programme continues to expand. Company employees with a proactive, social committed attitude and strong desire to help are joining the movement.

Unipro's current volunteering projects include traditional blood donor days, help in preparing children from orphanages and low-income families for school, visits to orphanages, New Year gifts, charity fairs, and environmental campaigns. All of these practices are now established traditions at Unipro.

Achievements of Unipro volunteers in 2019

In 2019, members of the Unipro volunteer movement also organised sports activities and intellectual games, and provided career guidance support to young people in regions of the Company's presence.

Smolenskaya GRES

The youth association of Smolenskaya GRES carried out activities for kids of the Ozerny village settlement: fire safety, traffic safety, Spring Ice, Home Alone, Uniproshnaya Viktorina, Rules of Conduct in the Forest.

Throughout the year, the volunteers worked in the Swallow shelter (village Prechistoe). Sports days, origami lessons, New Year's celebrations with gifts were arranged for children from difficult families.

In addition, the volunteer movement carried out the Let Your Dream Come True campaign, under which 16 kids from needy families of village settlement Ozerny and surrounding localities obtained New Year's gifts.

Yaivinskaya GRES

Yaivinskaya GRES continued the tradition of helping those under wardship from the Yaivinskaya special general education boarding school. The plant not only renders charity aid to the institution but also regularly arranges activities for its students, thus facilitating their social engagement.

Young energy workers from Yaivinskaya GRES are always welcome guests at the Beacon of Hope intermunicipal festival for disabled children.

Surgutskaya GRES-2

In October 2019, participants of the youth association of Surgutskaya GRES-2 branch together with students of the technological power engineering class at Surgutskaya school No. 19 planted trees along Gagarina Street, not far from Memorial of Glory.

Berezovskaya GRES

The youth movement of Berezovskaya GRES has voluntarily arranged the In Search of Proof automotive quest, which is an insightful and entraining event for the town. The event was attended by 15 teams. Throughout the year, the youth helped the local shelter and lonely pensioners. For children from needy families, office supplies were collected as part of the Help Going to Study campaign.

On the eve of Russia's Day, the youth movement of Berezovskaya GRES organised the Forest Near GRES campaign, where employees were proposed to plant a "family" tree on a special site and take care of it in the future. In total, 130 pine nurslings were planted.

Moscow Representative Office

Throughout the year 2019, employees of the Moscow Representative Office took part



I joined the volunteer programmes in May 2019. I have a bright memory of campaigns aimed at combating smoking and boosting traffic safety. I have been a participant of such activities for many times, and I can say that I gain the most return from the younger generation in the course of such campaigns. The nearest plans to develop the volunteer movement will be directed at occupational safety, improvement and promotion of this concept at plants.

Igor Pylytsyn,
a Unipro PJSC volunteer

Unipro PJSC at the Krasnoyarsk Economic Forum

In March 2019, Unipro PJSC was extensively involved in the work of the Krasnoyarsk Economic Forum. The Company arranged the round table entitled “Development of Competitive Mechanisms in the Power Industry as a Factor of Improving Performance of Russia’s Economy” as part of the KEF’2019 track “Resources and the Power Industry”.

During the forum, the CEO of Unipro PJSC Maxim Shirokov participated in the Drivers of National Competitiveness discussion at the plenary session of the Krasnoyarsk Economic Forum and at the round table entitled “Culture and Business. A New Vector of Partnership”, where he told the visitors about his

experience of arranging long-term charity campaigns to support socio-cultural projects in Moscow and the regions of presence of power plants belonging to the Company.

Evgeny Boyko, Head of the Chair of Heat Power Plants of the Siberian Federal University, presented the practice of training young power engineers using the Unipro “school-university-enterprise” principle in collaboration with the Polytechnic School of the Siberian Federal University and school No. 8 of Sharypovo during the session entitled “Education and Business. Practices of Corporate Education Programmes”.

in four donated blood campaigns for the Blood Banking of the Federal Medical and Biological Agency of Russia, during which they donated more than 30 litres of blood.

Moscow hosted yet another campaign to help the disabled kids from the House of Charity under the auspices of the Russian Birch charity foundation. The foundation provides children from regional asylums with accommodations and care during the pre-surgery and

rehabilitation periods. Employees of the Moscow Representative Office arranged the purchase of hygiene items, medical consumables required to those under warship from the House of Charity and visited kids with whom they spent the entire day.

In May, employees from the executive office made a corporate volunteer visit to the F. M. Dostoevsky memorial estate to plant an apple garden. In September, the same visit was made to the A. S. Pushkin

Vyazemy estate. As part of the event, we planted broadleaved trees to make a framework of the path combining two estates making up the complex of the memorial estate.

Charity

The top priorities of Unipro continue to be socially-oriented. True to the traditions of Unipro, the Company focuses its charity and sponsorship programmes on regions of its presence, in the first instance.

Key areas of Unipro charity work



Unipro spending on charity and social projects, RUB mln

2017	2018	2019
39.8	154.3	70.6

Unipro has allocated

over

RUB 260

mln

to charity and social projects
over the last 3 years

Educational projects

Unipro PJSC pays a lot of attention to education and development of the young generation. The Company renders support to kindergartens, schools and social institutions for children in regions of its presence and collaborates with schools and universities in training future power engineers and potential employees of Unipro PJSC.

Thus, in the reporting period Yaivinskaya GRES extended RUB 200 thousand to acquire outdoors gaming equipment for kindergarten No. 19 in Yaiva, RUB 300 thousand – to perform repair works of the Yaiva boarding school, RUB 500 thousand and ten computers – to the power engineering class of Yaiva school No. 3. One computer was granted to the Council of Veterans of the plant.

In 2019, Shaturskaya GRES rendered charity support to the remedial boarding school and socio-rehabilitation centre for

minors, by extending cash funds to perform repair works and to acquire the required utilities. Financial aid was provided to kindergarten No. 5, school No. 4, the Shatura Power Engineering College and the municipal lyceum.

Smolenskaya GRES financed repairs and purchase of new equipment for the Skazka and Kolokolchik kindergartens and acquired video magnifiers for vision-impaired kids of the Krasninsky secondary boarding school for children with disabilities. Financial aid was provided to the Gamayunia Children's Forest Republic: a sports ground and a ropes course were installed on the territory of the children's camp.

Careers Start at School

B Unipro PJSC has been implementing the Career Starts at School project since 2007. The initiative has set up power

engineering classes in the towns of Sharypovo, Surgut, Shatura, Yaiva, and Ozerny where high-school students (grades 10–11) study mathematics, physics and computer science in-depth, and gain specialised knowledge for a future in the power engineering industry.

Employees of the power plants tell the children what makes a career in their industry special, answer questions, lead tours around their place of work and tell the history of Russian power plants. When they enter higher education, youngsters can gain work experience at the Company's branches and the best of them will be offered jobs when they graduate.

Unipro allocated over RUB 2.4 mln in 2019 to develop the Careers Start at School initiative. The money was used for educational equipment, upgrading of the curriculum, teachers' payroll, lab activities and funding incentives for the best students.

Berezovskaya GRES

Starting from 2012, school No. 8 in Sharypovo has a power engineering class opened with the assistance of Berezovskaya GRES branch of Unipro PJSC.



In 2019, the Ministry of Energy of the Russian Federation awarded the Company with diplomas for the proactive social policy based on the results of a contest for the best socially-oriented power engineering company:

- » the diploma of the Ministry of Energy of the Russian Federation "For Proactive Social Policy"; and
- » a special prize for the best project was awarded to the communication project "Uniproshka for Kids".

More than

RUB 2.4

mln

were allocated for the
Careers Start at School
project in 2019

In 2014, at the 11th Krasnoyarsk Economic Forum, Unipro PJSC and the Siberian Federal University signed the long-term cooperation agreement for training power engineers using the "school-university-enterprise" principle.

In addition to traditional forms of interaction between the structural academic division of a university and a power enterprise (offering work training and jobs after graduation, excursions, participation in the state final attestation, etc.), the agreement provides for the multi-disciplinary and comprehensive collaboration, implying that several school leavers are enrolled at the Chair of Heat Power Plants of the Siberian Federal University and return to Berezovskaya GRES after graduation.

The implementation of this agreement allowed for significantly updating the content of the academic process for heat power engineers at the Chair of Heat Power Plants of the Siberian Federal University, upgrading training equipment, creating three new laboratories (laboratory of fuel and gas analysis, laboratory of water treatment and laboratory of simulator training) and equipping its computer class with graphic stations.

In 2019, the Company's financial support was directed at the acquisition of components and consumables for an engineering project for first-year students "Micro Steam Power Plant" to generate a cogeneration power unit based on traditional and alternative energy sources and consumables. A digital radio guide was purchased to give courses and hold excursions in manufacturing units of power plants, as well as computer and presentation equipment to support the training process.

Shaturskaya GRES

In 2017, Shaturskaya GRES branch of Unipro PJSC decided to open the first-in-Shatura class with enhanced studies of physics and mathematics and took it under its wing. Since then, students participated in conferences, forums and power-related academic competitions. Employees of the plant gave regular lectures to school students and helped them prepare academic papers and communications. It is important that theoretical studies were supported with practice: lyceum students repeatedly visited the museum of history and workshops of Shaturskaya GRES. On 25 June 2019, the first power engineering class of Shatura held its graduation ceremony.

A lot of work is being done with the industry-specific educational institution – the Shatura Power Engineering College. In addition to excursions to the power plant and meetings with power engineers, students may attend professional navigation lectures.

Surgutskaya GRES-2

In October 2019, Surgutskaya Municipal Budgetary General Educational Institution Secondary General Education School No. 19 was awarded with the diploma of the 100 Best Russian Schools federal contest for its experience of interacting with Surgutskaya GRES-2 branch of Unipro PJSC.

Yaivinskaya GRES

Power engineering class students of Yaivinskaya GRES are students of classes 10 and 11 of school No. 3 in Yaiva, who selected engineering fields of study. They are subject to targeted work, receive enhanced trainings in industry-specific subject matters and take elective courses at the plant. At the beginning of the academic year, students of class 10 completed the initiation ceremony for power engineers. Young employees of the plant engage children in joint intellectual and sports activities. They get school students familiar with the power engineer profession, for them to make the right and informed choice.



With the financial aid of Unipro PJSC, the project activity of all-year students is supported as part of developing the CDIO international educational initiative. The involvement of students in project activity and their success take the form of their participation and wins at federal youth contests.

Smolenskaya GRES

In 2019, courses “Master of Control and Metering Devices” was organised for students of power engineering classes 8–9 of the Ozerny school. The course helps training technicians for control and metering devices (CMD) and automation. Children studied the basics of CMD electrical engineering, CMD information and uses in automatics, techniques of assembly and repair, as well as fundamentals of CMD materials science and occupational safety.

In addition, students of the power engineering class visited the Regional Technology College in Smolensk, where they got to know about majors of operation and maintenance of electrical and electromechanical equipment, control and metering devices and automatics.

Uniproshka for Kids

In 2018, the Company started the Uniproshka for Kids project aimed at training preschool and junior school children to behave safely in the street, at home and in public places, and at mastering elementary skills of self-saving in extreme situations.

In this useful undertaking, power engineers are supported by



The Company earned the **Intercomm 2019** award in the Territory of the Good category for the Uniproshka for Kids project.

Uniproshka, a hero invented by the Company. He is very smart and kind and is always ready to give a useful piece of advice both to adults and kids.

Smolenskaya GRES

In 2019, eco-lectures entitled “Ecology. Separate Waste Collection” were held in preschool and school institutions of the Ozerny village settlement. Kids got to know how to collect waste correctly, where to put it and what will come out of processing various types of waste. In the game format, each participant tried their hand as a waste sorter.

Surgutskaya GRES-2

Surgut held traffic safety trainings in two district social institutions for kids in hardship and with disabilities: the Centre

of Social Help for Families and Children and Na Kalinke.

Uniproshka held trainings on safe conduct for junior schools children of school No. 2 in Surgut. Together with animators and presenters, kids studied a number of important matters in the game format and with the help of video clips: how and where to correctly cross over the road, how traffic signs, lights and road marking should be read. School children were told about how to safely behave on the water and in the forest during vacations, were demonstrated training clips, shown how dangerous animals look like and told what to do with an insect bite, etc. These activities involved dozens of kids (about 100 in total). Along with them, parents, teachers of social institutions and educators participated in the programmes.

Shaturuskaya GRES

A training event for first and second class pupils was devoted to the safe conduct on the water and in the forest. Kids were told how to secure themselves from mites and snakes. In the game format, they were reminded of all the fundamentals of behaving during swimming in water reservoirs and explained what to do if you are lost



For us, joint efforts with Unipro PJSC are an efficient way of preventing traffic injuries. Communicating with Uniproshka, young pedestrians are always involved, attentive and master the rules of safe conduct on the road better. We look forward to further cooperation!

Elena Bachyova,

Inspector for the promotion of safe traffic of the division of the State Traffic Safety Inspectorate of the Department of the Ministry of Internal Affairs of Russia for the Alexandrovsky District



I am happy that our Company is pursuing such a project. Kids love Uniproshka, which is a win-win option to let them find out and master important safety concepts. We also use this character when arranging activities for children. Thanks to Maria Beyger, an encourager and mentor of this project for such an opportunity.

Natalia Novikova,

Mother of Vlada (kindergarten No. 19, Yaiva)

in a shopping mall, in the street, at a concert and in other public places.

Yaivinskaya GRES

Uniproshka for Kids project with the "Safety is Above All!" motto known to all Unipro power engineers.

The professional team of children animators worked out two training scenarios – road safety and home alone. Kids got to know about traffic rules, rules of conduct in various stressful situations and tried those situations in practice. Now, they are prepared for situations, many of them have never thought of before.

200 more kids were acquainted with safe conduct rules in the course of campaigns, children's holidays and other activities with Uniproshka.

In addition, Uniproshka repeatedly took part in the Beacon of Hope arts and crafts festival for children with disabilities. Uniproshka worked with the Yaivinskaya GRES youth association to support youngsters in their performances, helped them giving credence to themselves and did everything to make the occasion a success.

Berezovskaya GRES

In 2019, Berezovskaya GRES branch of Unipro PJSC elevated the Uniproshka for Kids project to the municipal level. Previously, the training campaign only covered power plant employees, and now "the cheerful lessons from Uniproshka" are available to all kids of Sharypovo.

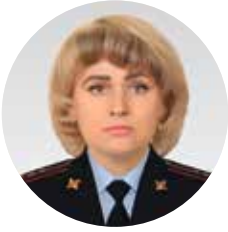
Citizens of Sharypovo often see a consumed character bearing the Unipro logotype in their streets. During the all-Russian week of safe road traffic, Uniproshka helped traffic inspectors train kids to safely cross the road. He distributed leaflets to drivers reminding them of the need to reduce speed near schools and places from where children can slip out. Children obtained gifts from Uniproshka in the form of light-reflecting stickers. In winter, children often go to school in the dark, and it is difficult for drivers to see a child, especially if they are dressed in dark clothes. Five campaigns were conducted throughout the year, assisted by volunteers from the power engineering class.

In late April, Sharypovo hosted the debut interactive fairy-tale "Uniproshka to the Rescue". The performance is aimed at

children aged 6–8 years. It is presented by young actors from the Sharypovo children's theatre school "Art-Entre". The piece was written by Natalia Zheltova, director of the theatre school, honoured employee of theatrical art of Russia. All financial costs related to the creation of the fairy-tale were borne by Unipro PJSC. During the play presented as a fairy-tale, a form popular for kids, children are told what to do if they are bullied at school, if they are alone at home and there is a ring at the door, how to find parents if they are lost in the crowd and how to behave if a stranger invites them over or offers a ride. The main character Uniproshka gives insightful pieces of advice to children and helps them work their ways out of difficult situations. Throughout the year, this performance was attended by all junior class pupils of the town. In 2020, Unipro intends to presents this show in the regions of its presence – Shatura and the Ozerny village settlement.

Healthcare projects

Unipro provides ongoing support to various healthcare institutions for renovation work and the acquisition of up-to-date medical equipment.



Traffic policemen express huge thanks to Unipro PJSC for rendering extensive assistance to the Sharypovo traffic road unit in preventing children's traffic injuries and mastering the skills of safe behaviour in the street for the young generation.

Anna Smirnova,

Inspector for the promotion of safe traffic of the Sharypovo traffic road unit

Thus, in 2019 beneficiaries included the Surgut district clinical hospital, the Surgut city clinical hospital and Surgut city clinical polyclinic No. 1. Healthcare institutions purchased furniture and computers on account of the Company's funds.

In 2019, thanks to the support from Shaturskaya GRES branch, three special medical beds with electric drives were delivered to the Shatura district hospital. Such equipment is intended to take care of bed-bound patients and significantly facilitates both rehabilitation and treatment by supporting the most comfortable position of certain body parts by changing slope angles.

In 2019, the Company allocated about RUB 2.5 mln to Ozerny District Hospital No. 1 for acquisition of ultrasonic diagnostics equipment. The new ultrasonic diagnostics equipment was delivered and installed in the hospital. It is multipurpose and ensures the full-scale visual diagnostics of patients by doctors.

Yaivinskaya GRES continues to replenish the diagnostics equipment of a local hospital and allocated RUB 800 thousand to acquire cardiographs and a 24-hour heart monitoring device. The society of the blind of Kizel was provided with funds to acquire typhlomeans and a TV set with typhlocomments.

Support for veterans of wars and armed conflicts, power industry veterans, low-income groups and people with disabilities

Every year, all the Company's branches send greetings to WWII veterans and former employees of the Victory Power Plant, as well as provide them with financial assistance and invite to special events. All former employees of Company power plants receive anniversary greetings.

Shaturskaya GRES gives special recognition to veterans who are currently employed at the plant and pays for subscription to

Summer recreation for children

Unipro branches fund vacations and activities for youngsters during summer holidays.

In 2019, RUB 600 thousand were allocated to arrange the summer occupation of teenagers aged 15–17 in summer labour unions for the beautification of Sharypovo. 100 teenagers wishing to earn money, half of them being children of employees of Berezovskaya GRES, combined

into the Unipro labour union and obtained a branded T-shirt and a baseball cap. They removed garbage from municipal parks and squares, banks of lakes and water reservoirs, planted, weeded and watered flowers at municipal gardenbeds, painted and modernised playgrounds. In addition, as ordered by municipal social services, they helped lonely pensioners in cleaning their apartments and working in their country houses.



The cooperation of the Company and the GALCHONOK Foundation started back in 2012, thanks to which children from regions of the Company's presence were able to obtain timely help in completing rehabilitation.

In 2019, Unipro offered help to 10 kids with organic lesion of the central nervous system. Thanks to the joint programme of helping children implemented with the GALCHONOK Charity Foundation, kids were able to complete rehabilitation courses and obtain the required rehabilitation facilities. Such kids cannot be cured, but it is possible to significantly improve the quality of their life and prevent implications.

In 2020, the Company jointly with the GALCHONOK Charity Foundation intends to arrange a summer rehabilitation camp for ICP children. Under the guidance of highly skilled specialists, children and their parents will be able to take a rehabilitation course and obtain advice on self-guided trainings throughout the year.

Elizaveta Muravkina,

President of the GALCHONOK Charity Foundation

the local newspaper for plant veterans, all military and home-front veterans of WWII from Shatura. Another good tradition is to congratulate power engineering veterans with their anniversaries. In addition, plant veterans annually participate in the meeting dedicated to Victory Day, celebrations of Power Engineer's Day, and obtain gifts. The most active of them, jointly with the Company personnel, attend regional environmental campaigns to plant spruces in autumn and spring.

In 2019, Surgutskaya GRES-2 again supported veterans by allocating about RUB 100 thousand to renovate the museum of the Brothers in Arms community organisation.

Yaivinskaya GRES holds annual celebrations to mark Victory Day, Power Engineers' Day, and International Day for Older Persons, and provides gifts and food packages to former workers and pensioners of the power plant.

Berezovskaya GRES bought gifts for 86 WWII veterans in the

reporting year. Financial support from Unipro made it possible for 112 senior citizens on low incomes to receive the Lights of Siberia local newspaper.

Veterans of the Ozerny village settlement received Victory Day congratulations on the eve of the 9th of May. Each veteran was visited by the management of Smolenskaya GRES and representatives of the Moscow Region. They were awarded with memorable cards, flowers and financial aid to acquire medicines.



I have already treated my work in good faith and with love. And, of course, Shaturskaya GRES has become native for me over all these years. I am happy that the plant does not forget us, veterans. You may even find my photo in its museum, the one displaying a large group of designers and contractors. By the way, they were then based in the building that is now occupied by the administrative personnel. It is remarkable that in this photo we are standing on the foundation of the first chimney stack, you can see the reinforcing steel there.

Viktor Pyatkin,

a veteran of labour, honoured power engineer of the Russian Federation, former deputy director for major construction of Shaturskaya GRES

Social project of helping rural disabled people Sharypovo District – Territory of Equal Opportunities

The Sharypovo District – Territory of Equal Opportunities programme has been implemented since 2013 in close cooperation with Berezhovskaya GRES branch of Unipro. Since then, the Company allocated RUB 5,980,000 to cover the needs of rural incapacitated persons. In total, over 700 disabled persons obtained help. Allocated funds were used to:

- » create a rental centre for rehabilitation equipment, including wheelchairs, a wheelchair ramp, means of transportation for the disabled;
- » organise sports, art, and communication forums for disabled people: We Will Do More Together;

- » purchase modern sports gear for adaptive sports and tourism;
- » support the Wind of Change club, uniting rural families and disabled kids in terms of holding cultural mass events and excursions;
- » sponsor 970 trips to a rehabilitation centre and cultural events for disabled children under the Social Taxi project; and
- » acquire and hand over to disabled persons 100 laptops and modems to provide them with access to special resources to contact healthcare and social institutions online.

Computer technologies made it possible for the people with special needs to create a community in the social media, support each other, and share information. These people are offered distance developmental and psychological training sessions in cooperation with social and educational institutions. The specialists of the Sharypovsky District social service centre deliver sessions to parents of disabled children to teach them how to use online resources.

Sports projects

The Company supports and promotes sport as part of its charity and sponsorship work.

In 2019, Shaturskaya GRES rendered financial aid to the ski club for children and teenagers. Young skiers were able to get trained in a new modern and, most importantly, comfortable outfit. Moreover, the Company again rendered assistance to the Energiya football team to participate in football matches of the Cup of the Shatura District and in the international mini football tournament among power engineers in the Republic of Belarus.

In the reporting year, the programme of modernising the Bely municipal park in Sharypovo continued. A ground was coated with asphalt, ten vandal-proof simulators for physical training were acquired and installed. Now, all citizens may be engaged not only in the recreational run and ski walking in the park, but also in training all groups of muscles. Simulators are very popular among elderly people.

In 2019, RUB 250 thousand were allocated to finance a traditional

Shaturskaya GRES obtained a thanks video address from Olympic champions Nikita Kryukov and Evgeny Dementiev for the financial support of the ski club.

mini football tournament among school teams dedicated to Power Engineer’s Day. The tournament was attended by 14 teams: 10 boys’ teams and 4 girls’ teams, provided that 3 girls’ teams arrived from neighbouring towns of the Krasnoyarsk Territory.

Surgutskaya GRES-2 held its annual Surgut Ring athletics race. In 2019, it hit a new record: over 190 athletes participated in the race. The power plant also held two small ice hockey tournaments. The branch rendered help to the Federation of Synchronised Swimming of Surgut, municipal autonomous institution Ice Arena and the Khabibulin Academy of Volleyball.

Smolenskaya GRES supported trips of taekwondo practitioners of the Unipro Dukhovshchinsky District Club to European-level competitions. Thanks to the

targeted help, Danila Goncharov participated in the Cup of President of the European Union of Taekwondo among Kadets (Sindelfingen, Germany) and ran first, while at the World Cup in Tashkent (Uzbekistan) he ran third. At the European Cup for Taekwondo among Children (Sindelfingen, Germany), Victoria Semenkova ran first, and Maria Matina ran second.

The Company offered help in holding the second boxing tournament in the Ozerny village settlement for prizes of Smolenskaya GRES. Supporting ship modelling sports has already become a tradition. Activities are conducted in commemoration of Anatoly Lebedev, a former employee of the plant and the founder of the Odyssey ship modelling section. The section is annually sponsored to acquire models, equipment and spare parts.



When I went there, I did not know I would run first, but I was always thinking about winning. And my coach instructed me: “You will manage it, we need this win, the Smolensk Region needs your win.” What has happened is very important for me. I am the only Russian athlete to obtain a personal license for the next tournament. Of course, I am proud of myself: a boy from a district town, from the Unipro sports club, ran first.

Danila Goncharov,

an athlete from the taekwondo club in Dukhovshchina



The fact that the Russian National Festival “Golden Mask” took place in Sharypovo is a great honour and pride for our small town. Thanks to the festival, we found ourselves in the centre of the national theatrical life, saw remarkable performances, and our audience turned out to be quite prepared for the perception of the best examples of domestic theatrical art. In the name of all citizens, I express thanks to this wonderful gift to Sharypovo inhabitants in the Year of Theatre.

Natalia Petrovskaya,
Head of Sharypovo

Cultural projects

A large portion of the annual programme of Unipro’s social investments is devoted to cultural projects. The Company provides financing to the restoration and digitisation of old music scores from the musical library of the Russian State Musical TV and Radio Centre. Jointly with the Orpheus radio studio, the Company restores and arranges recording of pieces of forgotten Russian composers, remits cash funds to the foundation assisting the revival of the Moscow Synodal Choir, supports the Golden Mask theatrical festival and regularly helps the Sharypovo municipal theatre in the Krasnoyarsk Territory.

Berezovskaya GRES has been supporting the Sharypovo municipal theatre since its foundation in 1993. In 2019, RUB 212 thousand were spent for the repair of interpanel joints and winterising the theatre building.

Educatees of the Sharypovo children’s theatre school “Art-Entre” obtained RUB 300 thousand from the Company to travel to Moscow for the participation in the theatre art contest “Good Luck!” held among youth theatre schools. The performance of the “It was

in Venice” school under the play of Carlo Goldoni “The Servant of Two Masters” won the first-degree award, while educatee of the school Maxim Osintsev was awarded with the diploma as the “Best Male Actor”.

In commemoration of the 425th anniversary of Surgut, Surgutskaya GRES-2 participated in the project “Using the Paths of the Black Fox” to produce navigational signs for the Old Surgut historical and cultural centre.

Golden Mask in the regions of Unipro’s presence

In 2019, plays of the best Russian theatres were demonstrated in Sharypovo. The Golden Mask festival was held here for the first time, thanks to the financial aid of Unipro PJSC, while in the history of the festival this town was represented many times. Performances of the Sharypovo drama theatre “Gang of Outsiders” and “From the College” participated in the out-of-competition festival programme “Mask Plus” in 2018 and 2019. The stage production of “Once upon a Time” was a nominee of the Golden Mask award in 2017, while Holger Muenzenmeyer became a nominee as the “Best Supporting Actor”.

Sharypovo inhabitants saw performances nominated for the Golden Mask award: “Notes of a Young Doctor” of St. Petersburg’s theatre Masterskaya, “The Kreutzer Sonata” of Novosibirsk-based theatre Globus, family performance “A Fairy-Tale That was Never Written” of the Trikster theatre from Moscow. There were no free seats at all the three performances: the audience was sitting on attachable chairs, standing in the lobby and welcoming guests with deserved delight.

According to the festival’s rules, each theatre additionally arranged its own event. Director of Moscow-based Trikster Vyacheslav Ignatov held a master class for a junior group of the Art-Entre theatre school for the technique of shadow theatre. In two hours, under the direction of the well-known master, young actors wrote a play, painted and cut main protagonists and properties, rehearsed and demonstrated a real shadow theatre performance to their parents.

Major actor of the Masterskaya theatre from Saint Petersburg Maksim Blinov attended a meeting with actors from the Sharypovo theatre and shared



It is a remarkable deliverable of joint efforts of the regional ministry of culture, the Tretyakov Gallery, as well as the museums of Krasnoyarsk, Minusinsk and Shushenskoye. We were waiting for this event for over 20 years, and I am very thankful to Unipro for a happy chance to see Russian paint masterpieces in Krasnoyarsk.

Arkady Zinov,

Minister of Culture of the Krasnoyarsk krai

his experience in creating mono-performances.

Director of Novosibirsk-based Globus theatre Aleksey Kriklyiv and laureate of the Golden Mask award of 2015 as the best actor, actor of the above-mentioned theatre Lavrentiy Sorokin told journalists about the trends of modern theatre development at a dedicated meeting.

Exhibition "Surikov. The Capture of Snow Town"

In March 2019, Krasnoyarsk hosted the 29th Global Winter Universiade, during which a large-scale cultural event took place – opening of the exhibition "Surikov. The Capture of Snow Town". Especially for this exhibition, over 60 paintings and graphic masterpieces of this artist were delivered from six museums from all over Russia. Unipro PJSC served as the general sponsor of the exhibition. The Company financed the delivery of the original paintings of Surikov to Krasnoyarsk from the funds of the State Russian Museum and the State Tretyakov Gallery, assisted the Krasnoyarsk Museum of Arts in repairing premises, acquiring exhibition

and safeguarding equipment, as well as devices for a comfortable stay of disabled visitors in the museum.

The exhibition was opened in the Surikov Krasnoyarsk Museum of Art. Five halls of the museum hosted 60 paintings and graphic works of Vasily Surikov, unique transcripts and photos of the artist, extracts from newspapers of the early 20th century dwelling on his works, clothes and items belonging to the Surikov family, his friends and contemporaries. Museum halls also housed installations of modern Krasnoyarsk painters reflecting the main topic of the exhibition – the Krasnoyarsk Territory as the hotbed of global talent. Central to the exhibition was the masterpiece of the Russian and global art – painting "The Capture of Snow Town" delivered from the Russian Museum of Saint Petersburg.

The first visitors of the exhibition were minister of culture of the Krasnoyarsk Territory Arkady Zinov, CEO of Unipro PJSC Maxim Shirokov and head of Krasnoyarsk Sergey Eremin. During two months, the exhibition was attended by more than 25,000 visitors in Krasnoyarsk.

Vivacello 2019

In 2019, Unipro became the general partner of international cello festival Vivacello for the first time. Vivacello is the only large-scale annual project devoted to cello music in Russia.

Vivacello delivers world premieres to the audience every year. In 2019, the festival agenda included several Russian and international premieres, such as a double concerto for cello and accordion with the orchestra of French composer Samuel Struck "Maya's Dream". On 20 November, renowned English cellist Raphael Wallfisch performed in Russia for the first time with the Russian premiere of a concerto for cello with orchestra of Gerald Finzi – one of the most respected English composers of the 20th century. Another first performance of the festival is a triple concerto of Lithuanian composer Anatolijus Shenderovas. A special guest of Vivacello 2019 was the greatest Polish composer and band director Krzysztof Penderecki. On the day of festival opening, his Concerto Grosso No. 1 for 3 Cellos was performed on the scene of the Zaryadye concert hall.

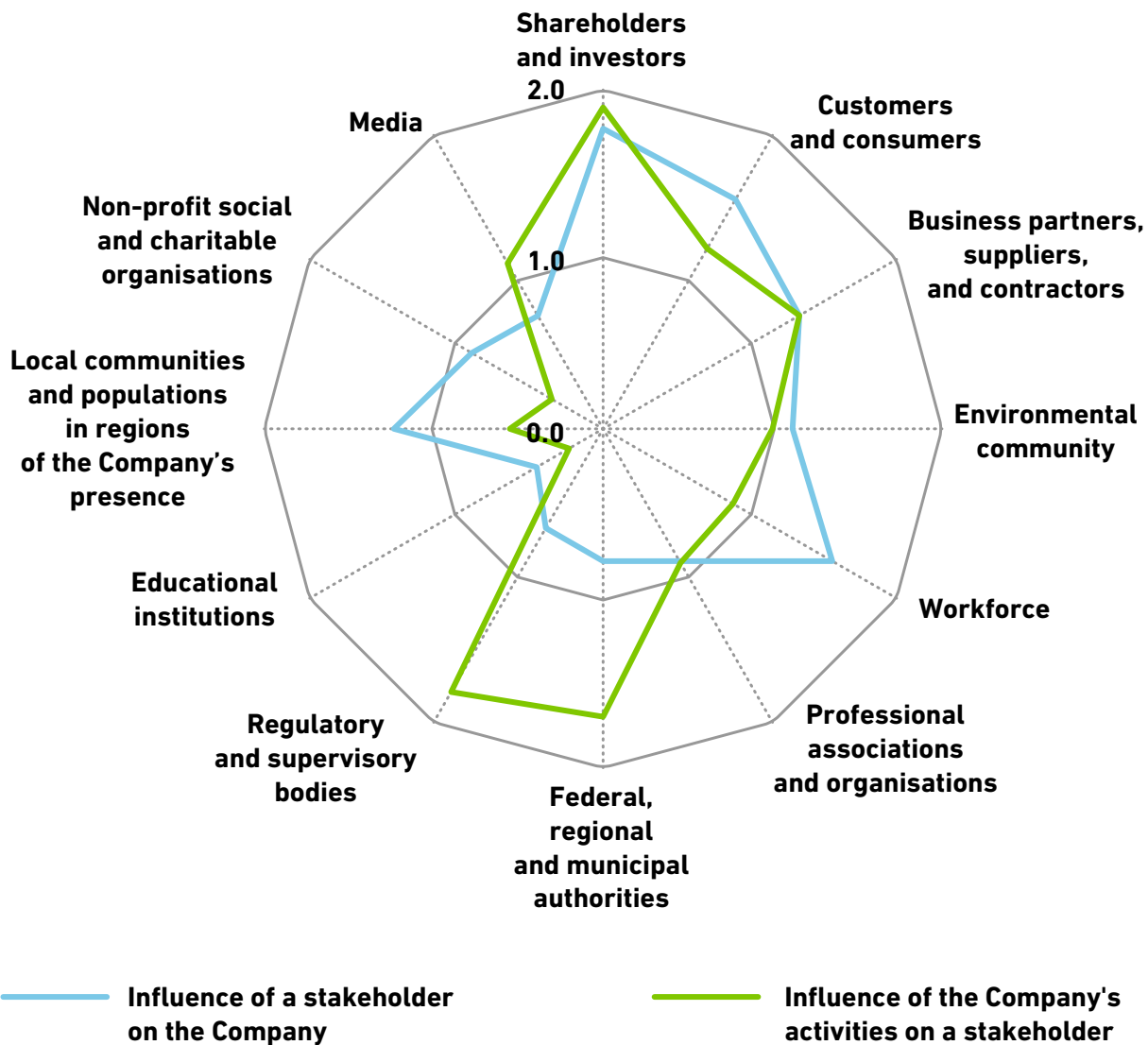
4.8. Stakeholders

Unipro is committed to maintaining a continuous dialogue with stakeholders.

A Company working group prepared a list of key stakeholders for the purposes of this Annual

Report. The list was made with due regard for both the Company's economic, social and environmental impacts on various stakeholders and the impact of various stakeholders on the Company's business.

Ranking of key stakeholders



The Company works to develop mechanisms of interaction with each group of stakeholders by respecting a balance of interests and ensuring full

and timely disclosure of information, expanding cooperation with the stakeholders and encouraging their involvement in Company activities.

Stakeholder	Form of interaction
Investors and shareholders	Meetings of shareholders and other corporate activities Publication of reports Official correspondence, conference calls IR presentations and IR activities
Customers and consumers	Contractual relations and cooperation agreements Disclosures on the Company's website Feedback opportunities
Business partners, suppliers, and contractors	Open and competitive procurement procedures Forums, exhibitions, conferences, dialogues Joint projects
Environmental community	Assessment of the Company's environmental footprint Environmental projects in regions of the Company's presence
Workforce	Safe working conditions and decent salaries Training and advanced training Social support Provision of information and communication via internal channels Meetings with trade union representatives
Professional associations and organisations	Publication of reports Forums, exhibitions, and conferences Joint programmes, participation in associations
Federal, regional and municipal authorities	Social and economic cooperation agreements with constituent entities of the Russian Federation Work in joint committees, expert groups, participation in public debates on sector development
Regulatory and supervisory bodies	Timely presentation of reports Development of proposals to improve legislation
Local communities and populations in regions of the Company's presence	Ensuring decent working conditions Social support for local communities
Educational institutions	Research cooperation
Non-profit social and charitable organisations	Social and charity projects Public reporting
Media	Dissemination of press releases Posting of information on the corporate website and in social media Press conferences, interviews, communication with the press, press tours

Information about the Report

5.1. Disclaimer

This annual report (hereinafter the "Annual Report") has been prepared based on the information available to Unipro PJSC at the date of its compilation, including information provided by third parties. The Company reasonably believes that this information is complete and reliable at the time of compiling of the Annual Report, but does not assert or guarantee that the information will not be further clarified, revised or otherwise amended.

This Annual Report may contain estimates and forecasts (forward-looking statements) by the Company's authorised management bodies regarding future events and/or actions, development prospects for the

Company's core business sector, and results of the Company's business, including plans and estimates of the probability of the occurrence of certain events and actions.

Forward-looking statements carry an inherent risk and uncertainty of both general and specific nature, and there is a risk that the estimates, assumptions, and forecasts, which they contain, may prove mistaken. Given such risks, the Company notes that actual results may differ materially from those indicated in forward-looking statements, which are valid only at the time of compilation of the Annual Report. The Company neither states nor guarantees that the results of its business

indicated in forward-looking statements will be achieved.

The Company shall not be responsible for any losses that may be incurred by individuals or legal entities arising from the reliance on forward-looking statements. In each case, such forward-looking statements represent only one of many possible developments and shall not be considered as the most probable ones.

Except as expressly provided for by applicable laws, the Company shall not undertake any obligations to publish updates and changes in forward-looking statements based on both new information and subsequent events.

Glossary

Balancing market	a vehicle for offsetting of deviations from estimated electricity supply volumes as determined by competitive selection of price bids, intended to balance the system, and/or as determined by actual production/consumption of electric power based on commercial accounting data.
UN Global Compact	a major global initiative to assert global corporate citizenship. The Global Compact provides business communities with a framework to adapt their activities and strategies to the 10 universally recognised principles in the spheres of human rights, employment relations, environmental protection and combatting corruption.
Stakeholders	individuals, entities, or communities that may affect the Company's activities or may be affected by the Company's activities, products or services.
Ash-disposal area	place for the collection and natural disposal of ash and slag generated by a heat power plant.
Corporate volunteering	voluntary involvement of employees in various social programmes supported by their companies.
Minority shareholder	a company shareholder (either an individual or a legal entity) whose participatory interest is not sufficient to enable such shareholder to be directly involved in governance of the Company (e.g., appointment of the Board of Directors). Such an interest is called a minority interest.
Wholesale electricity (capacity) market	a market for specific goods – electricity and electric generating capacity – as part of Russia's United Energy System within the unified economic space of the Russian Federation, involving major producers and major purchasers of electricity and capacity, as well as other agents with the status of wholesale market entities, acting in compliance with the Rules of the Wholesale Market, which have been approved by the Government of the Russian Federation in accordance with the Federal Law "On the Electric Power Industry". The criteria for designating producers and purchasers of electricity as major producers and major purchasers are established by the Government of the Russian Federation.
Net output	electricity and heat generated and paid for by consumers.
Regulated contracts	electricity and/or capacity purchase contracts between a supplier and a purchaser when prices are set in accordance with the electricity and/or capacity tariffs of the Federal Tariff Service (FTS).
Day-ahead market	competitive selection of supplier and purchaser price bids a day ahead of the actual electricity supply, involving the setting of supply prices and volumes at every hour of the next day.
System reliability market (system services market)	an organised market that ensures incentives for maintaining and developing power generating equipment (including equipment with specific optional features) as part of Russia's United Energy System.
Free bilateral contracts	electricity purchase contracts between a supplier and a purchaser when prices are set by agreement between the parties.
Process mining technology	technology that enables identification and analysis of actual business processes by retrieving data from event logs that are available in up-to-date information systems.

TOP-5+	<p>five work spheres with the highest risk of severe injury or fatality:</p> <ul style="list-style-type: none"> hoisting operations; work inside electrical installations; work in confined spaces; work at heights; work involving fire hazards.
Installed capacity	total nominal operational capacity of generator units at Company power plants.
Sustainable development/sustainability	<p>system of economic, environmental, and social activities implemented in cooperation with stakeholders and aimed at better management of risks, long-term improvement of the Company's image and business reputation, and increase of its capitalisation and competitiveness.</p>
Cold reserve	<p>operational capacity of standby generating equipment (serviceable generating equipment that is available for start-up at any time but is not operated simultaneously with main equipment).</p>
UN Sustainable Development Goals	<p>goals adopted by the UN General Assembly in the Sustainable Development Agenda 2010 and aimed at preserving the Earth's resources and ensuring human well-being. The goals include a number of indicators to be achieved within 15 years.</p>

Abbreviations

GE	General Electric Company
LOTO	Lockout/Tagout
NDA	Non-disclosure agreement
P2P	Procure-to-pay
PDCA	Plan-Do-Check-Act
PLA	Polylactic acid
SMART	A goal-setting system based on the following principles: S (Specific) M (Measurable) A (Achievable) R (Relevant) T (Time)
URC	Uniper Risk Consulting GmbH
AIISMS	Automated IT system for industrial safety management
DCS	Distributed control system
GDP	Gross Domestic Product
ACPP	Annual Comprehensive Procurement Programme
GOELRO	State Commission for the Electrification of Russia
GRS	Gas reducing station
GRES	State district power plant
CSA	Capacity supply agreement
UES	United Energy System
CUF	Installed capacity utilisation factor
KPI	Key performance indicators
CSR	Corporate social responsibility
CRMS	Corporate risk management system
ECP	Electric condensate pump

IMF	International Monetary Fund
SMEs	Small and medium enterprises
IFRS	International Financial Reporting Standards
Materials and Equipment	Materials and equipment
BAT	Best available technologies
FA	Forced unavailability
RLA	Regulatory legal act
RPFC	Rated primary frequency control
OPEC	Organization of Petroleum Exporting Countries
HPF	Hazardous industrial facility
IES	Integrated Energy System
CCGT	Combined cycle gas turbine plant
MPD	Maximum permissible discharge
HD	Hoisting device
SPU	Steam-power unit
IEC	Industrial environmental control
RRW	Repair and reconstruction works
FPD	Fish protection device
PRU	Pressure-reducing unit
RAS	Russian Accounting Standards
PPE	Personal protective equipment
OHSMS	Occupational health and safety management system
OHSD	Occupational Health and Safety Department
SAWE	Special assessment of work environment
ISMS	Industrial safety management system

EMS	Environmental management system
I	Inventories
PSEDA	Priority social and economic development area
Retooling and modernisation	Retooling and modernisation
FRS	Fuel receiving station
FAS	Federal Antimonopoly Service
HPC	High-pressure cylinder
CP	Centrifugal pump
IPC	Intermediate pressure cylinder
ETP	Electronic trading platform

Contact Information

Unipro Public Joint Stock Company (Unipro PJSC)

Location: 23 Energostroiteley Street, Building 34, Surgut, Khanty-Mansi Autonomous Area – Yugra, Tyumen Region, Russia

Postal address: 10 Presnenskaya Embankment, Building B, Floor 23, Moscow, 123112, Russia

Telephone: +7 (495) 545-38-38

Fax: +7 (495) 545-38-39

http://www.unipro.energy/en/

E-mail: info@unipro.energy

Details of the person in charge of shareholder relations

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Head of the Corporate Policy Department

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Fax: +7 (495) 545-38-39

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Press Office

Dmitry Ermilichev

Director for Public Affairs and Government Relations

Telephone: +7 (495) 545-38-49

Fax: +7 (495) 545-38-39

E-mail: pr@unipro.energy

Details of the Registrar*

Full business name: Independent Registrar Company R.O.S.T. JSC

Abbreviated name: IRC R.O.S.T. JSC

Register Maintenance License No. 10-000-1-00264 issued by the Russian Federal Commission for the Securities Market (Federal Service for Financial Markets) on 3 December 2002

Location: 18 Stromynka Street, Building 5B, Premise IX, Moscow, 107996

Postal address: 18 Stromynka Street, Building 5B, Premise IX, Moscow, 107996

Telephone: +7 (495) 780-73-63,

Fax: +7 (495) 780-73-67

http://www.rrost.ru/en/

E-mail: rost@rrost.ru

Auditor

Full business name: PricewaterhouseCoopers Audit Joint Stock Company

PricewaterhouseCoopers Audit Joint Stock Company is a member of the Self-Regulating Auditors Organisation, the Russian Union of Auditors, registered on 20 October 2016 under Registration Entry Number 11603050547

Location: 10 Butyrsky Val Street, Moscow, 125047, Russia

Postal address: 10 Butyrsky Val Street, Moscow, 125047, Russia

Telephone: +7 (495) 967-60-00

Fax: +7 (495) 967-60-01

http://www.pwc.com

*On 17 February 2020, Unipro PJSC changed its registrar to VTB Registrar JSC

Full business name: VTB Registrar Joint-Stock Company

Abbreviated name: VTB Registrar JSC

License for maintenance of the register of securities holders No. 045-13970-000001 dated 21 February 2008 issued by the Central Bank of Russia

Location: 23 Pravdy Street, Moscow 127015.

Postal address: P.O. Box 54, Moscow 127137

Telephones: +7 (495) 787-44-83 (multichannel)

https://www.vtbreg.ru/en/

E-mail: info@vtbreg.ru

ANNEXES

10

10 thousand residents

of Yaiva Settlement are supplied with heat thanks to Yaivinskaya GRES

No. 3

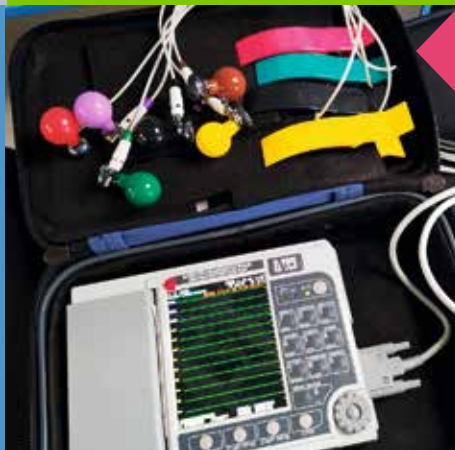
in Perm Region

by installed capacity



UNIPROSHKA FOR KIDS

In 2019, over 600 children got to know about the traffic rules and the rules of conduct in various stressful situations at the "Uniproshka for Kids" training activities in Yaiva and Aleksandrovsk settlements.



SUPPORT TO THE HOSPITAL

Yaivinskaya GRES allocated RUB 800 thousand to acquire cardiographs and a 24-hour heart monitoring device for the local hospital.



GOVERNOR'S VISIT

During his work trip to the Aleksandrovsk District, Maksim Reshetnikov, Governor of the Perm Territory, visited Yaivinskaya GRES Branch.



BEACON OF HOPE

Yaivinskaya GRES took part in the "Beacon of Hope" annual festival for children with disabilities as a permanent partner.



PERM REGION

Yaivinskaya GRES plays an important role in providing stable power supply to large regional enterprises as well as to cities, towns and settlements of the upper Kama River area.

Links to Additional Information



Resolutions of the Annual General Shareholders' Meeting



Regulation on the General Shareholders' Meeting of Unipro PJSC



Resolution of the Board of Directors of Unipro PJSC of 4 April 2019 (Minutes No. 272 of 5 April 2019)



Resolution of the Board of Directors of Unipro PJSC of 6 November 2019 (Minutes No. 281 of 8 November 2019)



Regulation on the Management Board of Unipro PJSC



Regulation on the Revision Commission of Unipro PJSC



Regulations on Dividend Policy of Unipro PJSC



RAS and IFRS financial statements



Regulation on the Board of Directors of Unipro PJSC is available at the Company's website



Resolutions of the Extraordinary General Shareholders' Meeting



Resolutions of the Board of Directors



Articles of Association and the Regulation on the Audit Committee of the Board of Directors of Unipro PJSC



Information Policy



See Unipro PJSC Annual Report 2017 at the Company's website

1. Independent Auditor's Report



Independent Auditor's Report

To the shareholders and Board of Directors of Unipro Public Joint Stock Company:

Our opinion

In our opinion, the attached financial statements accurately reflect in all material aspects the financial situation of Unipro Public Joint Stock Company (hereinafter referred to as the "Company") as of 31 December 2019, along with its profit and loss and cash flows for the year ended as of the said date in accordance with the accounting rules applicable in the Russian Federation.

Subject of the audit:

We audited the Company's financial statements including:

- balance sheet as of 31 December 2019;
- P&L statement for the year ended as of the said date;
- statement of changes in equity for the year ended as of the said date;
- cash flow statement for the year ended as of the said date;
- notes to the balance sheet and P&L statement, including the main provisions of the accounting policy.

Basis for the opinion

We conducted the audit in accordance with the International Standards on Auditing ("ISA").

Our responsibility under the above standards is further described in the section *Auditor's Responsibility for the Audit of the Financial Statements* hereof.

We believe that we acquired sufficient and appropriate audit evidence to express our opinion.

Independence

We are independent from the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) and ethical requirements of the Code of Professional Ethics for Auditors and Rules for Auditors' and Audit Organisations' Independence applicable to this audit of financial statements in the Russian Federation. And we discharged all the other ethical obligations in accordance with these requirements and IESBA Code.

PricewaterhouseCoopers Audit Joint Stock Company (PwC Audit JSC)
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Our Audit Methodology

Short Overview

Materiality

- Materiality at the level of the Company's financial statements in general makes 1,159 million Russian rubles (mln RUB), which is 5% of the profit before tax

Key Issues of the Audit

- Valuation of the provision for doubtful debts
-

When planning the audit, we determined materiality and assessed the risks of material misstatement of the financial statements. In particular, we analysed in which areas the management had made subjective judgement, e.g. in relation to significant estimated values, which included application of assumptions and consideration of future events with which uncertainty was connected due to their nature. As in all our audits, we also considered the risk of internal control system circumvention by the management, including but not limited to assessing the presence of signs of the management's biased approach creating the risk of material misstatement due to fraud.

The audit scope was determined so that we could perform works sufficient to express our opinion on the financial statements in general with due regard to the Company structure, accounting processes and controls used by the Company, and the specifics of the Company's industry sector.

Materiality

The scope of our audit was determined under the influence of materiality. The audit is intended to deliver reasonable assurance that the financial statements do not contain any material misstatements.

Misstatements may be caused either by fraud or error. They are deemed material if it is reasonable to assume that, taken individually or collectively, they may affect the users' economic decisions that are based on the financial statements.

Using our professional judgment, we set certain quantitative threshold values for materiality, including materiality at the level of the Company's financial statements in general as depicted in the table below. We used these values and qualitative factors to determine the scope of our audit, as well as the nature, dates and scope of the audit procedures, and assessed the impact of misstatements (taken individually and collectively), if any, on the financial statements in general.



Materiality at the level of the Company's financial statements in general	RUB 1.159 mln
The way it was determined	5% of the profit before tax
Justification of the base indicator to determine the materiality level	We chose to use profit before tax as the base indicator to determine the materiality level as we believe that it is this base indicator that the users most commonly consider when evaluating the Company's performance and it represents a generally accepted base indicator. We set materiality at the level of 5%, which falls within the range of acceptable quantitative thresholds of materiality applicable to the profit-making companies of the sector.

Key issues of the audit

The key issues of the audit are the issues that according to our professional judgment were most significant for our audit of financial statements for the current period. These issues were considered in the context of our audit of the financial statements in general and when developing our opinion on these financial statements, and we shall not express our opinion regarding these issues separately.

Key issue of the audit	Which audit procedures were performed to address the key issue of the audit
<p>Valuation of the provision for doubtful debts</p> <p>See Clause 2.6 "Accounts Receivable and Payable" and Clause 3.9 "Accounts Receivable" of the Notes to the balance sheet and P&L statement</p> <p>As of 31 December 2019, the amount of Company's short-term accounts receivable, including advances paid, was RUB 6,978,190 thousand (RUB 13,804,522 thousand net of the provision for doubtful debts amounting to RUB 6,826,332 thousand).</p> <p>Therefore, in the structure of the Company's accounts receivable the debt assessed by the Company as doubtful takes up a significant portion (as of 31 December</p>	<p>Our audit procedures in respect of the management's assessment of the provision for doubtful debts included the following:</p> <ul style="list-style-type: none"> verifying the analysis of probabilities of repaying the debt performed by Company's management with regard to the evaluation of creditworthiness of counterparties, the availability of information about the option of paying in instalments, subsequent payment after the reporting date, availability of collateral for



Key issue of the audit

2019, the provision covered 49% of the short-term accounts receivable). The Company's management creates the provision for doubtful debts based on the evaluation of worsening of creditworthiness of certain purchasers, their individual special aspects, dynamics of payments, subsequent payment after the reporting date, as well as the analysis of projected future cash inflows based on the circumstances in place on the reporting date. The degree of accuracy of management's estimates will be confirmed or refuted by future developments that are basically uncertain.

We have given special care to assessing the provision for doubtful debts since the assessment process is complicated, implies the use of material judgments by management, and the amount of such provision is considerable.

Which audit procedures were performed to address the key issue of the audit

payment, its quality and other factors considered by management;

- analysis of the accounts receivable turnover whose deliverables were used, among others, to confirm the analysis of probabilities of debt repayment performed by Company's management;
- sample testing of the overdue but uncovered accounts receivable to assess the conclusions drawn by management in respect of the lack of need to accrue the provision for doubtful debts subject to the prospects and deadlines of repaying such indebtedness;
- sample testing of documents underlying the assessment by management of probabilities of debt repayment, such as payment orders confirming debt repayment in 2020; and
- obtaining and analysing written statements of management regarding the assessment of the provision for doubtful debts performed.

In addition, we have assessed the adequacy of information in Note 3.9 to the balance sheet and P&L statement.

The current estimates of Company's management in respect of the provision for doubtful debts in preparing the financial statements for the year ended on 31 December 2019 may be subject to changes caused by future developments that are basically uncertain.

Having performed the above procedures, we have not identified any facts evidencing the need to introduce material adjustments to the provision for doubtful debts in the attached financial statements.



Other information

The management is responsible for the other information. Such other information contains Unipro Public Joint Stock Company Annual Report for 2019, Issuer's Quarterly Report for 1Q 2020 (but does not include the financial statements and our auditor's report thereon), which are expected to be presented to us after the date hereof.

Our opinion on the financial statements shall not cover the other information, and we shall not provide an opinion expressing any kind of certainty with respect to this information.

In connection with our audit of the financial statements, our duty is to get acquainted with the information mentioned above as soon as we receive it and to analyse whether there are material discrepancies between the other information and the financial statements or our knowledge acquired in the course of the audit and whether the other information contains other probable material misstatements.

If upon reviewing Unipro Public Joint Stock Company Annual Report for 2019 or the Issuer's Quarterly Report for 1Q 2020, we conclude that they contain a material misstatement, we must report this to the persons in charge of corporate management.

Responsibility of the Management and of the Persons in Charge of Corporate Management for Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting rules applicable in the Russian Federation, and for such internal controls as the management deems necessary to ensure preparation of financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the financial statements, the management shall assess the Company's ability to continue as a going concern, disclose the going-concern information in appropriate instances, and prepare financial statements based on the going-concern assumption unless the management either intends to liquidate the Company or go out of business, or has no realistic alternative but to do so.

Persons in charge of corporate governance are responsible for overseeing the preparation of the accounting statements of the Company.



Auditor's responsibility for the audit of financial statements

Our objective is to obtain a reasonable assurance of the fact that the financial statements do not contain material misstatements, whether due to fraud or error, as well as to release an auditor's report containing our opinion. A reasonable assurance is a high level of assurance, which, however, does not guarantee that the audit conducted in accordance with the ISA will always reveal instances of material misstatements, if any. Misstatements may be due either to fraud or error and are deemed material if it is reasonable to assume that, taken individually or collectively, they may affect the users' economic decisions that are based on the financial statements.

When conducting an audit in accordance with the ISA, we apply professional judgment and maintain professional scepticism throughout the entire duration of the audit. Furthermore, we:

- Identify and assess the risks of material misstatement of financial statements either due to fraud or error; Develop and carry out audit procedures to respond to these risks; Acquire audit evidence that is sufficient and appropriate to express our opinion. The risk of failure to reveal material misstatement due to fraud is higher than the risk of failure to reveal material misstatement due to error, as fraud may include conspiracy, falsification, wilful omission, misrepresentation, or actions to circumvent the internal control system;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not
- to express an opinion on the performance of the Company's internal control system;
- Evaluate the appropriateness of the applicable accounting policy, validity of the estimates made by the management, and relevant information disclosure;
- Conclude on the legitimacy of the management's going-concern assumption and use the acquired audit evidence to draw a conclusion on whether there is considerable uncertainty caused by certain events and circumstances that may put the Company's ability to continue as a going concern in question. If we conclude that there is considerable uncertainty, we shall ensure that our auditor's report draws attention to due disclosure in the financial statements or — in case of failure to duly disclose the information — modify our opinion. Our opinions are based on the audit evidence received prior to the date of the auditor's report. Meanwhile, future events and circumstances may make the Company unable to continue as a going concern;
- Assess the overall presentation of the financial statements, their structure and content, including disclosure, and whether the financial statements reflect the transactions and events in their basis so as to ensure their accurate presentation.
- We engage in information exchange with the persons in charge of corporate management notifying them, without limitation, of the expected scope and dates of the audit, as well as of any material problems identified during the audit, including any major flaws in the internal control system revealed during the audit.



We equally provide the persons in charge of corporate management with a statement certifying our compliance with all the ethical requirements regarding independence and notified these persons of any other relations and issues that may validly be deemed to affect the auditor's independence, and in appropriate instances — of the relevant precautions.

We select the issues of highest significance for the audit of financial the statements for the current period, and therefore, constitute the key issues of the audit from among the issues that we reported to the persons in charge of corporate management. We describe these issues in our auditor's report, except when public disclosure of information on such issues is prohibited by a relevant law or regulation or when in exceptional instances we come to the opinion that information concerning a certain issue shall not be disclosed in our report since it may reasonably be expected that the negative consequences of such disclosure will surpass the public benefit thereof.

Manager of the engagement that was used to issue this Independent Auditor's Report — Albina Faritovna Kamalova

18 March 2020

Moscow, Russian Federation

[signature]

[seal: AUDIT JOINT STOCK COMPANY * OGRN 1027700148431 * PricewaterhouseCoopers]

A. F. Kamalova, Engagement Manager (Qualification Certificate No. 01-001621), PricewaterhouseCoopers Audit Joint Stock Company

Audited entity:

Unipro Public Joint Stock Company

Entry made in the Unified State Register of Legal Entities
on 4 March 2005, state registration number 1058602056985
assigned

Taxpayer Identification Number: 8602067092

Building 34, 23 Energostroyteley Street, 628406 Surgut, Khanty-
Mansi Autonomous Area — Yugra, Tyumen Region, Russian
Federation

Independent auditor:

PricewaterhouseCoopers Audit Joint Stock Company

Registered by State Institution Moscow Registration Chamber
on 28 February 1992 under No. 008.890

Entry made in the Unified State Register of Legal Entities
on 22 August 2002, state registration number 1027700148431
assigned

Taxpayer Identification Number: 7705051102

Member of Self-Regulatory Organization of Auditors
Sodruzhestvo Association

Primary registration number of the entry in the register of
auditors and audit companies: 12006020338

Profit and Loss Statement for 2019

Company: **Unipro PJSC**
 Taxpayer Identification Number
 Type of economic activity:
 Electric power generation by thermal power plants, including power plant performance assurance
 Legal form / form of incorporation:
 Public Joint Stock Company / Joint private and foreign ownership
 Unit of measurement: RUB'000

	Codes
Form as per OKUD	0710002
Date (day, month, year)	31 December 2019
as per OKPO	76828204
INN	8602067092
as per OKVED-2	35.11.1
as per OKOPF / OKFS	12247/34
as per OKEI	384

Notes	Indicator	Line code	For 2019	For 2018
1	2	3	4	5
N 3.14	Revenue	2110	84,761,696	81,315,061
N 3.15	Cost of sales	2120	(60,149,462)	(60,149,281)
	Gross profit (loss)	2100	24,612,234	21,165,780
	Profit (loss) from sales	2200	24,612,234	21,165,780
	Interest receivable	2320	456,461	604,649
	Interest payable	2330	(6,167)	(4)
N 3.16	Other income	2340	255,357	2,767,047
N 3.16	Other expenses	2350	(2,136,586)	(1,521,842)
	Profit (loss) before taxes	2300	23,181,299	23,015,630
N 3.17	Current income tax	2410	(5,002,785)	(4,203,861)
N 3.17	including: Permanent tax liabilities (assets)	2421	(92,819)	(253,580)
N 3.17	Changes in deferred tax liabilities	2430	478,600	(187,345)
N 3.17	Changes in deferred tax assets	2450	(19,257)	41,661
N 3.17	Other	2460	(25,452)	206,781
	Net profit (loss)	2400	18,612,405	18,872,866

Notes	Indicator	Line code	For 2019	For 2018
1	2	3	4	5
	FOR REFERENCE			
	Profit/loss from other transactions not included in net profit (loss) for the period	2520	(2,680)	-
	Combined fiscal effect of the period	2500	18,609,725	18,872,866
N 3.19	Base profit (loss) per share, RUB	2900	0.30	0.30

CEO _____ M. Shirokov
 Signature Printed name

Chief Accountant _____ A. Koblova
 Signature Printed name

18 March 2020

Statement of Changes in Equity for 2019

Company: Unipro PJSC
 Taxpayer Identification Number
 Type of economic activity: Electric power generation by thermal power plants, including power plant performance assurance
 Legal form / form of incorporation: Public Joint Stock Company / Joint private and foreign ownership
 Unit of measurement: RUB'000

	Codes
Form as per OKUD	0710003
Date (day, month, year)	31 December 2019
as per OKPO	76828204
INN	8602067092
as per OKVED	35.11.1
as per OKOPF / OKFS	12247/34
as per OKEI	384

1. Capital Flow								
Notes	Indicator	Line code	Authorised capital	Treasury shares	Add-on capital	Reserve capital	Retained earnings (uncovered loss)	Total
1	2	3	4	5	6	7	8	9
	Capital value as of 31 December 2017	3100	25,219,482	-	41,421,206	1,260,974	51,985,391	119,887,053
	For 2018							
	Capital increase – total	3210	-	-	-	-	18,971,804	18,971,804
	including:							
	Net profit	3211	X	X	X	X	18,872,866	18,872,866
	Revaluation of assets	3212	X	X	-	X	-	-
	Revenues related directly to capital increase	3213	X	X	-	X	98,938	98,938
	Additional issue of shares	3214	-	X	-	X	-	-
	Increase of share denomination	3215	-	X	-	X	-	-
	Legal entity reorganisation	3216	-	-	-	-	-	-
	Placement of treasury shares	3217	X	-	X	X	-	-
	Capital reduction – total	3220	-	-	-	-	(14,000,000)	(14,000,000)
	including:							
	Loss	3221	X	X	X	X	-	-
	Revaluation of assets	3222	X	X	-	X	-	-
	Expenses related directly to capital reduction	3223	X	X	-	X	-	-
	Reduction of share denomination	3224	-	X	-	X	-	-
	Reduction of the number of shares	3225	-	X	-	X	-	-
	Legal entity reorganisation	3226	-	-	-	-	-	-
	Dividends	3227	X	X	X	X	(14,000,000)	(14,000,000)
	Repurchase of treasury shares	3228	X	-	X	X	-	-
	Changes in add-on capital	3230	X	X	(666)	X	666	-
	Changes in reserve capital	3240	X	X	X	-	-	X
	Capital value as of 31 December 2018	3200	25,219,482	-	41,420,540	1,260,974	56,957,861	124,858,857
	For 2019							
	Capital increase – total	3310	-	-	-	-	18,711,391	18,711,391
	including:							
	Net profit	3311	X	X	X	X	18,612,405	18,612,405
	Revaluation of assets	3312	X	X	-	X	-	-
	Revenues related directly to capital increase	3313	X	X	-	X	98,986	98,986
	Additional issue of shares	3314	-	X	-	X	-	-
	Increase of share denomination	3315	-	X	-	X	-	-
	Legal entity reorganisation	3316	-	-	-	-	-	-
	Placement of treasury shares	3317	X	-	X	X	-	-
	Capital reduction – total	3320	-	-	-	-	(14,000,000)	(14,000,000)
	including:							
	Loss	3321	X	X	X	X	-	-
	Revaluation of assets	3322	X	X	-	X	-	-
	Expenses related directly to capital reduction	3323	X	X	-	X	-	-
	Reduction of share denomination	3324	-	X	-	X	-	-
	Reduction of the number of shares	3325	-	X	-	X	-	-
	Legal entity reorganisation	3326	-	-	-	-	-	-
N 3.19	Dividends	3327	X	X	X	X	(14,000,000)	(14,000,000)
	Repurchase of treasury shares	3328	X	-	X	X	-	-
	Changes in add-on capital	3330	X	X	(2,680)	X	2,680	-
	Changes in reserve capital	3340	X	X	X	-	-	X
	Capital value as of 31 December 2018	3300	25,219,482	-	41,417,860	1,260,974	61,671,932	129,570,248

3. Net assets

Note	Indicator	Line code	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
1	2	3	4	5	6
	Net assets	3600	129,570,248	124,858,857	119,887,053

CEO

Signature

M. Shirokov
Printed name

Chief Accountant

Signature

A. Koblova
Printed name

18 March 2020

Cash Flow Statement for 2019

Company: Unipro PJSC
 Taxpayer Identification Number
 Type of economic activity: Electric power generation by thermal power plants, including power plant performance assurance
 Legal form / form of incorporation: Public Joint Stock Company / Joint private and foreign ownership
 Unit of measurement: RUB'000

Codes	
Form as per OKUD	0710004
Date (day, month, year)	31 December 2019
as per OKPO	76828204
INN	8602067092
as per OKVED	35.11.1
as per OKOPF / OKFS	12247/34
as per OKEI	384

Notes	Indicator	Line code	For 2019	For 2018
1	2	3	4	5
	Operating cash flows			
	Total receipts	4110	84,618,630	80,810,605
	including:			
	From sale of products, goods, works and services	4111	84,258,644	80,170,476
N 3.11	Other receipts	4119	359,986	640,129
	Total payments	4120	(62,239,332)	(55,336,430)
	including:			
	To suppliers (contractors) for raw materials, materials, works, services	4121	(46,232,600)	(44,964,019)
	In connection with salary payment to employees	4122	(5,575,500)	(5,727,235)
	Interest on debt liabilities	4123	-	-
	Corporate income tax	4124	(5,002,961)	(492,263)
N 3.11	Other payments	4129	(5,428,272)	(4,152,913)
	Balance of operating cash flows	4100	22,379,297	25,474,175
	Investment cash flows			
	Total receipts	4210	5,534,037	9,671,549
	including:			
	From recovery of issued loans, from sale of debt securities (monetary claims against third parties)	4213	5,119,226	9,101,978
	Dividends, interest on debt financial investments and similar receipts from participatory interests in other companies	4214	414,811	569,571
	Total payments	4220	(17,992,368)	(19,538,451)
	including:			
	In connection with acquisition, creation, upgrading, reconstruction and preparation for use of non-current assets	4221	(12,965,368)	(13,537,120)
	In connection with acquisition of other companies' shares (participatory interests)	4222	(27,000)	-
	In connection with acquisition of debt securities (monetary claims against third parties), issue of loans to third parties	4223	(5,000,000)	(6,001,331)
	Balance of investment cash flows	4200	(12,458,331)	(9,866,902)
	Financial cash flows			
	Total receipts	4310	2,500,000	17,575
	including:			
	Receipt of credits and loans	4311	2,500,000	17,575
	Total payments	4320	(14,060,941)	(13,872,901)
	including:			
	To pay dividends and make other payments as distribution of the profit to the owners (participants)	4322	(14,060,941)	(13,855,321)
	Due to discharge (buy-back) of bills and other debt securities, return of credits and loans	4323	-	(17,580)
	Balance of financial cash flows	4300	(11,560,941)	(13,855,326)
	Balance of cash flows for the reporting period	4400	(1,639,974)	1,751,947
	Balance of cash and cash equivalents as of the beginning of the reporting period	4450	4,668,234	2,912,747
	Balance of cash and cash equivalents as of the end of the reporting period	4500	3,024,763	4,668,234
	Effect of changes in the foreign exchange rate to the ruble	4490	(3,497)	3,540

CEO _____ M. Shirokov
 Signature Printed name

Chief Accountant _____ A. Koblova
 Signature Printed name

18 March 2020

3. Participation of Unipro in Profit-Making and Non-Profit Organisations

Participation of Unipro PJSC in profit-making organisations¹

Company name	E.ON Connecting Energies LLC
Location	10 Presnenskaya Embankment, Moscow, 123112, Russia
Core business	Provision of distributed energy solutions, namely: development, engineering, installation, operation, maintenance and optimisation of distributed energy assets
Participatory interest	50%
Date of state registration/acquisition of the interest	16 November 2012
Company name	Unipro Engineering LLC
Location	10 Presnenskaya Embankment, Moscow, 123112, Russia
Core business	Engineering services (project and technological engineering); pre-project and project works and engineering surveys; investment activities and implementation of investment projects
Participatory interest	100 %
Date of state registration/acquisition of the interest	6 October 2015
Company name	Siberia AIP LLC
Location	Kholmogorskoe Settlement, Sharypovo District, Krasnoyarsk Territory, 662327, Russia
Core business	Managing creation, development and operation of an industrial park, crop farming, animal breeding, provision of services in the said areas
Participatory interest	100%
Date of state registration/acquisition of the interest	5 May 2016

¹ Information is provided for entities in which Unipro has a 5% participatory interest or more.

Participation of Unipro PJSC in non-profit organisations

Name of the non-profit organisation	Grounds for participation	Purpose of participation
Market Council	Resolution of the Board of Directors dated 29 January 2007	Membership in the council is required in order to secure the status of participant and trader in the Russian wholesale market for electricity
Council of Power Producers	Resolution of the Board of Directors dated 27 January 2011	Assisting the members of the partnership with the effort to develop the power industry in the Russian Federation, improve the investment climate and introduce new technologies
Russian Union of Industrialists and Entrepreneurs	Resolution of the Board of Directors dated 27 September 2012	Consolidation of efforts by Russian industrialists and entrepreneurs to improve the business environment, improve the standing of Russian business at national and global levels and favour a fair balance of interests between society, government and business
Russian-German Chamber of Commerce	Resolution of the Board of Directors dated 9 April 2013	Maintenance of business contacts and efficient collaboration with German companies operating in Russia. Participation in holding special events for developing Russian-German relations
Association of European Businesses	Resolution of the Board of Directors dated 18 December 2014	Commitment to strengthening economic relations between the EU and Russia, and aspiration to improve conditions for business in the Russian Federation
Association of Corporate Counsels	Resolution of the Board of Directors dated 4 April 2016	Stating the Company's position on matters of law and law enforcement, and representing the Company's interests in public authorities
Self-Regulatory Organization Union of Yugra Constructors	Resolution of the Management Board dated 6 June 2017	The necessary prerequisite to perform the work on construction, reconstruction, overhaul of permanent facilities, including auxiliary facilities
Self-Regulatory Organization Union of Yugra Designers	Resolution of the Management Board dated 29 July 2019	The necessary prerequisite for the developer to perform a technical customer's functions listed in Clause 22, Article 1 of the Urban Development Code of the Russian Federation

4. Unipro PJSC Report on Related-Party Transactions in 2019

Approved by the Resolution of the Board of Directors of Unipro PJSC dated 6 May 2020, Minutes No. 288 dated 7 May 2020

The Report has been approved by Unipro PJSC Audit Committee on 26 February 2020, Minutes No. 53 dated 2 March 2020

1. Agreement to terminate Services Agreement No. IA-16-0351 dated 27 April 2016 for organisation and management of recovery operations following the accident at Power Unit No. 3 of Berezovskaya GRES branch, Unipro PJSC, between Unipro PJSC and Unipro Engineering LLC.

Parties to the Additional Agreement:

Unipro PJSC as the Customer; and

Unipro Engineering LLC as the Project Manager.

Subject of the Additional Agreement:

Termination of Services Agreement No. IA-16-0351 dated 27 April 2016 for organisation and management of recovery operations at Power Unit No. 3 of Berezovskaya GRES branch, Unipro PJSC, following the accident (hereinafter referred to as the "Services Agreement") between the Customer and the Project Manager by agreement of the Parties.

Terms of the Transaction:

The Services Agreement shall be terminated subject to full payment for the services rendered prior to the termination date to the Project Manager.

After the full scope of the services rendered prior to the termination date is delivered and paid for in full, the Parties shall not have or lodge any complaints and claims against each other seeking to impose any penalties with regard to any arrears in services and/or payments, including, without limitation, any

claims for interest on third-party funds, forfeits, claims for expense and/or loss recovery (including any expense associated with downtime and lost time), in connection with the performance of the Services Agreement by the Parties.

Termination date:

The Services Agreement shall be deemed duly terminated on 28 February 2019.

Related parties to the Transaction and grounds for their recognition as such are as follows:

1. Uniper SE is a related party that controls the legal entity acting as a party to the transaction.
2. M. Shirokov is a related party, as he holds a position in the management bodies of a legal entity that is a party to the transaction.

The Transaction has been approved by the Board of Directors of the Company, Minutes No. 269 dated 1 March 2019.

2. Loan Agreement No. IA-19-0635 dated 5 April 2019 between Unipro PJSC and Uniper SE.

Parties to the Additional Agreement:

Unipro PJSC as the Lender; and

Uniper SE as the Borrower.

Subject of the Additional Agreement:

The Lender shall provide the Borrower with cash in the amount and on the terms stipulated by the Agreement, while the Borrower shall repay the principal and pay the interest accrued thereon in the manner provided for by the Agreement.

Loan amount:

The loan amount is Five billion roubles (RUB 5,000,000,000.00).

Loan interest rate:

The interest rate shall be fixed as of the date of signing the Agreement and calculated in accordance with the following formula:

$$i = (c1 + (c2 - c1) * (p - t1) / (t2 - t1)) * 0.9,$$

where:

i – interest rate;

p – required period of application of the interest rate in days that differs from the Standard Period;

t1 – minimum standard MOSPRIME period (in days) closest to “p”;

t2 – maximum standard MOSPRIME period (in days) closest to “p”;

c1 – MOSPRIME rate fixed for period “t1”;

c2 – MOSPRIME rate fixed for period “t2”.

The minimum interest rate under this Agreement may not be lower than 75.1% of the key rate of the Central Bank of the Russian Federation, fixed as of the borrowing date.

Loan term:

The loan shall be granted for the period until 26 June 2019 (inclusively).

The Borrower may repay the loan, in whole or in part, before the maturity date after sending a notice to the Lender to that effect at least Three (3) business days in advance. The Lender may require the repayment of the loan, in whole or in part, before the maturity date by notifying the Borrower to that effect at least Three (3) business days in advance.

The Borrower shall repay the loan and the interest thereon on the last day of the loan term set forth in the Agreement by transferring funds to the Lender’s account specified in the Agreement or other account specified by the Lender.

Related parties to the Transaction and grounds for their recognition as such are as follows:

1. Uniper SE is a related party that controls the legal entity acting as a party to the transaction and is a party to the transaction.
2. Klaus Schäfer is a related party, as he holds a position in the management bodies of a legal entity that is a party to the transaction.
3. Eckhardt Rümmler is a related party, as he holds a position in the management bodies of a legal entity that is a party to the transaction.

The Transaction has been approved by the Board of Directors of the Company, Minutes No. 272 dated 5 April 2019.

The Borrower repaid the loan principal and interest charged thereon on the loan maturity date.

3. Additional Agreement No. 3 dated 16 December 2019 to Paid Services Contract No. IA-16-0597 dated 30 June 2016 between Unipro PJSC and Uniper Technologies GmbH.

Parties to the Transaction:

Unipro PJSC as the Customer; and

Uniper Technologies GmbH as the Contractor.

Subject of the Transaction:

Amendment of Contract No. IA-16-0597 dated 30 June 2016.

Cost of services under the Contract:

The amount of the Contractor’s service fee during the performance of this Contract is limited to Seven million four hundred thousand euro (EUR 7,400,000), excl. VAT.

If the specified maximum amount of the Contractor’s remuneration is not sufficient in order to continue to provide services, it may be changed subject to agreement of the Parties.

The location of the services under the Contract shall be the Russian Federation.

If pursuant to the legislation of the Russian Federation, the Customer acts as the Contractor's tax agent, then the Customer shall pay the amount of VAT at the rate of twenty percent (20%) to the budget of the Russian Federation in the manner established by the Russian legislation. At the same time, the amounts of this VAT must be calculated in addition to the amount of the Remuneration calculated in clause 4.1 of the Contract as per the Contractor's Rates for the services and paid by the Customer to the budget of the Russian Federation as per the procedure established by the Russian legislation.

Rates for the Contractor's services:

Furthermore, it is agreed between the Parties that the table of rates for reimbursable expenses for class R1++, R1+ and R1 according to Appendix No. 2 to the Contract for the services rendered by the Contractor in 2019–2020 shall be amended as follows:

Classes R1++, R1+, R1	Reimbursable expenses
Other expenses	No more than RUB 7,000 per day

The payment for ThinkProject remote access services in accordance with clause 2 of Appendix No. 1 to Additional Agreement No. 1 dated 16 February 2017 to the Contract for services rendered by the Contractor in 2020 shall be revised as follows:

The Contractor shall provide users of the Customer with access to the ThinkProject document management system, subject to the following basic terms of access to the ThinkProject system:

Number of users of the Customer	100 users
Disk space provided on the ThinkProject server	60 GB

The monthly service fee for providing access to the ThinkProject system is calculated using the following formula:

Monthly fee = U x C1 x 1,1, where:

U – actual number of users connected at the request of the Customer;

C1 – access fee per 1 user amounting to EUR 64 per month.

Term of the Contract:

The Contract shall remain valid, and the Parties shall retain their obligations under the Contract until:

a) the date of Contract termination at the request of either of the Parties;

b) the expiration date of the Contract, i.e. 30 June 2020, but not prior to the date when the Customer repays its debt to the Contractor.

Related parties to the Transaction and grounds for their recognition as such are as follows:

1. Uniper SE is a related party that controls the legal entity acting as a party to the transaction.

The Transaction has been approved by the Board of Directors of the Company, Minutes No. 282 dated 5 December 2019.

4. Loan Agreement dated 18 December 2019 between Unipro PJSC and Uniper SE.

Parties to the Transaction:

Unipro PJSC as the Borrower;

Uniper SE as the Lender.

Subject of the Transaction:

The Lender shall provide the Borrower with cash in the amount and on the terms stipulated by the Agreement, while the Borrower shall repay the principal and pay the interest accrued thereon in the manner provided for by the Agreement.

Loan amount:

The loan amount shall be Two billion five hundred million roubles (2,500,000,000.00).

Intended use:

The Borrower shall use the entire amount borrowed under this Facility strictly to perform its

obligations to pay (1) dividends to its shareholders, including the amounts payable to IRC R.O.S.T. Holding JSC; (2) taxes; and (3) salaries to the Borrower's employees; and (4) to open short-term bank deposits.

Loan interest rate:

The interest rate on each Loan for each Interest Period shall be calculated on the date of signing the Utilisation Request using the following formula:

$$i = (c1 + (c2 - c1) * (p - t1) / (t2 - t1)) + 0.9$$

where:

i – interest rate per annum;

p – relevant interest rate period in days in accordance with the Utilisation Request;

t1 – minimum standard MOSPRIME period (in days) closest to "p";

t2 – maximum standard MOSPRIME period (in days) closest to "p";

c1 – MOSPRIME, rate fixed for period "t1";

c2 – MOSPRIME, rate fixed for period "t2".

In any case, the maximum rate under each Loan for each Interest Period payable under the Agreement (i max) shall not exceed 124.99% of the key rate established by the Central Bank of the Russian Federation on the Utilisation Request date.

Loan period:

From the Agreement date through 24 December 2019 inclusive.

Agreement expiration date:

31 March 2020.

Related parties to the Transaction and grounds for their recognition as such are as follows:

1. Uniper SE is a related party that controls the legal entity acting as a party to the transaction and is a party to the transaction.
2. Andreas Schierenbeck is a related party, as he holds a position in the management bodies of a legal entity that is a party to the transaction.
3. Eckhardt Rümmler is a related party, as he holds a position in the management bodies of a legal entity that is a party to the transaction.

The Transaction has been approved by the Board of Directors of the Company, Minutes No. 282 dated 5 December 2019.

The Borrower repaid the loan principal and interest charged thereon on the loan maturity date.

**Chief Executive Officer
Unipro PJSC**

M. Shirokov

5. Report on Compliance with the Principles and Recommendations of the Code of Corporate Governance

This Report on Compliance with the Principles and Recommendations of the Code of Corporate Governance was reviewed by the Board of Directors of Unipro PJSC at its meeting on 6 May 2020 (Minutes No. 288 dated 7 May 2020) as part of the preliminary approval of the Company's 2019 Annual Report.

The Board of Directors hereby certifies that this Report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Code of Corporate Governance for 2019.

The Board of Directors of Unipro PJSC states that as of the end of the reporting year, the Company has failed to respect the corporate governance principles set out in the Code of Corporate Governance in full. For more details, refer to the table below.

Unipro PJSC intends to continue its efforts to improve the corporate governance system in 2020 to meet the recommendations of the Code as much as possible.

Summary of the Most Material Aspects of the Corporate Governance Model and Practice

Shareholder Structure

The total number of persons registered in the shareholder register of Unipro PJSC as of 31 December 2019 was 301,532, of which:

- » individuals – 300,256;
- » total number of the issuer's nominee shareholders – 11;
- » federal authorities – 0; and
- » authorities of constituent entities of the Russian Federation – 4.

Information on the issuer's shareholders holding participatory interests of at least 5% of its authorised capital or at least 5% of its ordinary shares:

- » full company name – Uniper SE;

- » location – Holzstrasse 6, 40221 Dusseldorf, Germany;
- » share in the issuer's authorised capital – 83.73%; and
- » stake in the issuer's total ordinary shares – 83.73%.

Structure of the Management Bodies

According to the issuer's Articles of Association (Clause 9.1, Article 9), its management bodies are as follows:

- » General Shareholders' Meeting;¹
- » Board of Directors;²
- » Management Board;³
- » Chief Executive Officer.⁴

The General Shareholders' Meeting is the supreme management body of the Company.

The Board of Directors is responsible for the general management of the Company, except for affairs falling within the competence of the General Shareholders' Meeting according to the Federal Law "On Joint Stock Companies" and the Articles of Association.

If a matter falls within the competence of the Board of Directors, the Management Board and the Chief Executive Officer shall not be authorised to take any action without prior approval of the Board of Directors. In certain cases, the Board of Directors is entitled to resolve on the subsequent approval of a

¹ The scope of competence of the General Shareholders' Meeting is outlined in Clause 10.2, Article 10 of the Company's Articles of Association.

² The scope of competence of the Board of Directors is outlined in Clause 12.1, Article 12 of the Company's Articles of Association.

³ The scope of competence of the Management Board is outlined in Clause 18.2, Article 18 of the Company's Articles of Association.

⁴ The scope of competence of the Chief Executive Officer is outlined in Clauses 19.2–19.3, Article 19 of the Company's Articles of Association.

transaction or any other matter that falls within the competence of the Board of Directors.

The matters falling within the competence of the Board of Directors cannot be delegated to either the Chief Executive Officer or the Management Board. The Company's Board of Directors includes three independent directors.¹

Pursuant to the resolution of the Board of Directors, the Company has created the Committees of the Board of Directors.² The Committees of the Board of Directors are set up to elaborate the matters that fall within the competence of the Board of Directors or are investigated by the Board of Directors in order to monitor the performance of the Company's executive bodies and/or develop recommendations for the Board of Directors and executive bodies of the Company.

The Company's day-to-day activities are managed by the Chief Executive Officer as the Company's sole executive body and by the Management Board as a collective executive body.

The Chief Executive Officer and the Management Board report to the General Shareholders' Meeting and the Board of Directors.

If a matter falls within the competence of the Management Board, the Chief Executive Officer shall not be authorised to take any action without prior approval of the Management Board. In certain cases, the Management Board is entitled to resolve on subsequent approval of a transaction or any other matter that falls within the competence of the Management Board.

The Chief Executive Officer is responsible for managing the Company's day-to-day activities in accordance with the resolutions of the General Shareholders' Meeting, the Board of Directors and the Management Board adopted within the scope of their respective competence.

Approval of Special Transactions

1. Major Transactions

The procedure for obtaining approval to make a major transaction or subsequent approval of a major

¹ For more details about independent directors of the Board of Directors, see Section 3.2 of the Annual Report.

² For more details about the scope of competence and composition of the Committees of the Board of Directors, see Section 3.2 of the Annual Report.

transaction is provided for by Article 79, Chapter X of the Federal Law "On Joint Stock Companies".

2. Related-Party Transactions

The procedure for making a related-party transaction is provided for by Article 83, Chapter XI of the Federal Law "On Joint Stock Companies".

3. Stock Issue Transactions

Resolutions of the General Shareholders' Meeting shall be passed by a three-quarter majority vote of the holders of the Company's voting shares that take part in the General Shareholders' Meeting on the following matters:

- » private placement of shares (the Company's convertible issue-grade securities) pursuant to a resolution of the General Shareholders' Meeting on increasing the Company's authorised capital by offering additional shares (on placing the Company's convertible issue-grade securities);
- » public offering of ordinary shares which make more than 25 (Twenty-five) percent of the previously placed ordinary shares;
- » public offering of securities convertible into ordinary shares which make more than 25 (Twenty-five) percent of the previously placed ordinary shares.

Resolutions of the Board of Directors on the following matters shall be passed unanimously by all elected members of the Board of Directors, not including the votes of withdrawn members of the Board of Directors:

- » resolutions on the increase of the Company's authorised capital by offering additional shares (Sub-Clause 6, Clause 12.1, Article 12 of the Articles of Association);
- » resolutions on the placement of convertible bonds or other convertible issue-grade securities by the Company (Sub-Clause 7, Clause 12.1, Article 12 of the Articles of Association).

Resolutions on the following matters shall be passed by a majority vote of the members of the Board of Directors taking part in a physical meeting or in an absentee vote:

- » placement of the Company's bonds and other issue-grade securities, except as otherwise established by the Federal Law "On Joint Stock Companies" and the Articles of Association;

- » approval of documents pertaining to the issuance of shares and other securities, share buyback and redemption, when approval of such documents by the Board of Directors is provided for by the Federal Law "On Joint Stock Companies" or other regulations of the Russian Federation;
- » determination of the price (valuation) of property, the offer price and the repurchase price of the issued securities in the cases stipulated by the Federal Law "On Joint Stock Companies";
- » approval of an independent appraiser (independent appraisers) to assess the value of the Company's shares, property and other assets in the cases provided for by the Federal Law "On Joint Stock Companies" and the Articles of Association.

Structure of the Supervisory Bodies

According to the Articles of Association and other internal regulations, the following bodies are responsible for supervising the Company's financial and business operations.

Auditor

Pursuant to Clause 20.1, Article 20 of the Company's Articles of Association, the General Shareholders' Meeting shall appoint the Auditor on an annual basis to audit and certify the Company's annual financial statements.

The Auditor shall audit the Company's financial and business performance in compliance with the requirements of the law of the Russian Federation and by virtue of the contract made therewith.

Internal Audit

Pursuant to Clause 20.5, Article 20 of the Articles of Association, the Company shall set up an internal audit function for internal control over the Company's financial and business operations.

The Internal Audit Department is a dedicated function of the Company in charge of control over financial and business operations that operates by virtue of the Regulation on the Internal Audit Department approved by the Company's Board of Directors.

The Internal Audit Department is established, reorganised and liquidated by resolution of the Company's Board of Directors.

In order to ensure independence and impartiality of internal audit, the internal audit function and its head shall report to the Company's Board of Directors.

Audit Committee of the Board of Directors

The Audit Committee of the Board of Directors was established on 30 November 2006 by resolution of the Board of Directors of the Company under the Articles of Association and operates on the basis of the Regulation on the Audit Committee of the Board of Directors.

The Audit Committee is a collective advisory body established to assist in the effective performance of the functions of the Board of Directors as they regard control over the financial and business operations of the Company.

Revision Commission

Pursuant to Clause 20.1, Article 20 of the Company's Articles of Association (as it read prior to 14 June 2019), the General Shareholders' Meeting shall elect members of the Revision Commission to supervise financial and business operations of the Company.

In its activities, the Revision Commission shall be governed by the Federal Law "On Joint Stock Companies" and other applicable laws of the Russian Federation, the Articles of Association and the Regulation on the Revision Commission.

Pursuant to Sub-clause 10, Clause 10.2, Article 10 of the Articles of Association, election of Revision Commission members and early termination of their powers fall within the competence of the General Shareholders' Meeting. The Annual General Shareholders' Meeting of 14 June 2019 passed the resolution on the introduction of amendments to the Company's Articles of Association that effectively cancel the requirement concerning mandatory establishment of the Revision Commission. Therefore, the results of the vote on the election of the Revision Commission were not summed up.

Description of the Methodology Used by the Joint Stock Company to Assess the Compliance with the Corporate Governance Principles Enshrined in the Code of Corporate Governance

The methodology used by Unipro PJSC to assess the compliance with the corporate governance principles enshrined in the Code of Corporate Governance (as approved by the Board of Directors of the Bank of Russia on 21 March 2014) is based on the Guidelines for Reporting Compliance with the Principles and Recommendations of the Code of Corporate Governance (Letter of the Central Bank of Russia No. IN-06-52/8 dated 17 February 2016).

The assessment findings are provided in the table below.

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
1.1	The Company ensures equal and fair treatment of all shareholders as they exercise their right to contribute to corporate governance.			
1.1.1	The Company creates the most favorable environment for shareholders to take part in General Shareholders' Meetings, develop a reasoned position on agenda items, coordinate their steps and express their opinion on items under consideration.	<p>1. The internal document of the Company that has been approved by the General Shareholders' Meeting and governs the meeting procedure is publicly available.</p> <p>2. The Company offers available means of communication, including a hotline, email and online forum that can be used by shareholders to express their opinion and ask questions regarding the agenda when preparing for the General Shareholders' Meeting. These actions were taken before every General Shareholders' Meeting held in the reporting period.</p>	observed	
1.1.2	The procedure involving notification of an upcoming General Shareholders' Meeting and distribution of relevant materials enables the shareholders to duly prepare for the meeting.	<p>1. The notice of an upcoming General Shareholders' Meeting is posted (published) on the corporate website at least 30 days prior to the date of the meeting.</p> <p>2. The meeting notice specifies the venue of the meeting and documents required to access the venue.</p> <p>3. The shareholders were provided with access to the information on who proposed the agenda items and nominated candidates to the Company's Board of Directors and Revision Commission.</p>	partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Partly observed.</p> <p>In the reporting year, the shareholders were provided with access to the information on who nominated candidates to the Company's Board of Directors and Revision Commission. As the Company prepares for the General Shareholders' Meetings in 2020, all shareholders of the Company will be fully informed on those proposing the agenda items and nominating candidates to the Company's Board of Directors.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
1.1.3	At the stages of both preparation for and holding of a meeting, the shareholders have been able to get relevant meeting information and materials in a free and timely manner, address their questions to members of the executive bodies and the Board of Directors, and communicate.	<p>1. In the reporting period, the shareholders were given an opportunity to address their questions to members of the executive bodies and the Board of Directors beforehand and during the Annual General Shareholders' Meeting.</p> <p>2. The position of the Board of Directors (including dissenting opinions recorded in the minutes) on each of agenda items covered during the reporting period has been reflected in the materials of the General Shareholders' Meeting.</p> <p>3. The Company provided authorised shareholders with access to the list of persons eligible to attend the General Shareholders' Meeting. Such access was given from the date when the list became available to the Company in all cases when the General Shareholders' Meeting was held in the reporting period.</p>	observed	
1.1.4	The exercise of the shareholders' right to call for a General Shareholders' Meeting, nominate candidates to the management bodies and propose agenda items has not been made unreasonably complex.	<p>1. In the reporting period, the shareholders were free to propose any agenda items for the Annual General Shareholders' Meeting within a minimum period of 60 days after the end of the relevant calendar year.</p> <p>2. In the reporting period, the Company did not refuse to accept proposals on agenda items or nominees to the Company's management bodies due to typing errors and other minor deficiencies in the shareholders' proposals.</p>	observed	
1.1.5	Every shareholder has been able to freely exercise his/her voting rights in a simple and convenient way.	1. The internal document (internal policy) of the Company includes provisions stating that each person taking part in the General Shareholders' Meeting may request a copy of the ballot completed thereby and certified by the Counting Commission before the end of the relevant meeting.	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
1.1.6	The procedure of holding General Shareholders' Meetings established by the Company ensures equal rights for all participants to express their opinions and ask questions.	<p>1. The physical meetings of shareholders held in the reporting period provided enough time for reporting on the agenda items and a certain amount of time for deliberations.</p> <p>2. The nominees to the Company's management and supervisory bodies were available to answer the shareholders' questions during the meeting where their candidacies were put to vote.</p> <p>3. When resolving on the matters regarding preparation for and holding of the General Shareholders' Meetings, the Board of Directors considered the idea of using telecommunication facilities to enable remote participation of shareholders in the General Shareholders' Meetings in the reporting period.</p>	partly observed	<p>1. Observed.</p> <p>2. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>Not all nominees to the Company's management and supervisory bodies were available to answer the shareholders' questions at the Extraordinary General Shareholders' Meeting in 2019 where their candidacies were put to vote.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The Company sends invitations to attend the General Shareholders' Meeting to all candidates when considering items concerning the election of members of the Company's Board of Directors and Revision Commission. If possible, all candidates (with rare exceptions) are present at the General Shareholders' Meeting where their candidacies have been put to a vote and are available to answer the shareholders' questions. At the same time, the Company cannot guarantee the presence of all candidates at the General Shareholders' Meeting and allows for justified reasons for the absence of individual candidates due to urgent business, as well as due to the fact that many of them live far from the venue of the General Shareholders' Meeting of the Company.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The following officers attended the Annual General Shareholders' Meeting: Deputy CEO for Finance and Economics, Deputy CEO for Production, Director for Corporate Governance, Legal and Asset Management, Head of the Internal Audit Department, Acting Chief Accountant. Shareholders may ask questions of concern to these officers as well.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020, the Company will take effort to ensure that the maximum possible number of nominees to the Company management and supervisory bodies attend General Shareholders' Meetings and are available to answer the shareholders' questions during meetings where their candidacies are put to vote.</p> <p>3. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>When resolving on matters regarding the preparation for and holding of General Shareholders' Meetings in 2019, the Board of Directors of the Company did not consider the idea of using telecommunication facilities to enable remote participation of Company shareholders in the General Shareholders' Meetings, as the Company had no grounds to believe that this service would be particularly popular with the shareholders.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
				<p>As of the date of the resolution by the Board of Directors on matters regarding the preparation for and holding of the General Shareholders' Meeting in 2019, the number of registered shareholders exceeded 300,000. A high proportion of them were pensioners who did not have access to electronic means of communication. According to the Company's Registrar, the share of shareholders who specified their email addresses in the registered person's form was negligible. Therefore, the Company's Board of Directors did not consider the idea of using telecommunication facilities to enable remote participation of shareholders in the General Shareholders' Meeting.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>In 2019, the Annual General Shareholders' Meeting approved the updated version of the Company's Articles of Association. This draft will provide shareholders with an opportunity to use e-ballots to vote at Annual General Shareholders' Meetings in order to ensure an equitable and fair treatment of all shareholders as they exercise their right to take part in Annual General Shareholders' Meetings of the Company.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020, the Company will take all reasonable efforts to ensure that the Board of Directors considers the idea of using telecommunication facilities to enable remote participation of shareholders in the General Shareholders' Meetings when resolving on the matters regarding preparation for and holding of the General Shareholders' Meetings.</p>
1.2	All shareholders are provided with equal and fair profit-sharing opportunities through dividends.			
1.2.1	The Company has developed and introduced a transparent and clear mechanism for the calculation of the amount and payment of dividends.	<p>1. The Company has a Dividend Policy approved by the Board of Directors and disclosed to the public.</p> <p>2. If the Company's Dividend Policy draws upon financial statements in the calculation of dividends, the corresponding provisions of the Dividend Policy consider consolidated financial data.</p>	partly observed	<p>1. Observed.</p> <p>2. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>Pursuant to the Law "On Joint Stock Companies", the Company's Dividend Policy is based on the data of the accounting (financial) statements prepared in accordance with the requirements of the Russian Federation law.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The Company prepares consolidated financial statements strictly subject to the International Financial Reporting Standards.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company's current Dividend Policy provides for fixed amounts of dividend payments from 2019 through 2022.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>If economic expediency and the interests of Company shareholders require that the consolidated data of financial statements should be used, this will be enshrined in the Company's Dividend Policy.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
1.2.2	The Company abstains from paying dividends if such payment, while formally compliant with the statutory restrictions, is uneconomic and may create a misperception of the Company's activities.	1. The Company's Dividend Policy clearly defines financial/economic circumstances when the Company should not pay dividends.	partly observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's Dividend Policy does not expressly refer to financial/economic circumstances when the Company should not pay dividends.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Considering the stability of the Russian electric power market and the resulting sustainability and certainty of mid-term cash flows, the Company believes that as of the approval date of this Regulation the dividend amounts for the coming four years may be calculated with adequate accuracy. Possible deviations from the Dividend Policy are in fact force majeure in nature, and the Company undertakes to disclose them in detail in the Dividend Policy if they occur.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Dividend Policy defines the risks that may lead to a refusal to pay dividends.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>When reviewing the Dividend Policy, which is implemented once every two years, the Company takes all reasonable efforts to incorporate provisions clearly referring to financial/economic circumstances when the Company should not pay dividends in the Dividend Policy.</p>
1.2.3	The Company does its best to prevent deterioration of existing shareholders' dividend rights.	1. In the reporting period, the Company did not take any steps that would lead to a deterioration of existing shareholders' dividend rights.	observed	
1.2.4	The Company strives to prevent its shareholders from using any means of profit (income) generation through the Company other than dividends and disposal value.	1. To prevent shareholders from using any means of profit (income) generation through the Company other than dividends and disposal value, the Company's internal documents establish controls that ensure timely identification and approval of transactions involving parties affiliated with (related to) substantial shareholders (persons enjoying the right to use the votes according to their voting shares) in the cases when the law does not officially recognise such transactions as related-party transactions.	not observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's internal documents establish the procedure for approving related-party transactions solely for those grounds of relation that are stipulated by the Law "On Joint Stock Companies".</p> <p>Explanations of specific reasons for failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The other transaction control mechanisms currently meet all of the Company's needs.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company has additional transaction control mechanisms. According to the established procedure, all contracts and agreements that the Company intends to make are subject to preliminary approval, including verification of counterparties involved in transactions.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
				<p>In the cases when the Company is aware of parties affiliated with (related to) a substantial shareholder of the Company, such transactions are subject to approval as related-party transactions under the Law "On Joint Stock Companies".</p>
				<p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p>
				<p>In 2020–2021, the Company is going to consider the need to, if found necessary, develop and implement controls to prevent the shareholders from using any means of profit (income) generation through the Company other than dividends and disposal value.</p>
<p>1.3 The corporate governance system and practice ensure equal conditions for all shareholders within the same category (type) of shares, including minority shareholders and foreign shareholders, and equitable treatment thereof by the Company.</p>				
1.3.1	<p>The Company has created conditions for an equitable treatment of each shareholder by the management and supervisory bodies, including conditions that disallow any abuse on the part of major shareholders with respect to minority shareholders.</p>	<p>1. During the reporting period, the procedures for managing potential conflicts of interest between substantial shareholders were effective, and, if there were any conflicts between the shareholders at all, the Board of Directors paid due attention to them.</p>	observed	
1.3.2	<p>The Company does not take any steps that cause or may cause artificial redistribution of corporate control.</p>	<p>1. In the reporting period, quasi-treasury shares did not exist or participate in voting.</p>	observed	
<p>1.4 The share rights of shareholders are accurately and effectively accounted for, and the shareholders are free to dispose of their shares without any encumbrance.</p>				
1.4	<p>The share rights of shareholders are accurately and effectively accounted for, and the shareholders are free to dispose of their shares without any encumbrance.</p>	<p>1. The quality and reliability of maintaining the register of security holders by the Company's Registrar meet the requirements of the Company and its shareholders.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.1	The Board of Directors is responsible for strategic corporate management, defines core principles and approaches towards the organisation of a risk management and internal control system, controls the activities of the Company's executive bodies and performs other key functions.			
2.1.1	The Board of Directors resolves on the appointment and discharge of the executive bodies, including dismissals resulting from failure to perform their duties properly. Besides, the Board of Directors ensures that the Company's executive bodies act in compliance with the approved development strategy and are focused on key areas of the Company's business.	1. The Board of Directors has the authority provided for by the Articles of Association to appoint and discharge members of the Company's executive bodies, as well as determine terms and conditions of agreements in respect of such members. 2. The Board of Directors reviewed the strategy implementation report (reports) of the Company's sole executive body and members of the collective executive body.	observed	
2.1.2	The Board of Directors determines main strategic guidelines of the Company's activities with a long-term outlook, assesses and approves the Company's key performance indicators and business objectives, reviews and approves the strategy and business plans on the Company's key activities.	1. In the reporting period, the Board of Directors addressed issues related to the implementation and updating of the strategy, approval of the business plan (budget) of the Company, as well as review of the criteria and indicators (including interim ones) applicable to the implementation of the Company's strategy and business plans.	observed	
2.1.3	The Board of Directors establishes principles of and approaches to the organisation of the Company's risk management and internal control system.	1. The Board of Directors established principles of and approaches to the organisation of the Company's risk management and internal control system. 2. The Board of Directors assessed the performance of the Company's risk management and internal control system in the reporting period.	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.1.4	The Board of Directors defines the Company's policy on remunerating and/or reimbursing members of the Board of Directors, executive bodies and other key executive officers of the Company.	<p>1. The Company implemented a policy on remunerating and/or reimbursing members of the Board of Directors, executive bodies and other key executive officers of the Company, which was approved by the Board of Directors.</p> <p>2. At the meetings held in the reporting period, the Board of Directors addressed issues related to the above-mentioned policy (policies).</p>	partly observed	<p>1. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The principles of remunerating the members of the Board of Directors are set out in detail in the Regulation on the Board of Directors of the Company approved by the General Shareholders' Meeting of the Company. The members of the Company's Management Board do not receive special rewards for their work as members of the Management Board. Employees of the Company who are members of the Company's Management Board have concluded employment contracts in accordance with their positions in the Company. These contracts determine the amount of their remuneration for their duties as full-time employees of the Company. Individual employment contracts were concluded between the Company and the key executives and specify the employee remuneration and reimbursement (compensation) procedure.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The development and periodic review of the Remuneration Policy for the Board of Directors, as well as control over its implementation, falls within the competence of the Appointment and Remuneration Committee of the Company's Board of Directors, which pays due attention to the consideration of this issue.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The terms and conditions of the employment contracts made with the members of the Company's Management Board in accordance with their positions in the Company are reviewed by the Appointment and Remuneration Committee of the Company's Board of Directors. The remuneration level of the members of the Company's Board of Directors, Management Board, Chief Executive Officer and key executives is sufficient to recruit and retain staff, as well as to motivate managers who have the necessary professional qualities to manage the Company effectively.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020–2021, the Company is going to consider the need to develop and implement a separate Remuneration Policy for members of the Company's Board of Directors and key executives to define approaches to remuneration and reimbursement (compensation) of these persons clearly.</p> <p>2. Observed.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.1.5	The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts between the Company's bodies, shareholders and employees.	1. The Board of Directors plays the key role in preventing, identifying and resolving internal conflicts. 2. The Company created a system to identify transactions involving conflicts of interest and a system of measures to resolve such conflicts.	observed	
2.1.6	The Board of Directors plays the key role in ensuring the transparency of the Company, timeliness and completeness of information disclosed by the Company, and unhindered access to the Company's documents for the shareholders.	1. The Board of Directors approved a regulation on the information policy. 2. The Company dedicated personnel responsible for the implementation of the information policy.	observed	
2.1.7	The Board of Directors exercises control over the corporate governance practices in the Company and plays the key role in the Company's major corporate events.	1. In the reporting period, the Board of Directors addressed the issue of the corporate governance practices in the Company.	observed	
2.2 The Board of Directors reports to the Company's shareholders.				
2.2.1	Information on performance of the Board of Directors is disclosed and provided to shareholders.	1. The Company's Annual Report for the reporting period contains data on the attendance of meetings of the Board of Directors and committees by individual directors. 2. The Annual Report contains information on key findings of the performance assessment of the Board of Directors carried out in the reporting period.	observed	
2.2.2	The Chairman of the Board of Directors is available for communication with the Company's shareholders.	1. The Company applies a transparent procedure that allows its shareholders to address questions and their opinions on such questions to the Chairman of the Board of Directors.	partly observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>At present, the Company has no transparent procedure that allows the shareholders to address questions and their opinions on such questions to the Chairman of the Board of Directors directly; however, pursuant to Clause 90 of the Code of Corporate Governance, the shareholders may ask questions on the competence of the Board of Directors and communicate their opinion (position) on these issues to the Chairman of the Board of Directors through the Company's Corporate Policy Department by sending letters or e-mails, or by phone.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The Chairman of the Company's Board of Directors is a foreign citizen who does not speak Russian and lives outside Russia.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
				<p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company has a dedicated function responsible for shareholder relations – the Corporate Policy Department – that accepts shareholders' questions by email: IR@unipro.energy. The email address (IR@unipro.energy) is specified on the Company's website (http://www.unipro.energy/en/), hereinafter referred to as the Company's website) in the "Investors" section.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>The Company is considering options for arranging direct communication with the Chairman of the Board of Directors via the Company's website in 2020–2021.</p>
2.3				
				<p>The Board of Directors is an effective and professional management body of the Company, which is capable of making unbiased independent judgments and passing resolutions that meet the interests of the Company and its shareholders.</p>
2.3.1	Only those with flawless business and personal reputation, as well as the knowledge, skills and experience required to resolve on matters within the competence of the Board of Directors and perform the Board functions effectively are elected to the Board of Directors.	<p>1. The Company's internal procedure used to assess performance of the Board of Directors includes competence assessment of the members of the Board of Directors.</p> <p>2. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) assessed the candidates to the Board of Directors with respect to their experience, knowledge, business reputation, conflict of interest, etc.</p>	observed	
2.3.2	Members of the Board of Directors are elected according to a transparent procedure that allows shareholders to obtain enough information about the nominees to get an idea of their personal and professional qualities.	<p>1. In all cases of holding the General Shareholders' Meetings in the reporting period where the agenda included items on the election of members of the Board of Directors, the Company provided it shareholders with the biographies of all candidates to the Board of Directors, the findings of the assessment of such candidates carried out by the Board of Directors (or the Nomination Committee of the Board of Directors), as well as the data on the candidate's compliance with the independence criteria as per Recommendations 102 to 107 of the Code, and the candidates' letters of consent to be elected to the Board of Directors.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.3.3	The composition of the Board of Directors is well-balanced in terms of qualifications, experience, knowledge and business qualities of the members and other factors, and the members enjoy the confidence of shareholders.	1. As part of the performance assessment of the Board of Directors carried out in the reporting period, the Board of Directors reviewed its own requirement for qualifications, experience and business skills.	observed	
2.3.4	The size of the Board of Directors makes it possible to organise the work of the Board of Directors in a most efficient way, which includes the possibility to set up committees of the Board of Directors, and ensures that substantial minority shareholders of the Company have the opportunity to elect their nominee to the Board of Directors.	1. As part of the performance assessment of the Board of Directors carried out in the reporting period, the Board of Directors addressed the issue regarding compliance of the number of Board members to the requirements of the Company and the interests of the shareholders.	observed	
2.4 The Board of Directors includes a sufficient number of independent directors.				
2.4.1	A person is recognised as an independent director when such person possesses enough professionalism, experience and independence to form his or her own opinion, is able to make unbiased and scrupulous judgments that do not depend on the influence of the Company's executive bodies, certain groups of shareholders or other stakeholders. It should further be taken into account that under normal conditions, a candidate (an elected member of the Board of Directors) cannot be recognised as independent if he or she is affiliated with the Company, its substantial shareholder, major counterparty or competitor, or is related to the government.	1. In the reporting period, all independent members of the Board of Directors met all the independence criteria specified in Recommendations 102 to 107 of the Code, or were recognised as independent by the decision of the Board of Directors.	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.4.2	The Company assesses the compliance of nominees to the Board of Directors with the independence criteria and performs regular review of independent directors' compliance with the independence criteria. In this assessment, the substance shall prevail over the form.	<p>1. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) formed an opinion about independence of each candidate to the Board of Directors and brought a relevant report to the attention of the shareholders.</p> <p>2. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) reviewed the independence of existing members of the Board of Directors qualified in the Annual Report as independent at least once.</p> <p>3. The Company developed procedures that determine steps to be taken by a member of the Board of Directors if he or she ceases to be independent, including the obligation to notify the Board of Directors thereof in a timely manner.</p>	observed	
2.4.3	Independent directors make at least one third of elected members of the Board of Directors.	1. Independent directors make at least one third of the members of the Board of Directors.	observed	
2.4.4	Independent directors play the key role in the prevention of internal conflicts in the Company and implementation of major corporate actions by the Company.	1. Independent directors (that are free of conflict of interest) carry out a preliminary assessment of significant corporate actions potentially exposed to a conflict of interest, and findings of such assessment are reported to the Board of Directors.	observed	
2.5	The Chairman of the Board of Directors contributes to the most efficient performance of the functions assigned to the Board of Directors.			
2.5.1	An independent director is elected to the position of the Chairman of the Board of Directors, or a senior director is elected of all independent directors to coordinate the work of independent directors and maintain interaction with the Chairman of the Board of Directors.	<p>1. The Chairman of the Board of Directors is an independent director, or a senior director is elected of all independent directors.</p> <p>2. The role, rights and responsibilities of the Chairman of the Board of Directors (and, where applicable, of the senior independent director) are duly defined in the Company's internal documents.</p>	partly observed	<p>1. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Chairman of the Board of Directors is not an independent director.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The Chairman of the Board of Directors was elected unanimously by all members of the Board of Directors as the most authoritative member of the Board of Directors who had made a significant contribution to the Company's development and who possessed the necessary professional competence, executive experience in the industry, and an impeccable business and personal reputation.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
				<p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>In 2019, one of the independent directors was elected the Deputy Chairman of the Board of Directors. Independent directors are heavily involved in the work of the Company's Board of Directors and may communicate directly with the Chairman of the Board of Directors. In addition, the committees of the Board of Directors, consisting exclusively of independent directors, are headed by independent directors.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>The Company proceeds from the premise that all the members of the Board of Directors have equal rights, and also takes into account that the independent directors have not elected a senior independent director.</p> <p>Given a balanced composition of the Board of Directors, preliminary elaboration quality of the matters laid before the Board of Directors (including the matters at the level of committees composed of independent directors), and heavy involvement of independent directors, introduction of an additional office of senior independent director will not entail any improvements in the Company's corporate governance system.</p> <p>The competence and strong performance of the Board of Directors are attested to by the Company's financials.</p> <p>The Company expects that in future, as the number of independent directors in the Board of Directors increases, an independent director may be elected as Chairman of the Board of Directors of the Company.</p> <p>2. Observed.</p>
2.5.2	The Chairman of the Board of Directors creates a workable environment at meetings, ensures free discussion of agenda items and follows up on resolutions passed by the Board of Directors.	1. The performance of the Chairman of the Board of Directors was assessed as part of the Board performance assessment procedure in the reporting period.	observed	
2.5.3	The Chairman of the Board of Directors takes all necessary steps to provide members of the Board of Directors with information required to take informed decisions on agenda items in a timely manner.	1. The duty of the Chairman of the Board of Directors to take steps in order to ensure that the members of the Board of Directors are provided with materials on the Board meeting agenda items in a timely manner is enshrined in the Company's internal documents.	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.6	Members of the Board of Directors act in good faith and reasonably to the benefit of the Company and its shareholders, based on sufficient awareness and with due care and caution.			
2.6.1	Members of the Board of Directors make decisions considering all information available, in the absence of conflict of interest and within the normal entrepreneurial risk, while treating the Company's shareholders equitably.	<p>1. The internal documents of the Company stipulate that a member of the Board of Directors must notify the Board of Directors if he/she faces a conflict of interest with regard to any agenda items addressed at a meeting of the Board of Directors or a committee of the Board of Directors, prior to discussion of the corresponding agenda item.</p> <p>2. The Company's internal documents stipulate that a member of the Board of Directors should abstain from voting on any agenda item where he/she faces a conflict of interest.</p> <p>3. The Company has a procedure enabling the Board of Directors to get professional advice on matters that fall within its competence at the expense of the Company.</p>	partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company has no dedicated procedure enabling the Board of Directors to get professional advice on matters that fall within its competence at the expense of the Company.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Pursuant to the established practice, the members of the Board of Directors did not need any professional advice that could not be given in-house without involving any third parties for a fee.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The members of the Board of Directors receive all necessary professional advice from the committees of the Board of Directors, as well as by requesting additional information on matters of interest from the Corporate Secretary.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>Over a long period of time, such practice has proved its worth, and therefore, the Company is not planning to change it in the near future.</p>
2.6.2	The rights and obligations of members of the Board of Directors are defined and formalised in the Company's internal documents.	1. The Company adopted and published an internal document that clearly defines the rights and obligations of the members of the Board of Directors.	observed	
2.6.3	Members of the Board of Directors have enough time to fulfil their responsibilities.	<p>1. Individual attendance at the Board and the Board committee meetings, as well as the time allocated by the members to prepare for the meetings, were taken into account when assessing the performance of the Board of Directors in the reporting period.</p> <p>2. Pursuant to the Company's internal documents, the members of the Board of Directors must notify the Board of Directors on their intention to become a members of management bodies in other entities (other than those controlled by the Company or its affiliates), as well as on their official appointment.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.6.4	All members of the Board of Directors have equal access to the Company's documents and information. Newly elected members of the Board of Directors are provided with sufficient information about the Company and the work of the Board of Directors within the shortest possible time.	1. According to the Company's internal documents, the members of the Board of Directors have the right to access documents and make requests concerning the Company and the entities controlled thereby, while the executive bodies of the Company must provide the requested information and documents. 2. The Company has a formal induction programme for newly elected members of the Board of Directors.	observed	
2.7	Meetings of the Board of Directors, preparation for and participation in such meetings by members of the Board of Directors ensure strong performance of the Board of Directors.			
2.7.1	Meetings of the Board of Directors are held as required with due regard for the scale of the Company's operations and objectives set for the Company at a certain time.	1. The Board of Directors held at least six meetings in the reporting period.	observed	
2.7.2	The Company's internal documents establish the procedure for preparing and holding meetings of the Board of Directors, which makes it possible for the Board members to prepare for a meeting appropriately.	1. The Company approved an internal document that defines the procedure for preparing and holding meetings of the Board of Directors. This document, inter alia, establishes that a notice of a meeting shall normally be given at least 5 days prior to the meeting date.	observed	
2.7.3	The format of a meeting of the Board of Directors depends on importance of agenda items. The most important items are resolved at physical meetings.	1. The Company's Articles of Association or internal document stipulate that the most important items (as listed in Recommendation 168 of the Code) must be addressed at physical meetings of the Board.	not observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's Articles of Association or internal document do not stipulate that the most important items (as listed in Recommendation 168 of the Code) must be addressed at physical meetings of the Board.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The form of meetings of the Board of Directors is determined when preparing an action plan of the Company's Board of Directors to be approved by the Board of Directors (under Clause 6.2 of the Regulation on the Board of Directors of Unipro PJSC). The format of each meeting of the Company's Board of Directors (physical or absentee meeting) depends on items to be included in the agenda of the relevant meeting of the Board of Directors. The need for a physical meeting of the Board of Directors is determined by the Chairman of the Board of Directors (Clause 2.7 (2) of the Regulation on the Board of Directors of Unipro PJSC).</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
				<p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The notice of and materials for a meeting of the Board of Directors, whether a physical or absentee meeting, are sent out to the members of the Board of Directors at least 7 calendar days prior to the date of such meeting (Clauses 7.6 and 9.2 of the Regulation on the Board of Directors of the Company); therefore, the members of the Board of Directors are given enough time to examine agenda items and the option to request additional information on the agenda items through the Corporate Secretary (Clause 3.1 (4) of the Regulation on the Board of Directors of the Company) and suggest the format of the meeting of the Board of Directors (physical or absentee meeting) (Clause 6.2 of the Regulation on the Board of Directors of the Company).</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020, the Company plans to consider the need to amend the Articles of Association or other internal documents.</p>
2.7.4	Resolutions on the most important matters concerning the Company's activities are passed at Board meetings by a qualified majority or a majority of votes of all elected members of the Board of Directors.	1. The Company's Articles of Association stipulate that resolutions on the most important matters, as set out in Recommendation 170 of the Code, must be passed at Board meetings by a qualified majority of at least three fourths of votes, or a majority of votes of all elected members of the Board of Directors.	not observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>Clauses 15.4 and 15.5 of the Company's Articles of Association provide a list of matters which require resolutions of the Board of Directors to be passed by a three-quarter majority vote of all elected members of the Board of Directors or unanimously by all elected members of the Board of Directors. This list does not include all matters recommended in Clause 170 of the Code of Corporate Governance.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The Board resolutions are normally adopted by a majority vote exceeding the threshold set out in this recommendation due to the adopted set of additional exploration stages for each item.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>All matters brought before the Board of Directors are subject to thorough preliminary examination, including by the dedicated committees of the Board of Directors and/or the Management Board.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>Currently, the Company does not deem it necessary to enshrine an extended list of matters requiring resolutions of the Board of Directors to be passed either by at least a three-quarter majority vote or by a simple majority vote of all elected members of the Board of Directors in the Articles of Association. Nevertheless, in 2020, the Company plans to consider the issue of the need to amend the Articles of Association or other internal documents.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.8	The Board of Directors sets up committees for preliminary examination of the most important issues concerning the Company's activities.			
2.8.1	To ensure a preliminary review of matters concerning the control of the Company's financial and business operations, the Company has established an audit committee composed of independent directors.	<p>1. The Board of Directors set up the Audit Committee composed of independent directors only.</p> <p>2. The Company's internal documents define the responsibilities of the Audit Committee, including those specified in Recommendation 172 of the Code.</p> <p>3. At least one member of the Audit Committee, who is an independent director, has the experience and expertise required to prepare, analyse, review and audit accounting (financial) statements.</p> <p>4. Meetings of the Audit Committee were held at least once a quarter during the reporting period.</p>	observed	
2.8.2	For the purpose of preliminary review of matters concerning the implementation of an effective and transparent remuneration policy, the Company has set up a Remuneration Committee composed of independent directors and headed by an independent director other than the Chairman of the Board of Directors.	<p>1. The Board of Directors established a Remuneration Committee consisting of independent directors only.</p> <p>2. The Chairman of the Remuneration Committee is an independent director other than the Chairman of the Board of Directors.</p> <p>3. The Company's internal documents define responsibilities of the Remuneration Committee, including those specified in Recommendation 180 of the Code.</p>	observed	
2.8.3	For the purpose of preliminary review of matters concerning the human resource planning (succession planning), professional composition and efficiency of the Board of Directors, the Company has set up a Nomination (Appointment/ Human Resources) Committee predominantly composed of independent directors.	<p>1. The Board of Directors set up a Nomination Committee (or the relevant responsibilities outlined in Recommendation 186 of the Code are exercised by another committee) predominantly composed of independent directors.</p> <p>2. The Company's internal documents define responsibilities of the Nomination Committee (or another committee which combines the relevant functions), including those specified in Recommendation 186 of the Code.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.8.4	<p>Considering the scale of the Company's activities and exposure levels, the Board of Directors has made sure that the membership of its committees meets the objectives of the Company in full. Additional committees were either created or deemed unnecessary (e. g. the Strategy Committee, the Corporate Governance Committee, the Ethics Committee, the Risk Management Committee, the Budget Committee, the HSE Committee, etc.).</p>	<p>1. In the reporting period, the Company's Board of Directors considered the issue of whether the membership of the Board Committees is adequate to the objectives of the Board of Directors and the goals of the Company. Additional committees were either created or deemed unnecessary.</p>	observed	
2.8.5	<p>The membership of the committees has been determined so as to ensure that items subject to preliminary review are discussed comprehensively, considering a variety of opinions.</p>	<p>1. The committees of the Board of Directors are headed by independent directors.</p> <p>2. The Company's internal documents (policies) contain provisions under which persons other than members of the Audit Committee, the Nomination Committee and the Remuneration Committee may not attend meetings of the committees without invitation by the Chairman of the relevant committee.</p>	observed	
2.8.6	<p>Chairmen of the committees report on the performance of their respective committees to the Board of Directors and the Chairman of the Board of Directors on a regular basis.</p>	<p>1. In the reporting period, the Chairmen of the committees reported on the performance of their respective committees to the Board of Directors on a regular basis.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
2.9	The Board of Directors ensures a performance quality assessment of the Board of Directors, its committees and members.			
2.9.1	The performance quality assessment of the Board of Directors is aimed at assessing the performance of the Board of Directors, its committees and members, evaluating their adequacy for requirements of corporate development, intensifying the efforts of the Board of Directors and identifying areas for improvement.	<p>1. The self-assessment or external assessment of the Board performance carried out in the reporting period included the performance assessment of the committees, individual members of the Board of Directors and the Board of Directors in general.</p> <p>2. The findings of the self-assessment or external assessment of the Board performance carried out in the reporting period were reviewed at a physical meeting of the Board of Directors.</p>	observed	
2.9.2	The performance quality assessment of the Board of Directors, its committees and members is conducted on a regular basis at least once a year. The independent performance quality assessment of the Board of Directors is conducted at least once every three years by engaging an external contractor (advisor).	1. Within the past three reporting periods, the Company engaged an external contractor (advisor) to carry out an independent assessment of the Board performance at least once.	observed	
3.1	The Corporate Secretary ensures effective day-to-day interaction with shareholders, coordination of the Company's actions undertaken to protect the rights and interests of its shareholders, and support of strong performance by the Board of Directors.			
3.1.1	The Corporate Secretary has enough knowledge, experience and qualifications to perform his or her duties, a flawless reputation and enjoys the confidence of shareholders.	<p>1. The Company approved and disclosed an internal document – the Regulation on the Corporate Secretary.</p> <p>2. The corporate website and the Annual Report provide information on the Corporate Secretary's background with the same level of detail as used for the members of the Board of Directors and executive management of the Company.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
3.1.2	The Corporate Secretary is independent enough from the Company's executive bodies and has the required authority and resources to fulfil duties assigned.	1. The Board of Directors approves the appointment, dismissal and additional remuneration of the Corporate Secretary.	observed	
4.1 The level of remuneration payable by the Company is sufficient to recruit, motivate and retain employees who possess the competence and qualifications necessary for the Company. Remuneration is paid to members of the Board of Directors, executive bodies and other key executive officers of the Company in accordance with the remuneration policy adopted by the Company.				
4.1.1	The amount of remuneration payable by the Company to members of the Board of Directors, executive bodies and other key executive officers creates sufficient motivation to ensure their strong performance and enables the Company to recruit and retain competent and qualified professionals. Nevertheless, the Company avoids overrating the level of remuneration and an unreasonably significant gap between the levels of remuneration payable to the above-mentioned persons and employees of the Company.	1. The Company adopted an internal document (documents) – the remuneration policy (policies) applicable to the members of the Board of Directors, executive bodies and other key executive officers – which clearly defines (define) the approaches to such remuneration.	partly observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The principles of remunerating the members of the Board of Directors are set out in detail in the Regulation on the Board of Directors of the Company approved by the General Shareholders' Meeting of the Company. The members of the Company's Management Board do not receive special rewards for their work as members of the Management Board. Employees of the Company who are members of the Company's Management Board have concluded employment contracts in accordance with their positions in the Company. These contracts determine the amount of their remuneration for their duties as full-time employees of the Company. Individual employment contracts were concluded between the Company and the key executives and specify the employee remuneration and reimbursement (compensation) procedure.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The development and periodic review of the Remuneration Policy for the Board of Directors, as well as control over its implementation, falls within the competence of the Appointment and Remuneration Committee of the Company's Board of Directors.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>Terms and conditions of employment contracts made with the members of the Company's Management Board in accordance with their positions in the Company are reviewed by the Appointment and Remuneration Committee of the Company's Board of Directors. The remuneration level of the members of the Company's Board of Directors, Management Board, Chief Executive Officer and key executives is sufficient to recruit and retain staff, as well as to motivate managers who have the necessary professional qualities to manage the Company effectively.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020–2021, the Company is going to consider the need to develop and implement a separate Remuneration Policy for members of the Company's Board of Directors and key executives to define approaches to remuneration and reimbursement (compensation) of these persons clearly.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
4.1.2	The Company's remuneration policy has been developed by the Remuneration Committee and approved by the Board of Directors of the Company. The Board of Directors, with the assistance from the Remuneration Committee, supervises the implementation and observance of the remuneration policy in the Company and, where required, revises and amends it.	1. In the reporting period, the Remuneration Committee reviewed the remuneration policy (policies) and the implementation practice thereof and gave relevant recommendations to the Board of Directors as necessary.	observed	
4.1.3	The Company's remuneration policy contains transparent mechanisms for determining the amount of remuneration payable to members of the Board of Directors, executive bodies and other key executive officers of the Company, and regulates all kinds of payments, benefits and privileges granted to the said persons.	1. The Company's remuneration policy (policies) contains (contain) transparent mechanisms for determining the amount of remuneration payable to the members of the Board of Directors, executive bodies and other key executive officers of the Company, and regulates (regulate) all kinds of payments, benefits and privileges granted to the said persons.	partly observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company uses a structured remuneration system for the members of the Board of Directors. The members of the Company's Management Board do not receive special rewards for their work as members of the Management Board. Individual employment contracts were concluded between the Company and the key executives and specify the employee remuneration and reimbursement (compensation) procedure.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Remunerations are paid according to the Regulation on the Board of Directors of the Company and generally correspond to the best practices of corporate governance. The current remuneration system complies with the transparency and accountability principles and factors in the role of each individual member of the Board of Directors in the Company's activities. The Regulation contains an exhaustive list of all amounts payable to the members of the Board of Directors and conditions for receiving these amounts. Employees of the Company who are members of the Company's Management Board concluded employment contracts in accordance with their positions in the Company. These contracts determine the amount of their remuneration for their duties as full-time employees of the Company. Terms and conditions of such contracts are reviewed by the Appointment and Remuneration Committee of the Company's Board of Directors.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The information on remuneration and compensation paid to the members of the Board of Directors and the Management Board of the Company is disclosed in the Issuer's Quarterly Report and the Company's Annual Report.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020–2021, the Company is going to consider the need to develop and implement a separate Remuneration Policy for members of the Company's Board of Directors and key executives to define approaches to the remuneration of these persons clearly.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
4.1.4	The Company establishes a reimbursement (compensation) policy with an itemisation of expenses subject to reimbursement and the level of service that members of the Board of Directors, executive bodies and other key executive officers of the Company are entitled to. This policy may be integrated into the Company's remuneration policy.	1. The remuneration policy (policies) or other internal documents of the Company establish the rules for reimbursement of expenses incurred by the members of the Board of Directors, executive bodies and other key executive officers of the Company.	observed	
4.2	The remuneration system applicable to members of the Board of Directors ensures approximation of the directors' financial interests and shareholders' long-term financial interests.			
4.2.1	The Company pays a fixed annual remuneration to members of the Board of Directors. The Company does not pay a remuneration for participation in individual meetings of the Board of Directors or committees of the Board of Directors. The Company does not apply short-term incentives or additional financial incentives in respect of the members of the Board of Directors.	1. The fixed annual remuneration was the only form of remuneration in cash payable to the members of the Board of Directors for their work in the Board of Directors during the reporting period.	partly observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's remuneration system for the members of the Board of Directors provides for the payment of annual and quarterly remuneration to the Board members.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The annual remuneration payable to the members of the Board of Directors depends on the Company's earnings before interest, tax, depreciation and amortisation (EBITDA) based on the Company's financial statements prepared in accordance with the IFRS and validated by the Company's auditor for the reporting financial year, for which the annual remuneration is payable.</p> <p>The quarterly remuneration depends on the extent of the Board member's participation in the physical meetings and absentee votes held in the relevant quarter.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The quarterly remuneration reflects the estimated time and labour input of a Board member associated with preparation for and participation in meetings of the Company's Board of Directors.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In the Company's opinion, these remunerations fully comply with the principle of convergence of financial interests of the members of the Board of Directors and the long-term interests of Company shareholders. Nevertheless, in 2020, the Company plans to consider the need to change the remuneration system for members of the Board of Directors for work on the Board of Directors.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
4.2.2	The long-term holding of the Company's shares facilitates approximation of financial interests of members of the Board of Directors and the long-term interests of shareholders to the greatest extent. However, the Company does not make the right to sell shares contingent on the achievement of certain performance indicators, and members of the Board of Directors do not take part in employee stock option plans.	1. If the internal document (documents), i. e. the remuneration policy (policies) of the Company, suggests (suggest) a share-based compensation for the members of the Board of Directors, the rules for holding of shares by the Board members aimed at long-term holding of such shares shall be clearly defined and disclosed.	observed	
4.2.3	The Company does not provide for any additional payments or compensations in the event of early termination of powers of members of the Board of Directors in connection with the transfer of control over the Company or other circumstances.	1. The Company does not provide for any additional payments or compensations in the event of early termination of powers of the members of the Board of Directors in connection with the transfer of control over the Company or other circumstances.	observed	
4.3	The remuneration system applicable to the members of the executive bodies and other key executive officers of the Company provides for the dependence of remuneration on the Company's performance and on their personal contribution to the achievement of such performance.			
4.3.1	The remuneration for members of the executive bodies and other key executive officers of the Company is determined so as to ensure reasonable and feasible proportion between the fixed component and the variable component which depends on the performance of the Company and personal (individual) contribution of the employee to the final outcome.	1. In the reporting period, the yearly performance indicators approved by the Board of Directors were used to determine the amount of the variable remuneration component for members of the executive bodies and other key executive officers of the Company. 2. During the latest review of the remuneration system applicable to members of the executive bodies and other key executive officers of the Company, the Board of Directors (the Remuneration Committee) made sure that the Company uses a feasible proportion between the fixed component and the variable component of the remuneration.	partly observed	<p>1. Observed. 2. Observed. 3. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company has no procedure ensuring a refund of unearned bonuses received by members of the Company's Management Board, Chief Executive Officer or any other key executive officers to the Company.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The Company has a clear mechanism for paying bonuses to members of the executive bodies and other executives.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The remuneration system applicable to members of the Company's executive bodies is based on achievement of the Company's approved key performance indicators (KPIs). The performance-based remuneration is paid after the Appointment and Remuneration Committee considers the achievement of target indicators, and the Board of Directors of the Company approves the KPI report.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
		<p>3. The Company has a procedure that ensures a refund of unearned bonuses received by members of the Company's executive bodies and other key executive officers to the Company.</p>		<p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>Therefore, considering the entire set of measures used by the Company, there is absolutely no possibility that the Company's executive bodies or any other key executives will receive any unearned remuneration.</p>
4.3.2	<p>The Company has implemented a programme for long-term motivation of members of the executive bodies and other key executive officers of the Company by using the Company's shares (options or other derivative financial instruments for which the Company's shares constitute the basic assets).</p>	<p>1. The Company implemented a programme for long-term motivation of the members of the executive bodies and other key executive officers of the Company by using the Company's shares (financial instruments based on the Company's shares).</p> <p>2. The programme for long-term motivation of the members of the executive bodies and other key executive officers of the Company provides that the right to sell shares and other financial instruments used under this programme cannot be exercised earlier than three years after they were given to the employee. However, the Company made the right to sell them contingent on the achievement of certain performance indicators by the Company.</p>	partly observed	<p>1. Observed.</p> <p>2. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The programme for long-term motivation of the members of executive bodies and other key executives of the Company does not provide for the right to own directly the shares of the Company.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The Company's Board of Directors has not yet explored the issue concerning implementation of the programme for long-term motivation of the members of the executive bodies and other key executive officers of the Company using the Company's shares (financial instruments based on the Company's shares).</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company believes that the established practice does not expose the Company to any additional risks due to the fact that it has implemented the programme for long-term motivation of the members of executive bodies and other key executives of the Company that does not provide for the right to own directly the shares of the Company, but it is aimed at increasing their capitalisation.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>The rule of share sales is not relevant for the Company.</p>
4.3.3	<p>The amount of a severance pay (a golden parachute) payable by the Company to members of the executive bodies or other key executive officers in the case of early termination of their powers at the initiative of the Company and without any unethical practices found with the employees does not exceed two times the fixed annual remuneration.</p>	<p>1. In the reporting period, the amount of a severance pay (a golden parachute) payable by the Company to the members of the executive bodies or other key executive officers in the case of early termination of their powers at the initiative of the Company and without any unethical practices found with the employees did not exceed two times the fixed annual remuneration.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
5.1	The Company has created a well-performing risk management and internal control system, ensuring reasonable confidence in the achievement of the Company's goals.			
5.1.1	The Company's Board of Directors defined principles for and approaches towards the organisation of the Company's risk management and internal control system.	1. The functions assigned to various management bodies and units of the Company in the risk management system and internal control are clearly defined in the relevant internal documents/policy of the Company approved by the Board of Directors.	observed	
5.1.2	Executive bodies of the Company ensure the implementation and maintenance of an effective risk management and internal control system in the Company.	1. The executive bodies of the Company ensured distribution of the functions and authority in respect of risk management and internal control between their subordinate managers (heads) of divisions and departments.	observed	
5.1.3	The risk management and internal control system used in the Company ensures an unbiased, fair and clear understanding of the current status and prospects of the Company, integrity and transparency of the Company's reports, and reasonability and acceptability of the risks assumed by the Company.	1. The Company has an anti-bribery and corruption policy. 2. The Company has a simple way to report any instances of failure to observe the law, the Company's internal procedures or the Code of Ethics to the Board of Directors or the Audit Committee of the Board of Directors.	partly observed	<p>1. Observed. 2. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company has no direct means to report any violations of the law, the Company's internal procedures or Code of Ethics to the Board of Directors or the Audit Committee of the Board of Directors.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Due to the other procedures established by the Company, the Board of Directors did not consider the issue concerning the expediency of instituting a method of direct address to the Board of Directors or relevant Committee.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company has a hotline that may be used by employees to notify the person responsible for the Code of Corporate Conduct on any potential instances of failure to observe the law, the Company's policies or procedures, in particular in such areas as antitrust law, stock market laws and insider information regulations, as well as on the instances of failure to comply with the Code of Conduct on the part of the Company employees, instances of corruption, fraud (falsifications, dishonesty, misappropriation and embezzlement of property). If necessary, important issues are laid before the Company's Management Board and dedicated Committees of the Company's Board of Directors.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>The Company is planning to consider the possibility of expanding the Audit Committee's authorities with the authority to request information on the violations of the law, the Company's internal procedures or Code of Ethics.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
5.1.4	The Company's Board of Directors takes necessary measures to make sure that the risk management and internal control system existing in the Company complies with principles for and approaches towards its organisation, as determined by the Board of Directors, and functions effectively.	1. In the reporting period, the Board of Directors or the Audit Committee of the Board of Directors assessed the performance of the Company's risk management and internal control system. The details of the key assessment findings have been incorporated in the Company's Annual Report.	partly observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The issue concerning the performance assessment of the Company's risk management and internal control system was examined by the Board of Directors or Audit Committee of the Board of Directors as a separate item in 2019.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The issue concerning the performance assessment was examined during the acceptance of reports from the functions responsible for the Company's risk management and internal control system.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>As it was examining the reports of the responsible functions, the Audit Committee expressed concerns and issued recommendations on the ways to improve the processes and on the forms and content of the relevant reports.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020, the issue concerning the performance assessment of the Company's risk management and internal control system will be included in the activity plan of the Board of Directors strictly subject to prior review by the Audit Committee.</p>
5.2	The Company arranges internal auditing for the purpose of regular independent assessment of reliability and efficiency of the risk management and internal control system and the corporate governance practice.			
5.2.1	The Company has set up a dedicated function or engaged an independent external contractor to perform the internal audit functions. The administrative and functional reporting lines for the Internal Audit Department are different. The Internal Audit Department is functionally subordinate to the Board of Directors of the Company.	1. The Company set up a dedicated function to be in charge of internal audit functionally subordinate to the Board of Directors or the Audit Committee, or engaged an independent external contractor following the same reporting principle.	observed	
5.2.2	The Internal Audit Department carries out assessment of the internal control system efficiency, the risk management system efficiency, and the corporate governance system. The Company applies generally accepted standards of internal auditing.	1. In the reporting period, the performance assessment of the internal control and risk management system was carried out as part of the internal audit programme. 2. The Company applies the generally accepted approaches to internal control and risk management.	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
6.1 The Company and its activities are transparent for shareholders, investors and stakeholders.				
6.1.1	The Company has developed and implemented an information policy that ensures effective communication between the Company, shareholders, investors and other stakeholders.	<p>1. The Board of Directors of the Company approved the information policy of the Company, which is in line with the recommendations of the Code.</p> <p>2. The Board of Directors (or one of its Committees) considered the issues concerning compliance with its information policy by the Company at least once during the reporting period.</p>	observed	
6.1.2	The Company discloses information on the corporate governance system and practice, including detailed information on compliance with the principles and recommendations of the Code.	<p>1. The Company discloses information on the Company's corporate governance system and general principles of corporate governance used in the Company, including on the corporate website on the Internet.</p> <p>2. The Company discloses information on the membership of the executive bodies and the Board of Directors, independence of the members of the Board of Directors and their membership in the Board committees (as defined by the Code).</p> <p>3. If there is a controlling person, the Company publishes the controlling person's memorandum outlining this person's plans as they regard corporate governance in the Company.</p>	partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company does not publish the controlling person's memorandum outlining this person's plans as they regard the corporate governance in the Company.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The controlling person's plans for the Company constitute this person's business secret and are not subject to disclosure, except as otherwise provided for by the law.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company communicates with the controlling person's representatives, including on matters concerning publication of the controlling person's memorandum on this person's plans as they regard the corporate governance in the Company.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In the event that the Company becomes aware of any statements made by the controlling person concerning such plans as they regard corporate governance in the Company, the Company undertakes to publish these statements on the corporate website.</p>
6.2 The Company discloses complete, up-to-date and accurate information about the Company in due time so that the Company shareholders and investors could make well-informed decisions.				
6.2.1	The Company discloses information in accordance with the principles of regularity, consistency and efficiency, as well as availability, reliability, completeness and comparability of disclosed data.	1. The Company's information policy defines approaches and criteria used to identify information that is capable of having a significant impact on the value of the Company and its securities and procedures that ensure well-timed disclosure of such information.	partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>In the reporting period, the disclosure was made both in Russian and in English (partly).</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
		<p>2. If the Company's securities circulate in foreign regulated markets, the disclosure of material information in the Russian Federation and in these markets occurs simultaneously and equivalently during the reporting year.</p> <p>3. If foreign shareholders held a major package of the Company's shares, then the disclosure was made both in Russian and one of widely spoken foreign languages during the reporting year.</p>		<p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>No requests to expand the range of the information disclosed in English from shareholders.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The information disclosed on the Company's corporate website in English is as follows:</p> <ul style="list-style-type: none"> – annual reports; – IFRS statements (annual and interim statements); – financial calendar; – Dividend Policy; – equity price charts; – information on the members of the Board of Directors and committees of the Board of Directors; – information on the members of the Company's Management Board and executives; and – the scope of competence of the General Shareholders' Meeting and the Board of Directors as enshrined in the Company's Articles of Association. <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In addition, the Company is planning to disclose the following information in English in 2020:</p> <ul style="list-style-type: none"> – issuer's quarterly reports; – reports on material facts; and – lists of affiliates.
6.2.2	The Company avoids a formal approach to disclosure and discloses material facts about its activities even if the disclosure of such information is not required by laws.	<p>1. In the reporting period, the Company disclosed annual financial statements and accounting statements for six months prepared according to the IFRS. The Company's Annual Report for the reporting period includes annual financial statements prepared according to the IFRS and the auditor's report.</p> <p>2. The Company discloses complete information on the structure of the Company's capital in its Annual Report and on the corporate website in accordance with Recommendation 290 of the Code.</p>	partly observed	<p>1. Observed.</p> <p>2. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company does not disclose complete information on the structure of the Company's capital in its Annual Report and on the corporate website in accordance with Recommendation 290 of the Code.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The structure of the share capital disclosed in Section 2.3 of the Annual Report and drawn up on the basis of the data obtained from the Company's Registrar shows that there is no need for the Company's executive bodies to state that the Company has no information on the existing holdings of participatory interests over 5%, other than the data already disclosed by the Company. Furthermore, the Company prevents certain shareholders from acquiring control that would be disproportionate to their participatory interest in the Company's authorised capital, e. g. based on the shareholder agreements or due to holding ordinary/preference shares with a different face value.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
				<p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company monitors the share capital structure on a quarterly basis by sending the relevant queries to the registrar.</p> <p>Information on whether failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020–2021, the Company will consider the need to disclose full information about the capital structure of the Company in accordance with Code Recommendation 290 in the Annual Report and on the Company’s website on the Internet.</p>
6.2.3	As one of the most important tools of communication with shareholders and other stakeholders, the Annual Report contains information that helps to assess the performance of the Company in the reporting period.	<p>1. The Company’s Annual Report contains information on the key aspects of the Company’s operations and financial performance.</p> <p>2. The Company’s Annual Report contains information on the environmental and social performance of the Company.</p>	observed	
6.3	Information and documents are provided by the Company at shareholders’ requests in accordance with the principles of fairness and easiness.			
6.3.1	Information and documents are provided at shareholders’ requests in accordance with the principles of fairness and easiness.	1. The Company’s information policy establishes an easy procedure for providing the shareholders with access to corporate information, including information about the legal entities controlled by the Company, at their request.	observed	
6.3.2	In the provision of information to shareholders, a reasonable balance is ensured between the interests of individual shareholders and the interests of the Company that wishes to keep important business information confidential as it may significantly influence the Company’s competitiveness.	<p>1. In the reporting period, the Company did not decline any incoming information requests from the shareholders, or such refusals were reasonable.</p> <p>2. In the cases defined by the Company’s information policy, the shareholders are notified of the confidential nature of information provided and undertake to keep it confidential.</p>	observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
7.1	The actions that significantly affect or may affect the structure of the authorized capital and financial standing of the Company and, therefore, the shareholders' standing (major corporate actions), are performed on fair conditions that respect the rights and interests of shareholders and other stakeholders.			
7.1.1	<p>The definition of major corporate actions embraces reorganisation of the Company, purchase of 30 or more percent of the Company's voting shares (take-over), closing of major transactions by the Company, increase or reduction in the Company's authorised capital, listing and delisting of the Company's shares, as well as other actions that may result in major changes in the rights of shareholders or infringe their interests. The Company's Articles of Association define a list (criteria) of transactions or other actions qualified as major corporate actions, and these actions fall within the competence of the Company's Board of Directors.</p>	<p>1. The Company's Articles of Association define a list and criteria of transactions or other actions qualified as major corporate actions. Resolutions on major corporate actions fall within the scope of competence of the Board of Directors. Where the legislation directly assigns these corporate actions to the competence of the General Shareholders' Meeting, the Board of Directors shall issue necessary recommendations to the shareholders.</p> <p>2. The Company's Articles of Association qualify at least the following actions as major corporate actions: reorganisation of the Company, purchase of 30 or more percent of the Company's voting shares (take-over), closure of major transactions by the Company, increase or reduction in the Company's authorised capital, listing and delisting of the Company's shares.</p>	partly observed	<p>1. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Not required.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>In 2020–2021, the Company plans to consider the need to make appropriate changes to the Articles of Association of the Company.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2019–2020, the Company is planning to amend the Company's Articles of Association to define a list of transactions or other actions qualified as major corporate actions and the criteria for qualifying them as such.</p> <p>2. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions and the criteria for qualifying them as such.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Not required.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>At the same time, the Company's Articles of Association clearly delineate the powers of the General Shareholders' Meeting and of the Board of Directors of the Company as they regard the matters that can be classified as major corporate actions as per the recommendations of the Code of Corporate Governance (Articles 10 and 12 of the Articles of Association of Unipro PJSC).</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020–2021, the Company plans to consider the need to make appropriate changes to the Articles of Association of the Company.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
7.1.2	The Board of Directors plays the key role in making decisions or elaborating recommendations for major corporate actions based on the opinion of the Company's independent directors.	1. The Company has a procedure under which independent directors express their opinions on major corporate actions prior to approval thereof.	not observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions and the criteria for qualifying them as such.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Not required.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>At the same time, the Company's Articles of Association clearly delineate the powers of the General Shareholders' Meeting and of the Board of Directors of the Company as they regard the matters that can be classified as major corporate actions as per the recommendations of the Code of Corporate Governance (Articles 10 and 12 of the Articles of Association of Unipro PJSC).</p> <p>The Company created committees responsible for an in-depth exploration of issues brought before the Board of Directors. These committees are duly operating.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020–2021, the Company plans to consider the need to make appropriate changes to the Articles of Association of the Company.</p>
7.1.3	When the Company takes major corporate actions that affect the rights and legitimate interests of its shareholders, all shareholders of the Company are treated equitably. Where the statutory mechanisms designed to protect the rights of shareholders are insufficient, the Company takes additional steps to protect the rights and legitimate interests of its shareholders. The Company is guided both by formal statutory requirements and by corporate governance principles set out in the Code.	<p>1. Considering the specific nature of the Company's activities, the Company's Articles of Association establish lower minimum criteria to qualify the Company's transactions as major corporate actions than those stipulated by the laws.</p> <p>2. In the reporting period, all major corporate actions were subjected to an approval procedure before they were taken.</p>	partly observed	<p>1. Partly observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>Not required.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>In the meantime, pursuant to the Company's Articles of Association, the competence of the Board of Directors includes approval of a number of transactions viewed as major transactions by the Company and the threshold for qualifying a transaction as a major transaction is significantly lower than the threshold established by the laws.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>In 2020–2021, the Company plans to consider the need to make appropriate changes to the Articles of Association of the Company.</p> <p>2. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
				<p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company. Not required.</p> <p>Description of the measures used by the Company to reduce the possible additional risks. Pursuant to the Company's Articles of Association, the competence of the Board of Directors includes approval of a number of transactions viewed as major transactions by the Company and the threshold for qualifying a transaction as a major transaction is significantly lower than the threshold established by the law. All transactions mentioned above were subjected to approval prior to closing.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future. In 2020–2021, the Company plans to consider the need to make appropriate changes to the Articles of Association of the Company.</p>
7.2	The Company performs major corporate actions according to the procedure that would allow its shareholders to receive in due time full information on such actions, enable them to influence such actions, and guarantee compliance with an adequate level of protection of their rights in the course of such actions.			
7.2.1	Information on taking any major corporate actions is disclosed with the explanation of reasons, conditions and consequences of such actions.	1. In the reporting period, the Company disclosed information on major corporate actions in a timely and detailed manner, including by specifying the reasons and timing of such actions.	observed	
7.2.2	The rules and procedures pertaining to major corporate actions performed by the Company are documented in the Company's internal documents.	<p>1. The Company's internal documents establish a procedure for engaging an independent appraiser to evaluate the property alienated or purchased under a major transaction or a related-party transaction.</p> <p>2. The Company's internal documents establish a procedure for engaging an independent appraiser to determine the purchase and redemption value of the Company's shares.</p> <p>3. The Company's internal documents contain an extended list of the grounds for recognising the members of the Company's Board of Directors and other persons stipulated by the law as related parties interested in the Company's transactions.</p>	partly observed	<p>1. Observed. 2. Observed. 3. Not observed.</p> <p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations. The Company's internal documents do not contain an extended list of the grounds for recognising the members of the Company's Board of Directors and other persons stipulated by the law as related parties interested in the Company's transactions.</p> <p>Explanations of specific reasons for the failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company. The Company's Articles of Association stipulate that related-party transactions are subject to approval in accordance with Chapter XI of the Federal Law "On Joint Stock Companies". When determining related parties, the Company is guided by the requirements of the Russian Federation law.</p> <p>Description of the measures used by the Company to reduce the possible additional risks. Approval of all related-party transactions in due course.</p> <p>Information on whether the failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future. The Company sees no reasons for incorporating any additional related-party requirements.</p>

Planned (Expected) Actions and Activities of the Joint Stock Company to Improve the Corporate Governance Model and Practice

Considering the assessment of compliance with the corporate governance principles set out in the Code of Corporate Governance, the Company plans to do as follows in the longer term:

- » developing the internal control and risk management system;
- » as needed, creating additional committees under the Board of Directors dealing with various aspects of the Company's activities;
- » disclosing more information in English on the Company's website;
- » dividing jurisdictions and responsibilities between corporate management bodies on a reasonable basis;
- » ensuring a good combination of centralised decision-making and delegation of authority to various managerial levels;
- » enhancing the promptness and efficiency of decision-making;
- » enforcing and protecting the rights and interests of the Company's shareholders;
- » implementing high standards of corporate governance ethics.