



Approved by
Resolution of the Board of Directors
Unipro PJSC dated 22.09.2021
Minutes No. 305 dated 23.09.2021

**Regulation on the Sustainable Development Committee
of the Board of Directors of Unipro PJSC**

Revision 1.0

**Moscow
2021**

Table of Contents

1. Purpose and Scope	3
2. References	3
3. Terms and Abbreviations	3
4. General Provisions	4
5. Committee’s Objectives and Competences	4
6. Composition of the Committee. Establishment of the Committee	5
7. Meetings of the Committee	7
8. Responsibilities of the Committee Members	8
9. Final Provisions	8

1. Purpose and Scope

- 1.1. This Regulation has been developed in accordance with the applicable laws, Articles of Association of Unipro PJSC, Code of Corporate Governance of Unipro PJSC, Code of Corporate Conduct of Unipro PJSC, and other internal documents of Unipro Public Joint-Stock Company (hereinafter referred to as the Company).
- 1.2. The Regulation establishes the key objectives, competences, powers and responsibilities of the Sustainable Development Committee of the Company's Board of Directors (the Committee), as well as the procedure for establishing the Committee and operation thereof.

2. References

- 2.1. Federal Law No. 208-FZ dated 26.12.1995 "On Joint-Stock Companies",
- 2.2. Letter of the Central Bank of Russia No. IH-015-42/66 "On Regulations on the Board of Directors and Committees of the Board of Directors of a Public Joint-Stock Company" dated 15 September 2011,
- 2.3. Letter of the Central Bank of Russia No. 06-52/2463 "On the Code of Corporate Governance" dated 10 April 2014,
- 2.4. Articles of Association of Unipro PJSC,
- 2.5. Code of Corporate Governance of Unipro PJSC,
- 2.6. Code of Corporate Conduct of Unipro PJSC,
- 2.7. Regulation on the Board of Directors of Unipro PJSC.

3. Terms and Abbreviations

- 3.1. The following abbreviations are used herein:
 - 3.1.1. **PJSC** stands for Public Joint-Stock Company.
- 3.2. The following terms are used herein:
 - 3.2.1. **CEO** shall mean the Chief Executive Officer of Unipro PJSC.
 - 3.2.2. **Executive Bodies** – the bodies managing the current activities of the Company (CEO (managing organization, managing director) and Management Board).
 - 3.2.3. **Corporate Secretary** – the unit of the Company performing the functions of the corporate secretary of the Company (Corporate Policy Department).
 - 3.2.4. **Local Regulation** – the document establishing internal rules for the organisation of activities that are binding on the employees of the Company.
 - 3.2.5. **Company** – Unipro Public Joint-Stock Company (Unipro PJSC).
 - 3.2.6. **Management Board** – the collegial executive body managing the current activities of the Company.
 - 3.2.7. **Secretary of the Board of Directors** – the Corporate Secretary of the Company supporting the effective work of the Board of Directors, including coordinating the work of the Board of Directors of the Company (organisational, informational and documentary support) in connection with the preparation and conduct of meetings of the Board of Directors, as well as between the meetings.
 - 3.2.8. **Board of Directors** – the management body of the Company carrying out general management of the activities of the Company.

4. General Provisions

- 4.1. The Committee is a collegial deliberative body established in order to provide effective support to the Board of Directors in the field of sustainable development and to ensure the development of this area in the Company, including the issue of the Company's long-term development strategy in the field of sustainable development, environmental, social and governance issues.
- 4.2. The Committee is not a Company management body. The Company shall not assume civil rights and duties via the Committee.
- 4.3. The Committee is governed by the applicable laws of the Russian Federation, Code of Corporate Governance recommended by Letter of the Central Bank of Russia No. 06-52/2463 dated 10 April 2014, Articles of Association of Unipro PJSC, Code of Corporate Governance of Unipro PJSC, Code of Corporate Conduct of Unipro PJSC, and other internal documents of the Company.
- 4.4. The Committee reports to the Board of Directors and does not have the right to act on behalf of the same.
- 4.5. The Committee's resolutions are non-binding for the Board of Directors.
- 4.6. The Committee may instruct the Company's management within its competences.

5. Committee's Objectives and Competences

- 5.1. **The main objectives of the Committee shall include:**
 - 5.1.1. preparation of recommendations to the Board of Directors on determining strategic goals aimed at the Company's long-term development in the field of sustainable development of the Company, including environmental, social and governance issues of the Company (ESG issues);
 - 5.1.2. preparation of recommendations to the Board of Directors for making resolutions on the issues within the competence of the Committee;
 - 5.1.3. preview of other items brought before the Committee by shareholders or the Board of Directors.
- 5.2. **The competences of the Committee shall include:**
 - 5.2.1. participation in the formation of the Company's strategy in the field of sustainable development;
 - 5.2.2. monitoring the compliance of the Company's activities with the requirements of the current legislation and the requirements of applicable reporting standards and/or the requirements of ratings in the field of sustainable development, organizing work to maintain and improve the Company's position in these ratings;
 - 5.2.3. recommendations on the preparation of internal documents of the Company in terms of sustainable development, on their relevance, improvement, efficiency and quality;
 - 5.2.4. consideration of significant risks in the field of sustainable development and plans to minimize the negative consequences of these risks;
 - 5.2.5. consideration of issues related to significant accidents, incidents, for subsequent analysis and taking measures to prevent the recurrence of such cases;
 - 5.2.6. recommendations regarding the Company's participation in social projects;
 - 5.2.7. consideration of reports in the field of sustainable development of the Company;
 - 5.2.8. regular review of reports of the Company's management in the field of labor protection, industrial safety and environmental protection, and other issues related to sustainable development;
 - 5.2.9. supervision of disclosure of information on the Company's activities in the field of sustainable development;

- 5.2.10. consideration of issues related to ensuring diversity and social equality for the Company's employees and other interested persons;
- 5.2.11. consideration of issues related to ensuring transparency and openness of the Company's activities for all interested parties;
- 5.2.12. preparation of recommendations to the Board of Directors and the Company's management for making resolutions on the issues within the competence of the Committee.
- 5.2.13. **preliminary consideration and preparation of recommendations, preparation of draft resolutions of the Board of Directors on the following issues at the request of the Board of Directors:**
 - 5.2.13.1. preparation of recommendations to the Board of Directors on the assessment of the Company's interaction with stakeholders on sustainable development, environmental, social and governance issues;
 - 5.2.13.2. preparation of recommendations to the Board of Directors on the state of occupational health and safety and on measures to improve operational safety;
 - 5.2.13.3. preparation of oral or written conclusions at the request of the Board of Directors or recommendations on its own initiative on certain issues within its competence;
 - 5.2.13.4. control and verification of the implementation of decisions and instructions of the Board of Directors on sustainable development issues.
- 5.2.14. The Chairman of the Board of Directors may entrust the Committee with the preparation of draft resolutions on other issues within the competence of the Board of Directors.
- 5.3. **The Committee may:**
 - 5.3.1. hear the Company's senior employees about the progress of the implementation of the decisions of the Board of Directors on the issues of the Committee's activities;
 - 5.3.2. request and receive, in accordance with the existing procedure, any information necessary for the implementation of its activities from members of the Executive Bodies, the Corporate Secretary, heads of structural divisions of the Company, as well as other employees of the Company;
 - 5.3.3. if necessary, invite the persons specified in clause 5.3.2 of this Regulation, members of the Board of Directors, as well as experts and consultants to the meetings of the Committee;
 - 5.3.4. make proposals for making changes and additions to this Regulation;
 - 5.3.5. other rights necessary for the Committee to exercise the powers assigned to it.
- 5.4. The Company's Executive Bodies shall provide the Committee with the information required to perform its functions and execute orders of the Board of Directors, ensure the completeness and timeliness of such information, subject to the restrictions established by the laws of the Russian Federation, the Articles of Association of Unipro PJSC, and the internal documents of the Company.
- 5.5. At the request of the Board of Directors, the Committee submits a report on the results of its activities for consideration by the Board of Directors.

6. **Composition of the Committee. Establishment of the Committee**

- 6.1. The quantitative and personal composition of the Committee shall be determined by a resolution of the Board of Directors following the election of a new composition of the Board of Directors, while the number of members of the Committee cannot be less than three.
- 6.2. If all members of the previous Committee are elected to the new composition of the Board of Directors, the current composition of the Committee shall act until the termination of the powers of the Committee members and the election of a new composition of the Committee by the Board of Directors.
- 6.3. The term of office of members of the Committee shall not exceed the term of powers of the Board of Directors, from which members of the Committee are elected.

- 6.4. The Committee consists of members of the Board of Directors.
- 6.5. The Board of Directors may, on the basis of its resolution, terminate the authority of any member of the Committee or of all members of the Committee at any time.
- 6.6. The activities of the Committee shall be managed by the Chairman of the Committee appointed and dismissed by the resolution of the Board of Directors of the Company. The Chairman of the Committee shall be an independent director.
- 6.7. The Chairman of the Committee shall:
- determine the priorities in the Committee's activities and develop its work plan for the current corporate year and submit it for approval at the first meeting of the newly convened Committee or after the corporate year, and also amend the same,
 - establish the working procedure of the Committee,
 - approve the agenda of meetings of the Committee,
 - convene the Committee meetings and preside over them,
 - determine the list of the persons invited to participate in the Committee meeting,
 - contribute to open and constructive discussion of the agenda items and to the development of agreed conclusions and recommendations,
 - arrange for keeping of the minutes of the Committee meetings and sign the minutes of the Committee meetings,
 - represent the Committee when interacting with the Board of Directors, other Committees of the Board of Directors, the Executive Bodies, managers of subdivisions, and other employees,
 - regularly, but at least once a year, report on the work of the Committee to the Board of Directors,
 - sign requests, letters, and documents on behalf of the Committee,
 - interact with the Secretary of the Committee Secretary on the activities of the Committee.
- 6.8. The functions of the Secretary of the Committee shall be performed by Secretary of the Board of Directors of the Company, unless any other person is appointed by the Committee. The Secretary of the Committee shall be elected and dismissed on the basis of the resolution of the Committee.
- 6.9. When joining the Committee, functions and authorities of its members must be explained in detail to them. Members of the Committee must be given the opportunity, if necessary, to undergo the training necessary for them to perform their functions at any time.

7. Meetings of the Committee

- 7.1. Meetings of the Committee shall be held in accordance with the work schedule thereof approved by the Committee. If necessary, the Committee shall hold extraordinary meetings.
- 7.2. The meeting shall be convened by the Committee Chairman:
- at his or her own initiative,
 - at the initiative of a member of the Committee,
 - at the initiative of the CEO or a member of the Management Board of the Company.
- 7.3. The agenda of the Committee meeting shall be determined by the Chairman of the Committee. Items proposed by the members of the Committee, the CEO, or the Management Board must be included into the agenda of the Committee. The agenda may be amended and supplemented via a decision adopted by a majority vote of the Committee members participating in the meeting.
- 7.4. The Committee meeting shall be arranged for the Secretary of the Committee under the supervision of the Chairman of the Committee. The notice of the meeting of the Committee must contain:
- information on the date, time, and place of the meeting of the Committee,
 - form of the meeting of the Committee,
 - agenda of the meeting.
- 7.5. The notice shall be sent to the members of the Committee and invited persons, if any, not later than 5 business days prior to the date of the meeting, and if such period is not possible, within a different reasonable period, but not later than 3 days prior to the date of the meeting of the Committee. If it necessary, notably in the event of urgent matters arising in the course of the current activities of the Company, the Chairman of the Committee may establish a shorter period for notification of meetings of the Committee, while the notification period cannot be less than 24 hours prior to the date of the meeting of the Committee. If all the members of the Committee attend the meeting and agree to refuse from complying with the deadline for the notification of the Committee meeting, the notification shall be unnecessary.
- 7.6. The necessary materials on the items on the agenda shall be submitted to the members of the Committee along with the notice of the meeting to be held by the Committee so that they could prepare themselves for the discussion thereof.
- 7.7. The notice of the Committee meeting, as well as documents required for the preparation for and participation in the meeting, shall be sent to the Committee members by the Secretary of the Committee in any manner agreed upon with the members of the Committee, including by e-mail or by using remote technologies.
- 7.8. The Committee meetings shall be either physical, or the members of the Committee shall fill in written questionnaires (in the form of an absentee voting).
- 7.9. The quorum for a meeting of the Committee shall be at least half of the number of the elected members of the Committee. The Chairman shall determine whether the quorum is present. For the purposes of determining a quorum, the Committee member, who has sent the Chairman a written opinion on the agenda items before the meeting, or the Committee member, who is communicating with the other members of the Board of Directors via a conference call or video conference (or by any other technical means featuring oral two-way communication), shall be deemed to be present in person at the Committee meeting.
- 7.10. By resolution of the Chairman, the Committee may hold meetings via video- or teleconference. The Chairman may ask the Committee to make a resolution on the documents under consideration by exchanging messages via email, fax, and post.
- 7.11. Any information on the personal interest of a member of the Committee in the consideration of any given matter shall be disclosed and communicated to the Committee at the Committee meeting.

- 7.12. The Committee shall adopt resolutions by the majority of votes of the Committee members participating in the meeting. In case of the equality of votes for different resolutions, the vote of the Committee Chairman shall be casting.
- 7.13. The Committee Chairman shall preside over the Committee meeting. Following the results of the Committee meeting, the minutes of the meeting, and (if necessary) the recommendation or findings of the Committee (that shall constitute an annex to the minutes) shall be drawn up. The minutes of the meeting and/or the recommendation (findings) shall be submitted to the Board of Directors considering the corresponding matter. The minutes of the meeting shall reflect the opinion of the Committee generally. If opinions of the Committee members do not coincide, the dissenting opinions shall be mentioned in the minutes of the meeting, and if the dissenting opinions are provided in writing, they shall be attached to the minutes.
- 7.14. The minutes of the Committee meeting (signed by the Committee Chairman) shall be drawn up and signed within 5 business days from the date of the Committee meeting and kept by the Secretary of the Committee.
- 7.15. Upon the request of any member of the Committee, the Committee Chairman shall provide a copy of the minutes of the meeting.

8. Responsibilities of the Committee Members

- 8.1. The Committee members must:
- participate in the meetings of the Committee and take an active part in the discussion of the agenda items,
 - study the documents and information provided prior to and during the meetings of the Committee,
 - immediately inform the Committee of the personal interest in the adoption of any decision,
 - avoid any actions that may compromise the competence of the Committee or question the professionalism of its members,
 - comply with local regulations of the Company.

9. Final Provisions

- 9.1. This Regulation, as well as any amendments hereto, shall be approved by the Board of Directors.
- 9.2. The Committee shall annually consider the need for amendments to the Regulation.
- 9.3. All and any issues not regulated hereby shall be governed by the Company's Articles of Association, the Regulation on the Board of Directors of Unipro PJSC, other local regulations of the Company, and the applicable laws of the Russian Federation.
- 9.4. If certain clauses of this Regulation come in conflict with the laws and regulations of the Russian Federation as a result of any changes thereto, such clauses shall be deemed null and void, and the Committee members shall be guided by the applicable laws of the Russian Federation until amendment hereof.