

**ЮНН
ПРО**



ANNUAL
REPORT
2021

RESPONSIBLE ENERGY –
shoulder to shoulder

Pre-approved
By Board of Directors
PJSC "Unipro"
May 05, 2022
(Minutes No. 312)

Approved
By Annual General Shareholders' Meeting
of PJSC "Unipro"
June 10, 2022
(Minutes No. 28)
Chairman of the annual
General Meeting of Shareholders

Prof. Dr. Klaus-Dieter Maubachs

Annual Report of UNIPRO PJSC for 2021

General Director

Maxim Shirokov

UNIPRO PROFILE

p. 10

1

ADDRESS OF THE
GENERAL DIRECTOR
стр. 2

KEY EVENTS
2021
стр. 4

KEY FIGURES
2021
стр. 8

1.1
ABOUT US
p. 12

1.2
GEOGRAPHICAL REACH
p. 14

1.3
BRANCHES
p. 20

1.4
BUSINESS MODEL
p. 26

1.5
INVESTMENT APPEAL FACTORS AND COMPETITIVE ADVANTAGES
p. 28

4.1
SUSTAINABLE DEVELOPMENT
MANAGEMENT APPROACH
p. 78

4.2
STAKEHOLDER
ENGAGEMENT
p. 80

4.3
COUNTERING COVID-19
p. 81

4.4
OCCUPATIONAL HEALTH
AND SAFETY
p. 84

4.5
ENSURING DECENT LABOUR
CONDITIONS
p. 93

4.6
ENVIRONMENTAL
RESPONSIBILITY
p. 104

4.7
SOCIAL ACTIVITIES AND CONTRIBUTION TO THE
DEVELOPMENT OF THE REGIONS OF FOOTPRINT
p. 124

p. 76

SUSTAINABILITY

4

2 STRATEGIC REPORT

p. 30

2.1
ADDRESS OF THE CHAIRMAN OF THE BOARD
OF DIRECTORS
p. 32

2.2
MARKET REVIEW
p. 34

2.3
DEVELOPMENT
STRATEGY
p. 46

2.4
INVESTMENT ACTIVITIES
p. 48

2.5
PROCUREMENT ACTIVITIES
p. 52

2.6
INNOVATIVE BUSINESS PROCESS SUPPORT
p. 56

5.1
CORPORATE GOVERNANCE
SYSTEM
p. 136

5.2
SHAREHOLDERS
AND INVESTORS
p. 140

5.3
MANAGEMENT BODIES
p. 145

5.4
AUDIT AND CONTROL
p. 161

5.5
RISK MANAGEMENT
p. 166

5.6
COMPLIANCE
AND ANTI-CORRUPTION
p. 174

5.7
REPORT ON REMUNERATION
OF MANAGEMENT AND CONTROL
BODIES
p. 176

5 CORPORATE GOVERNANCE

p. 134

3 PERFORMANCE

p. 58

3.1
ECONOMICS AND FINANCE
p. 60

3.2
OPERATING RESULTS
p. 68

1
INFORMATION
ON THE REPORT
p. 180

2
INDEPENDENT AUDITOR'S
REPORT
p. 182

3
ACCOUNTING (FINANCIAL)
STATEMENTS FOR 2021
p. 182

4
GRI CONTENT INDEX
p. 182

5
SASB CONTENT INDEX
p. 185

6
PARTICIPATION OF THE COMPANY
IN PROFIT-MAKING AND NON-PROFIT
ORGANISATIONS
p. 187

7
REPORT ON THE CONCLUDED
RELATED PARTY TRANSACTIONS
p. 189

8
REPORT ON COMPLIANCE
WITH THE PRINCIPLES AND
RECOMMENDATIONS OF THE CODE
OF CORPORATE GOVERNANCE
p. 191

9
GLOSSARY AND
ABBREVIATIONS
p. 226

10
DISCLAIMER
p. 228

6 ANNEXES

p. 178

Address of the General Director



The intricate work format did not prevent us from holding a leading position in the Russian heat power industry. This was thanks, among other things, to the new development strategy adopted by Unipro in 2021 and adapted for those purposes subject to the current trends.

Dear Shareholders, Investors and Colleagues!

Due to the ongoing COVID-19 pandemic, the reporting year was unsurprisingly tough both for the entire energy industry and for each of us. It required us to further change the internal processes and to protect the staff health. I would like to acknowledge each employee's contribution to how our Company has coped with those challenging tasks. The unparalleled speed of decision-making at the management level, the arranging for business processes subject to new circumstances, the readiness of Unipro employees to quickly adapt to the new conditions are exceptional!

The production modernisation continues. In 2021, another power unit of Surgutskaya GRES-2 successfully passed the selection in the CCSMod, a large-scale modernisation programme of generating assets of thermal power plants. Let me remind you that as a result of the modernisation of the SPU units, the installed capacity of the plant will reach 5,747 MW. Today, Unipro has five modernisation projects (Power Units Nos. 1, 6, 4, 2, 3 of Surgutskaya GRES-2) with the capacity supply start dates until 2027, and proactive work is being done in a number of potential projects. We will continue to take part in the selection of projects that include the transfer of the equipment opera-

tion from a steam-power cycle to a steam-gas cycle using innovative gas turbines, and of RES projects.

The Company is successfully handling the task of ensuring reliable and efficient operation of the generating equipment. In 2021, we fulfilled our obligations to electric power consumers. During the year, Unipro PJSC carried out significant retooling and reconstruction of the operating capacities.

An important milestone in the Company's operations was the launch of recovered Power Unit No. 3 of Bere-zovskaya GRES. In spring 2021, the power unit was put into commercial operation.

The occupational health and safety system implemented by the Company is characterised by strong performance and continuous improvement. The surveillance audit for compliance with the international occupational health and safety standard ISO 45001-2018 was successfully passed. The total recordable incident frequency (TRIF) equalled -0.33, well below the threshold of <1.3. This confirms once again that health and safety issues of our employees and the staff of the contractors remain our priority.

The Company pays great attention to the issues of environment protection and improving the environmental friendliness of the power equipment. In 2021, fish protection structures were put into operation at Yaivinskaya GRES and Surgutskaya GRES-2. The Branches develop and implement measures to achieve process indicators of pollutant emissions into the atmospheric air that are equal to those of the best available technologies. So, Surgutskaya GRES-2 has been successfully implementing measures to reduce NOx emissions since 2019.

Unipro has successfully passed the surveillance audit of its certified Environmental Management System for compliance with the standard ISO 14001:2015 in the area of electric and heat power generation and heat power transmission. Successful passing of the surveillance audit for compliance with the international standards is perfectly aligned with Unipro commitment to sustainable development.

In accordance with the world best practices, the Company has established a Sustainable Development Committee under the Board of Directors. This is an important milestone for both the corporate governance and the entire Company. This means that Unipro will pay even more attention to the long-term sustainable development of the Company in terms of the environment, social development and corporate governance.

Unipro PJSC intends to continuously improve its approaches to information disclosure, in this regard, the

GRI and SASB Standards are applied in this Annual Report.

Unipro pays paramount attention to staff relations issues. We continue to successfully use an online platform for training the employees. Many human resource management processes, such as recruitment, adaptation and assessment of the staff, are handled online. The pandemic did not prevent us from conducting a communication study that was aimed at understanding the Company's corporate mission and values by its employees. The results of that study enable the management to assess the corporate culture objectively in order to improve its activities.

Improving the living standards of people in the regions of the Company's footprint is one of the sustainability priorities of Unipro PJSC. We continue to support educational projects, to render assistance to children's educational institutions, charitable foundations and healthcare organisations in our regions of footprint.

To sum up, we may say that the performance results of Unipro PJSC in 2021 confirm the efficiency of our strategy and enable us to forecast our further successful development.

In 2022, the Company faces important tasks. We are to continue the modernisation of the SPU units at Surgutskaya GRES-2. To improve the reliability of energy supply to consumers and to reduce the carbon footprint, we will have to further modernise the operating efficient steam power equipment. We will also strive to meet the highest standards and to minimise potential ESG risks. We are focused on diversifying our business and increasing the environmental friendliness. In particular, in addition to conventional generation, we are considering possible development in other areas using breakthrough technologies, and we are planning to develop renewable energy projects.

I believe that thanks to the high professional competence of the employees of Unipro PJSC, these objectives will be achieved.

Dear shareholders! On behalf of all the employees of Unipro, 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,
General Director of Unipro PJSC

GRI 102-14

Key Events 2021

January

Bereзовskaya GRES:

A cutting-edge automated flue gas control and monitoring system (AFGC&MS) was put into commercial operation.

Steam-water-oxygen cleaning of the boiler was completed at Bereзовskaya GRES Power Unit No. 3.

Shaturskaya GRES:

Shaturskaya GRES launched its repair campaign. The ecologist of Shaturskaya GRES won the All-Russian Competition for the Best Environmental Safety Specialist.

The protective structure of Shaturskaya GRES won the second place in the regional review competition.

Surgutskaya GRES-2:

Intermediate maintenance of 410 MW CCGT Power Unit No. 8 was completed at Surgutskaya GRES-2.

Yaivinskaya GRES:

The protective structure of Yaivinskaya GRES was recognised the best in Group II (with a capacity from 150 to 600 persons) by results of the regional review competition for the best maintenance of civil defence protective structures in 2020 in Perm Territory.

Yaivinskaya GRES helps fighting against the coronavirus. Andrey Povarnitsyn, Branch Director, handed over two analysers of blood gases and electrolytes to Roman Konev, Chief Medical Officer of the hospital.

Yaivinskaya GRES of Unipro PJSC started preparing for the overhaul of Power Unit No. 5.

February

Shaturskaya GRES:

Guided tours for members of the Active Longevity Regional Club resumed at Shaturskaya GRES. Active Longevity has been operating in Moscow Region since October 2019. The programme was specially designed for elderly people. Thanks to it, they may dance, do computer courses and go on guided tours for free.

Scheduled repairs started at Shaturskaya GRES CCGT-400.

Yaivinskaya GRES:

In Yaiva Settlement, several "health groups" were arranged for pensioners at the expense of the charitable funds of Yaivinskaya GRES. Elderly people were able to have a massage and other health-improving practices and to visit a swimming pool. Eventful leisure time was arranged for them.

Bereзовskaya GRES:

Bereзовskaya GRES put a cutting-edge automated flue gas control system into commercial operation.



March

Surgutskaya GRES-2:

The non-staff emergency response team of Yaivinskaya GRES was certified. The non-staff emergency response team of Surgutskaya GRES-2 Branch of Unipro PJSC was successfully certified by the industry commission of the Ministry of Energy of the Russian Federation.

A team of the youth association of Surgutskaya GRES-2 became the fifth out of one hundred and fifty-seven participants in the "Point of Growth" Ugra Business Management Cup.

Shaturskaya GRES:

The repair campaign was completed ahead of schedule at CCGT-400 of Shaturskaya GRES. The power unit was successfully subjected to 48 hours long acceptance testing, accepted for operation, and powered on 25 March 2021.

Smolenskaya GRES:

Unipro PJSC Smolenskaya GRES Branch started the 2021 repair campaign.

Yaivinskaya GRES:

Yaivinskaya GRES started the 2021 repair campaign.

Bereзовskaya GRES:

Bereзовskaya GRES Power Unit No. 3 was connected to the Unified Energy System of Siberia in trial mode. Trim runs of the turbine unit were completed at Unipro PJSC Bereзовskaya GRES Branch Power Unit No. 3.

April

Unipro Megawatt Online Journal won the XVIII Annual All-Russian Corporate Media Competition in the nomination "Industry Categories – the Best Corporate Media of the Fuel and Energy Sector".

Surgutskaya GRES-2:

A panel discussion for veterans and young power engineers of Surgut and Khanty-Mansi Autonomous District-Yugra: "Russia Is My History" took place in the multimedia park. The employees of Surgutskaya GRES-2 Branch of Unipro PJSC took part in the event as well.

Shaturskaya GRES:

Five employees of Shaturskaya GRES became leaders of the incentive project "Safety Star" in the area of occupational safety.

Yaivinskaya GRES:

Yaivinskaya GRES held a track-and-field relay race "For Yaivinskaya GRES Prizes" for athletes from Alexandrovsky Municipal District of Perm Territory. About 250 persons took part therein.

Yaivinskaya GRES employees took part in an environmental neighbourhood clean-up in the territory of Yaiva Urban Settlement.

Bereзовskaya GRES:

Bereзовskaya GRES completed the load testing of Power Unit No. 3 with power supply to the Unified Energy System of Russia. Thus, Unipro PJSC completed repair and recovery works at Bereзовskaya GRES Power Unit No. 3 that was damaged by fire back in 2016.

May

The project "Art for All" (art exhibitions at the Branches) earned Class 2 Diploma in the nomination "Best Social and Educational Project" of "ConTEKst" All-Russian Contest for Communication Projects by Fuel and Energy Sector Companies.

Unipro TV corporate television earned Class 2 Diploma in the nomination "Best Digital Project" of "ConTEKst" All-Russian Contest for Communication Projects by Fuel and Energy Sector Companies.

Unipro PJSC proved its compliance with the requirements of the international standard ISO 45001:2018. Unipro PJSC successfully passed the first surveillance audit of its Occupational Health and Safety Management System (hereinafter referred to as OHSMS) with the International Occupational Health and Safety Standard ISO 45001:2018. The audit was conducted by the auditing team of the Russian Register Certification Association accredited by the international certification authority – member of the International Accreditation Forum (IAF).

Surgutskaya GRES-2:

A team of the youth association took the second place in the "What? Where? When?" Tournament Game. The intellectual tournament among the power enterprises of Surgut was arranged by Surgutskaya GRES-1 Branch of OGK-2 PJSC.

Power engineers of Surgutskaya GRES-2 took part in the Victory Day Chess Tournament for the third time. The tournament has been held in Municipal Budgetary General Education Institution Secondary School No. 19 for several years already.

The Federal Service for Accreditation has signed the Order "On Certification of Competence and Expansion of the Accreditation Scope of Unipro PJSC (Surgutskaya GRES-2 Branch) Chemical Lab".

Igor Gennadyevich Prevysokikh, Grade 8 Chief Mechanician of the boiler and turbine shop of Surgutskaya GRES-2 Branch of Unipro PJSC, was awarded the honorary title of "Honoured Power Engineer of the Russian Federation" by Decree of the President No. 269 dated 11 May 2021.

Shaturskaya GRES:

Shaturskaya GRES closed the heating season. Shaturskaya GRES Branch Power Unit No. 4 was shut down for overhaul.

Yaivinskaya GRES:

Yaivinskaya GRES closed the 2020-2021 heating season, which lasted 8 months. Yaivinskaya GRES demonstrated stable performance during the spring flood season.

Bereзовskaya GRES:

Bereзовskaya GRES allocates funds for gifts to all veterans of the Great Patriotic War of the Town of Sharypovo on an annual basis.

Bereзовskaya GRES opened a photo exhibition on the occasion of the 40th Anniversary of the Town of Sharypovo. The exhibition "Faces of KATEK" includes 20 photos from the 1980s.

June

Smolenskaya GRES:

Unipro PJSC Smolenskaya GRES Branch is repairing Power Unit No. 1.

As part of preparations for the autumn and winter season, Unipro PJSC Smolenskaya GRES Branch launched the repair of the heating networks.

Bereзовskaya GRES:

Unipro gave a new ambulance car to the Sharypovo Municipal Hospital.

Unipro PJSC is helping disabled children from the settlements of Sharypovsky District. Unipro PJSC purchased modern wheelchairs for children with the help of Galchonok Charity Foundation.

Surgutskaya GRES-2:

At Surgutskaya GRES-2, professional skills competitions were held among the repair staff of the plant for the first time.

As part of its Social Investment Programme, Unipro PJSC procured 12 tablets for the general physicians of Surgut Municipal Outpatient Clinic No. 3.

Surgutskaya GRES-2 is getting ready for modernisation. For the purpose of renovation activities at Power Unit No. 1 of 810 MW SPU, a new generator stator was delivered to Unipro PJSC Surgutskaya GRES-2 Branch in June.

Shaturskaya GRES:

Shaturskaya GRES Branch of Unipro PJSC provided the Shatura Central District Hospital with funds for the purchase of medicines and medical equipment required to treat patients with COVID-19.

Shaturskaya GRES launched the repair of the heating network.

Yaivinskaya GRES:

Yaivinskaya GRES released juveniles of food fish into the Yaiva River, i.e., more than 8,000 pikes.

Unipro PJSC Yaivinskaya GRES Branch launched the repair of the heating networks and equipment as part of preparations for the autumn and winter season.



July

Surgutskaya GRES-2:

Mikhail Bovin, Lead Production Engineer of the electrics shop at Surgutskaya GRES-2, took the fifth place at the All-Russian Professional Skills Competition in the nomination “The Best Relay Protection and Automation (RPA) Specialist of 2021”.

To perform the works intended to modernise 810 MW SPU Power Unit No. 1, a generator actuator and other items of electrical equipment were delivered to Surgutskaya GRES-2 Branch of Unipro PJSC.

Children’s environmental paintings were placed along the bank of the Reservoir of Surgutskaya-2 GRES Branch of Unipro PJSC. The works’ authors were children of Unipro PJSC employees, participants in the Company’s creative competition “Clean Planet Is Our Common Goal”.

Shaturskaya GRES:

The exhibition “Masterpieces of German Painting” was opened at Shaturskaya GRES. Shaturskaya GRES announced the winners of the review competition “The Best Occupational Safety Contractor for Q2 2021”.

August

The Unipro Corporate and Legal Unit won several highest prizes as part of the award “The Best Legal Departments” of Legal Insight Journal, which is the major legal award of the country. Our fellow workers took the first place in the nomination “The Best Legal Project” (legal support for the recovery of Power Unit No. 3 of Berezovskaya GRES and legal and administrative proceedings related to the accident), the second place in the nomination “Efficient Management of Troubled Assets” (restructuring of Shaturskaya GRES accounts receivable) and won the grand prize in the nomination “Creative Courage”.

Surgutskaya GRES-2:

Surgutskaya GRES-2 Branch of Unipro PJSC supported district rugby players. The funds were used to pay for travels to competitions and purchase of team uniforms.

At Surgutskaya GRES-2, the modernisation of 810 MW SPU Power Unit No. 1 began with the dismantling of the equipment to be replaced.

Compliance with Civil Defence and Emergency Protection issues was checked at Surgutskaya-2 GRES Branch of Unipro PJSC.

Berezovskaya GRES:

Berezovskaya GRES sent about nine tonnes of plastic and other waste for processing.

Smolenskaya GRES:

Smolenskaya GRES is colour-coding its equipment and work stations.

Berezovskaya GRES:

Berezovskaya GRES launched the liquidation of sludge collector hydraulic facilities. In 2020, Unipro PJSC Berezovskaya GRES Branch reduced pollutant emissions into the air almost by a third.

Intermediate maintenance of Power Unit No. 2 was completed by Berezovskaya GRES.

Smolenskaya GRES:

Smolenskaya GRES completed the modernisation of burner devices at Power Unit No. 1.

Unipro PJSC Smolenskaya GRES Branch shut down Power Unit No. 2 for intermediate maintenance.

Yaivinskaya GRES:

The exhibition “Masterpieces of German Painting” was opened at Yaivinskaya GRES. Yaivinskaya GRES specialists manufactured and installed a fence near a hazardous area of the bank of the Yaiva River to prevent swimming in a dangerous place and protect the settlement dwellers.

Comprehensive emergency training exercises were held in the territory of Yaivinskaya GRES, with the forces and facilities involved therein to the widest extent possible. Joint efforts in case of an emergency spill of oil products were worked out.

Shaturskaya GRES:

Shatura power engineers held an environmental campaign to collect waste paper.

Shaturskaya GRES Power Unit No. 6 was shut down for intermediate maintenance.

Under its Social Investment Programme, Shaturskaya GRES provided Shatura Municipal Budgetary General Education Institution Secondary School No. 1 with charity support. The funds were applied to replace window units.

Yaivinskaya GRES:

Yaivinskaya GRES Combined-Cycle Plant celebrated its 10th anniversary. On the occasion of the anniversary, an intellectual quiz was held for the staff at the power plant.

Dmitry Makhonin, Governor of Perm Territory, visited Yaivinskaya GRES as part of his working trip to Aleksandrovsky Municipal District.

Yaivinskaya GRES Branch of Unipro PJSC held yet another set of comprehensive civil defence and emergency training exercises on its grounds. The participants practiced acting in the case of accidental spillage of turbine oil.

The traditional theatre Festival “Golden Mask” was held in the Berezniki Drama Theatre. Unipro supports the Festival in the regions.

September

Surgutskaya GRES-2:

Surgutskaya-2 GRES continued modernisation of 810 MW SPU Power Unit No. 1 at full speed. The old excitation system (ES) was dismantled, and a new one was being installed. A cooling system for the thyristor excitation system has been installed. The installation of new bus ducts was completed. The employees of Surgutskaya GRES-2 Branch of Unipro PJSC handed over special books for social institutions of the town.

Surgutskaya-2 GRES supported sports organisations of KhMAD-Yugra. The Unipro Branch Social Investment Programme for 2021 included support of the Rugby Federation of KhMAD-Yugra, R.T. Khabibullin Volleyball Sport Academy and other sports organisations.

Shaturskaya GRES:

Students of Shatura Power Industry College wrote a dictation dedicated to the history of the Shatura Power Plant construction.

The employees of Shaturskaya GRES took part in the Green Energy Corporate Festival. Shaturskaya GRES released more than 900 silver carps into Lake Svyatoye.

Shaturskaya GRES started supplying heat to consumers.

Smolenskaya GRES:

Smolenskaya GRES Branch of Unipro PJSC completed the repair campaign to prepare the heating networks of Ozerny Settlement to the autumn and winter season.

Smolenskaya GRES presented the Smolensk Branch of Federal State Budgetary Educational Institution of Higher Vocational Education National Research University “Moscow Power Engineering Institute” with a vintage photo exhibition dedicated to the 100th Anniversary of Shaturskaya GRES.

Unipro PJSC was recognised as a social performance leader among energy companies.

The Board of Directors of Unipro PJSC established a Sustainable Development Committee.

Berezovskaya GRES:

Berezovskaya GRES connected consumers to the heating system.

Yaivinskaya GRES:

Yaivinskaya GRES Branch of Unipro PJSC connected residential sector consumers and social infrastructure facilities of Yaiva Settlement in the Perm Territory to the heating network without failures and in due time.

Yaivinskaya GRES Branch of Unipro PJSC connected the residential sector consumers and social infrastructure facilities of Yaiva Settlement in Perm Territory to the heating network without failures and in due time.

Traditionally, each first grader of Yaiva Settlement received a stationery set as a gift from Yaiva power engineers on the Day of Knowledge.

The non-staff emergency response team of Yaivinskaya GRES was certified for the right to conduct search-and-rescue operations and oil and oil products spill response in the territory of the Russian Federation.

October

Unipro won two prizes of the **Inter-Comm-2021** International Corporate Communications Award. The second place in the nomination “Media” was awarded to Unipro TV corporate television. In the nomination “Anti-Crisis”, the third place was taken up by the project “Communication Campaign to Support Vaccination Against COVID-19”.

Surgutskaya GRES-2:

For the first time during 12 years, the Surgut City Festival of Working Youths “Onto the Wing” was won by the team of the youth association of Surgutskaya GRES-2 Branch.

Surgutskaya GRES-2 Branch of Unipro PJSC rendered assistance to para-badminton players of Surgut Region. The funds transferred by the power engineers were applied to purchase sports equipment.

In the course of modernisation of Surgutskaya GRES-2, new cylinders were installed at 810 MW SPU Power Unit No. 1, final assembly was carried out, control checks of all gaps in the flow path were performed, and high and intermediate pressure cylinders were closed.

Shaturskaya GRES:

The staff of Shaturskaya GRES Branch of Unipro PJSC held the environmental campaign “Green Land”. As part of the event, spruce, willow, amelanchier, and rowan trees were planted on the shore of Chernoye Lake. There was a total of about 40 seedlings.

Yaivinskaya GRES:

The staff of Yaivinskaya GRES Branch planted trees as part of the environmental campaign “Green Russia”. In Yaiva Settlement, seedlings of linden were planted.

Representatives of the youth association of Yaivinskaya GRES took part in the regional youth forum in the City of Solikamsk and in the territory championship of intellectual games in the Town of Berezniki.

Berezovskaya GRES:

Berezovskaya GRES completed the repair campaign successfully.

Berezovskaya GRES released about three thousand sturgeon juveniles into the Yenisei River. Under an agreement with the Yenisei Fishery Regional Arm, the Branch undertook to stock the region water bodies with fish species listed in the Red Book of the region in order to reproduce aquatic biological resources of Krasnoyarsk Territory.



November

Shaturskaya GRES:

A photo exhibition dedicated to the 300th anniversary of the Moscow Synodal Choir, for which Unipro PJSC has been a partner for many years, opened in the electrical workshop of Shaturskaya GRES.

As part of the project “Career Starts at School”, Shaturskaya GRES Branch of Unipro PJSC provided financial support to the Shatura Lyceum.

Shaturskaya GRES summed up the results of the project “Safety Star” for Q3 2021.

Smolenskaya GRES:

Smolenskaya GRES Branch of Unipro PJSC upgraded the relay protection equipment of two 220 kV overhead lines as part of the modernisation of relay protection and automatic equipment (RPA).

Smolenskaya GRES hosted a professional skills competition among the teams of the centralised repair shop. Power engineers

competed in the knowledge of regulatory and technical documents, work permit system, solved professional problems, administered first aid.

Berezovskaya GRES:

The mini-football tournament among youth teams for the Cup of Berezovskaya GRES ended in Sharypovo.

Surgutskaya GRES-2:

Surgutskaya-2 GRES Branch of Unipro PJSC is successfully implementing the annual repair programme.

At Surgutskaya-2 GRES, the first firing of the boiler of Power Unit No. 1 of 810 MW STU was performed.

We are improving the energy system reliability: the first hardware and software suite of the transient state monitoring system was modernised at Surgutskaya GRES-2.

December

Surgutskaya GRES-2:

Upon complete installation of new equipment, upgraded Power Unit No. 1 was first connected to the grid and gradually gained a nominal capacity of 830 MW.

An emergency response drill was held at Surgutskaya GRES-2 Branch of Unipro PJSC.

Shaturskaya GRES:

Shaturskaya GRES Branch of Unipro PJSC summed up the results of the professional skills competition among its repair staff.

Special tactical training exercises were held at Shaturskaya GRES.

Smolenskaya GRES:

The colour-coding of equipment and workplaces of the power units of Smolenskaya GRES was completed.

Smolenskaya GRES Branch of Unipro PJSC held a professional skills competition.

Berezovskaya GRES:

Berezovskaya GRES hosted a professional skills competition among its repair staff.

Berezovskaya GRES and the State Road Safety Inspectorate are preparing schoolchildren for “Safe Vacations”.

Unipro successfully passed the second surveillance audit of the certified Environmental Management System (EMS) for compliance with the standard ISO 14001:2015.

At all Unipro Branches, the exhibition “Masterpieces of Dutch Painting” was opened.

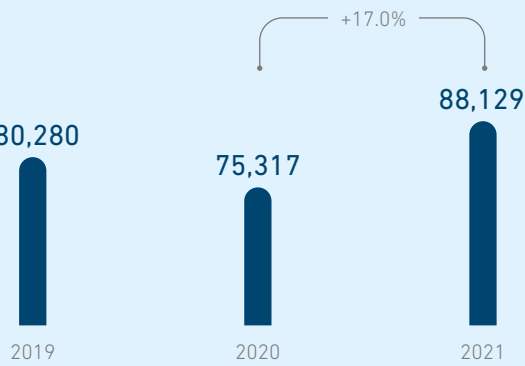
Yaivinskaya GRES:

Yaivinskaya GRES completed the 2021 repair campaign.

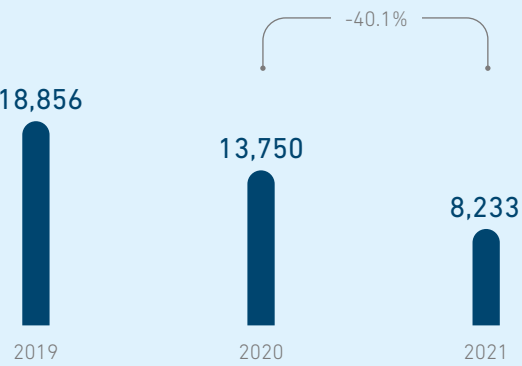
Key Figures 2021

GRI 102-7

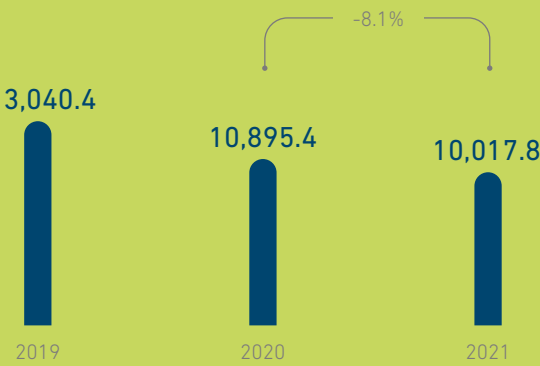
Revenue, RUB mln



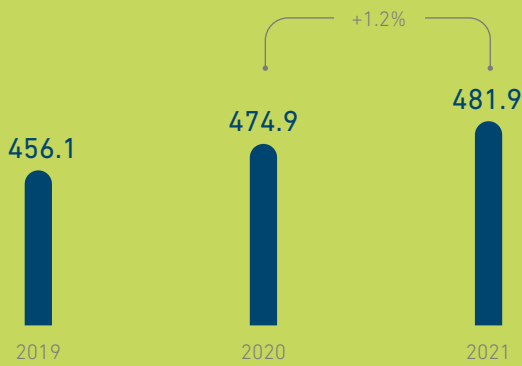
Net profit, RUB mln



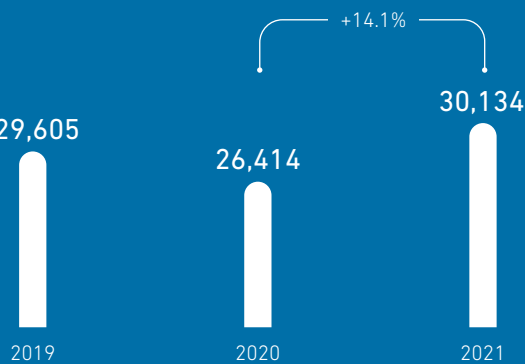
Tax payments, RUB mln



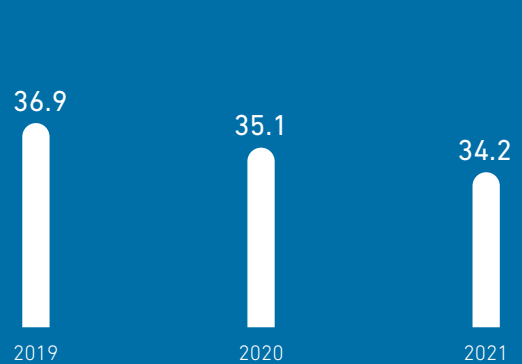
Occupational safety expenses, RUB mln



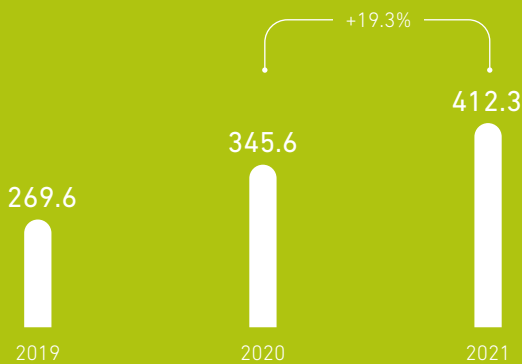
EBITDA, RUB mln



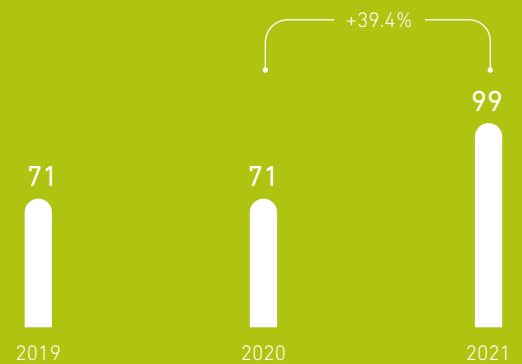
Return on EBITDA, %



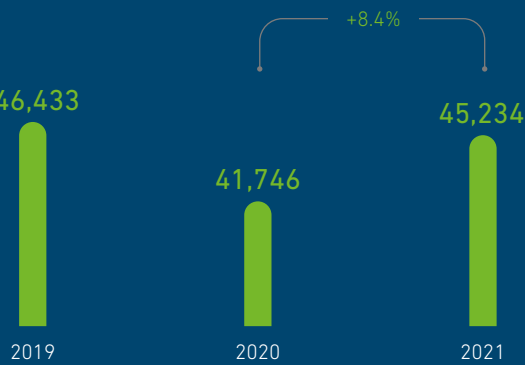
Environmental protection expenses, RUB mln



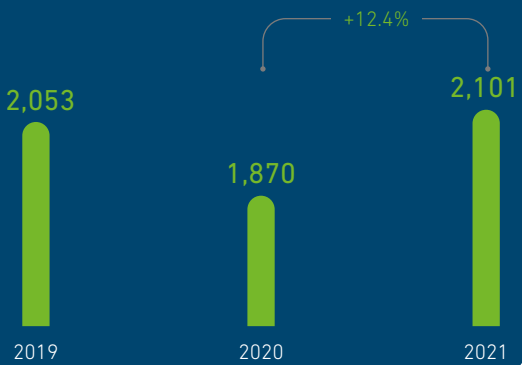
Social investments, RUB mln



Electric power generation, mln kWh



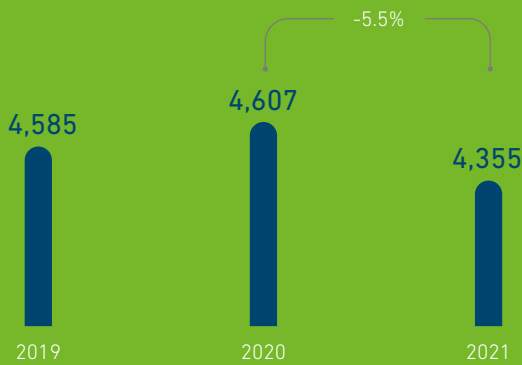
Heat supply, thousand Gcal



Staff expenses, RUB mln



Staff headcount, RUB mln



UNIPRO PROFILE

12

1.1
ABOUT US

14

1.2
GEOGRAPHICAL REACH

20

1.3
BRANCHES

26

1.4
BUSINESS
MODE

28

1.5
INVESTMENT APPEAL FACTORS
AND COMPETITIVE ADVANTAGES

1



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 produces and sells electric power and capacity, as well as heat power. Unipro is also present in the Russian markets for distributed generation and engineering. The Company operates within the Unified Energy System (UES) of Russia. GRI 102-2

2005

Establishment of OGK-4 JSC based on five power plants with a capacity of 8, 630 MW

2007

Acquisition of OGK-4 JSC by E.ON International Energy Group

2011

OGK-4 JSC was renamed as E.ON Russia JSC

2021

Unipro PJSC is an efficient electric power company with a foreign majority shareholder, five power plants with a total installed capacity of 11,245 MW and a number of service, engineering and manufacturing companies

2016

A new company, Uniper, as spun off from E.ON. It comprised E.ON Russia JSC, later renamed Unipro PJSC

Uniper Group,

a major shareholder of Unipro PJSC, is a leading international energy company operating in more than 40 countries.

The Company plans for its power generation business in Europe to be carbon-neutral by 2035. About 35 GW of installed generation capacity of Uniper makes it one of the world's largest electricity producers. The Company's core activities include power generation in Europe and Russia as well as global energy trading and a broad gas portfolio, which makes Uniper Group one of Europe's leading gas companies. In addition, Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonisation journey. Uniper is a hydrogen energetics pioneer, is active worldwide along the entire hydrogen value chain, and is implementing projects to make hydrogen a mainstay of the energy supply.

The head-quarters of Uniper Group are in Düsseldorf, and currently it is Germany's third-largest publicly listed energy supply company. Together with Fortum Group, its principal shareholder, Uniper is Europe's third-largest producer of zero-carbon power generation.

In 2021, Unipro announced its plans to develop renewable energy sources projects.

The Company has an important competitive advantage as it holds power units of large single-unit capacities (810 and 800 MW, respectively), i.e., **Surgutskaya GRES-2** and **Berezovskaya GRES**, in its assets: these power plants are considered the most economically and operationally efficient ones among gas and coal power units using steam power technologies. That advantage is supported by the use of the most efficient and sought-after steam gas equipment that was put into operation as part of the investment programme.

¹ Hereinafter referred to as Unipro PJSC, Unipro, Company.

1.2 Geographical Reach

Unipro PJSC is registered in Khanty-Mansi Autonomous District - Yugra and headquartered in Moscow.

GRI 102-3
GRI 102-4

The demand for the Company's power plants is due not only to the efficiency of the generating equipment installed, but also to the specific features of its regions of location which are economically and industrially developed and have a high potential for energy consumption growth

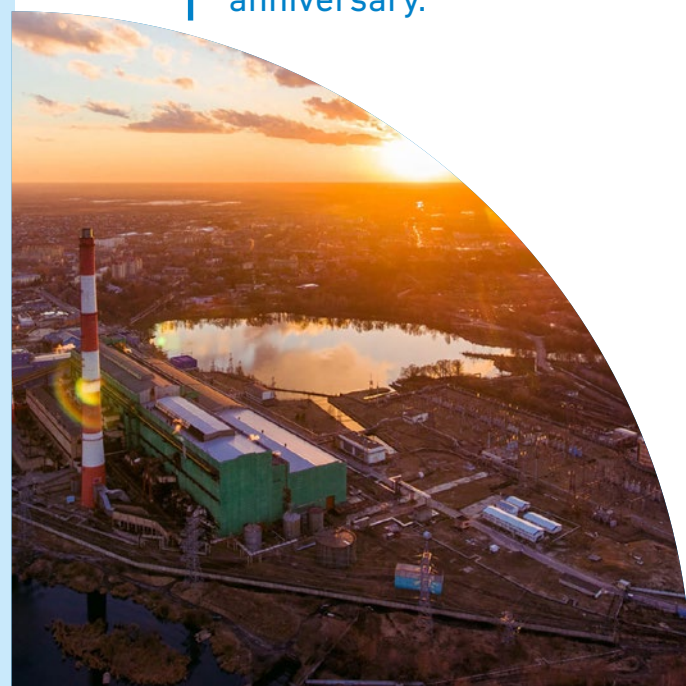
	Smolenskaya GRES (Smolensk Region) <small>is a plant involved in providing export power flows to Belarus</small>	Shaturskaya GRES (Moscow Region) <small>is a plant located in Moscow Region suffering from power shortages</small>		Yaivinskaya GRES (Perm Territory) <small>is a plant involved in striking the power balance in the Berezniki and Solikamsk industrial hub</small>	Surgutskaya GRES-2 (Khanty-Mansi Autonomous District) <small>is the largest and one of the most efficient thermal power plants in Russia</small>	Berezovskaya GRES (Krasnoyarsk Territory) <small>is the most powerful thermal power plant in the energy system of Siberia, which is especially in demand during reduced water content periods and, accordingly, a decrease in the utilisation of hydro power plants in Siberia</small>
Years of commissioning (connection to the grid)	1978-1985	1971-2010		1963-2011	1985-2011	1987-2015
Installed capacity, MW	630	1,500		1,048.0	5,667.1	2,400
ICUF 2021, %	35.6	47.4		44.9	57.2	21.4
Net electric power output in 2021, mln kWh	1,817	5,800		3,907	27,697	4,119
Net heat power output in 2021, thousand Gcal	33	316		49	935	626
Average staff number, persons	477.4	845.5		479.7	1,177.5	1,095.61

1.3 Branches

Shaturskaya GRES

It is one of the oldest power plants in Russia. On 25 July 2021, Shaturskaya GRES celebrated its 101st anniversary.

- > It supplies heat to the entire residential and hospitality sector in Shatura and Kerva Microdistrict.
- > 98% of the plant employees are locals, that is 2.6% of the total working-age population of 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 CCGT-400 at Shaturskaya GRES became the first Russian project approved by the United Nations Organisation under the Kyoto Protocol.



Generates

6%

of the total electric power output in Moscow and Moscow Region



Sergei Bakurin,
Director of Shaturskaya GRES Branch



We achieved key production and financial targets in 2021. The previous heating season was successfully completed. For Shaturskaya GRES, this year differs from the previous ones by an increase in output and, as a result, in the installed capacity utilisation factor. In addition to scheduled repairs, Power Unit No. 4 was overhauled and the intermediate maintenance and maintenance of the main equipment of CCGT-400 were completed at the power plant. Thus, a set of measures aimed at improving the efficiency, safety and reliability of the equipment in operation, ensuring the trouble-free operation of Shaturskaya GRES, was implemented in full in the expiring year.

As for social projects, our team continued to do useful things. So, this year, we took part in neighbourhood clean-ups, held the environmental campaign "Green Land", collected more than 1 tonne of waste paper.

As before, one of the priority areas of our business is to create safe working conditions, to preserve life and health of our employees, to ensure reliable operation of the production facilities and fire safety of the power plant.



Yaivinskaya GRES



Andrey Povarnitsyn,
Director of Yaivinskaya GRES Branch



In 2021, we performed our key financial, production, environmental and social tasks and commitments. The previous heating season was completed and the new one started without accidents.

A large scope of modernisation and repair works was completed. I would like to highlight the important work of the main inspection of Power Unit No. 5 of the CCGT that is related to the difficult work of dismantling the generator from its foundation that was performed for the first time to overhaul it with the rotor roll-out at the repair site. The gas ducts of Power Unit No. 4 were replaced, which increased the efficiency of power equipment. An Automated Process Control System service network was created in order to increase the information security of process systems. This is important at the present time of so rapid development of digital technologies.

In 2021, we made the most of our professional potential and coped properly thanks to our adherence to the basic principles of our operations – the creation of safe working conditions, the preservation of life and health of our employees, ensuring reliable operation, fire safety and environmental efficiency of production facilities.

It plays an important role in providing stable power supply to major industrial facilities of Perm Territory, as well as to cities, towns, and settlements of the Upper Kama River area.



Berezovskaya GRES

It is the most powerful heat power plant in Krasnoyarsk Region. It generates 11% of the total electric power output in Krasnoyarsk Territory and 3% of the total electric power output in the IDO (Interregional Dispatching Office) of Siberia operating zone.

Berezovskaya GRES employs

> 5%

of the working-age population of Sharypovo



Dmitry Kazarin,
Director of Berezovskaya GRES Branch



We note that putting into commercial operation of the automated flue gas control and monitoring system at Berezovskaya GRES was one of its key achievements in 2021. BGRES is one of the first pulverised-coal power plants in the country where that innovative system was put into operation. Another large-scale environmental project is the liquidation of hydraulic structures of a sludge collector which was located within the boundaries of a water conservation zone. In addition, we continue the environmental programme for stocking the region's water bodies with species of fish listed in the Red Book. In 2021, our professionals released about three thousand sturgeon juveniles into the Yenisei River. Since 2018, more than 15,000 sturgeon and sterlet juveniles have been released into the river.

In the context of restrictions related to the coronavirus infection, it is extremely important to carry out the repair campaign in a timely manner. In 2021, Berezovskaya GRES successfully completed the repair of Power Unit No. 1, where a lot of work was done to repair the turbo-generator, and in the boiler room, the boiler heating surfaces were cleaned and the metal was checked. At Power Unit No. 2, one of the key work types was the inspection of the axial channel of the high-pressure rotor of the turbine unit and the control of a large volume of metal of the boiler heating surfaces and pipelines. All this will enable the equipment to function more efficiently and reliably.

The main event of 2021 was the commissioning of Power Unit No. 3. The load testing with power supply to the Unified Energy System of Russia was completed. The repair and recovery works after the fire that occurred in 2016 were completed.



Nikolay Derkach,
Director of Surgutskaya GRES-2 Branch



In 2021, the main goal for the staff of Surgutskaya GRES-2 was the modernisation of steam Power Unit No. 1. We fulfilled all tasks set by the Company's management. The generator, high and intermediate pressure cylinders of the steam turbine were replaced, new rotors were installed on the high and intermediate pressure cylinders. We installed, as well the generator, rotor and a lot of electrical equipment. Among other things, we replaced the thyristor excitation system, current leads and bus ducts. The integrated automatic generator circuit breaker was replaced with new gas-insulated generator switchgear.

This great work was completed in a very short time: within three months. All the plant employees involved in the modernisation took a professional approach thereto and acted as a consolidated team. In 2022, Power Unit No. 1 will have a second life.

We did not have any injuries and accidents at the plant in the course of modernisation and in general in 2021. We have 0 incidents and TRIF=0. At that, complex activities were performed in the course of overhaul (modernisation) of Power Unit No. 1. They included lifting and moving heavy oversized cargoes, a large volume of hot works and simultaneous operations in a tight working space.

In addition, the repair programme of the plant was fully completed in 2021. It included extended repair at Power Units Nos. 3 and 7.

I would like to note that our plant generated about 28,414 mln kWh of electric power in 2021. This was more than the electric power generated by any of the country's thermal power plants. Strong performance is driven by the responsible work of the team which successfully deals with challenges and fulfils the tasks set. We understand that Surgutskaya GRES-2 is a key and highly demanded enterprise of the country's electric power industry and we meet the requirements of the time.

Surgutskaya GRES-2

It is the largest electric power producer in Russia

- > It is the world's most powerful thermal power plant that uses gas as its fuel.
- > It supplies the districts of West Siberia and the Urals with electric power: it accounts for about 40% of the total electric power output in the Khanty-Mansi Autonomous District-Yugra.
- > It supplies electric power to ensure uninterrupted operation of the oil and gas fields in Khanty-Mansi Autonomous District.

Surgutskaya GRES-2 supplies heat to the eastern district of Surgut with a population

> 130
thousand



Smolenskaya GRES

It is a city-forming enterprise, 9% of the total working-age population of Ozerny Settlement are employed thereby

It supplies electric power to 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 generates

10%

of the electric power

produced by all power plants operating in the region



Evgeny Inozemtsev,
Director of Smolenskaya GRES Branch



The staff of Smolenskaya GRES worked successfully and carried out the 2021 repair campaign within the timeframe agreed upon with the Regional Dispatching Office.

At the plant, landscaping of the Branch territory began: traffic and pedestrian flows were separated, road signs were installed to enable the safe movement of the plant employees, and the parking lot near the administration and amenity building was expanded and asphalted.

In order to promote Unipro PJSC, Smolenskaya GRES Branch transferred a vintage photo exhibition dedicated to the 100th Anniversary of Shaturskaya GRES to the Smolensk Branch of Federal State Budgetary Educational Institution of Higher Vocational Education National Research University "Moscow Power Engineering Institute".

Eight interest-free loans were provided to the plant staff within the corporate support in improving living conditions.

Medical examination of the staff, including those who suffered from the coronavirus infection, was arranged on the basis of the PSL (Psychophysiological Support Laboratory) for the purpose of medical check-up and early diagnostics of diseases. The examination includes: an ultrasound investigation of vessels of the neck, heart, lower extremity veins, thyroid gland, a blood test for D-dimer. Patients are received by skilled professionals: a cardiologist, an infectious disease doctor, an endocrinologist, a neurologist, a physician, a gynaecologist.

An agreement was reached with Smolensk Regional Technological Academy on opening a group in the branch of study "Foreman for Control and Measuring Equipment and Automation" on its basis. In September, students were enrolled to that branch of study.

We continue to support social and children's sports organisations. In 2021, the charitable assistance amount was more than RUB 6 mln.

1.4 Business Model

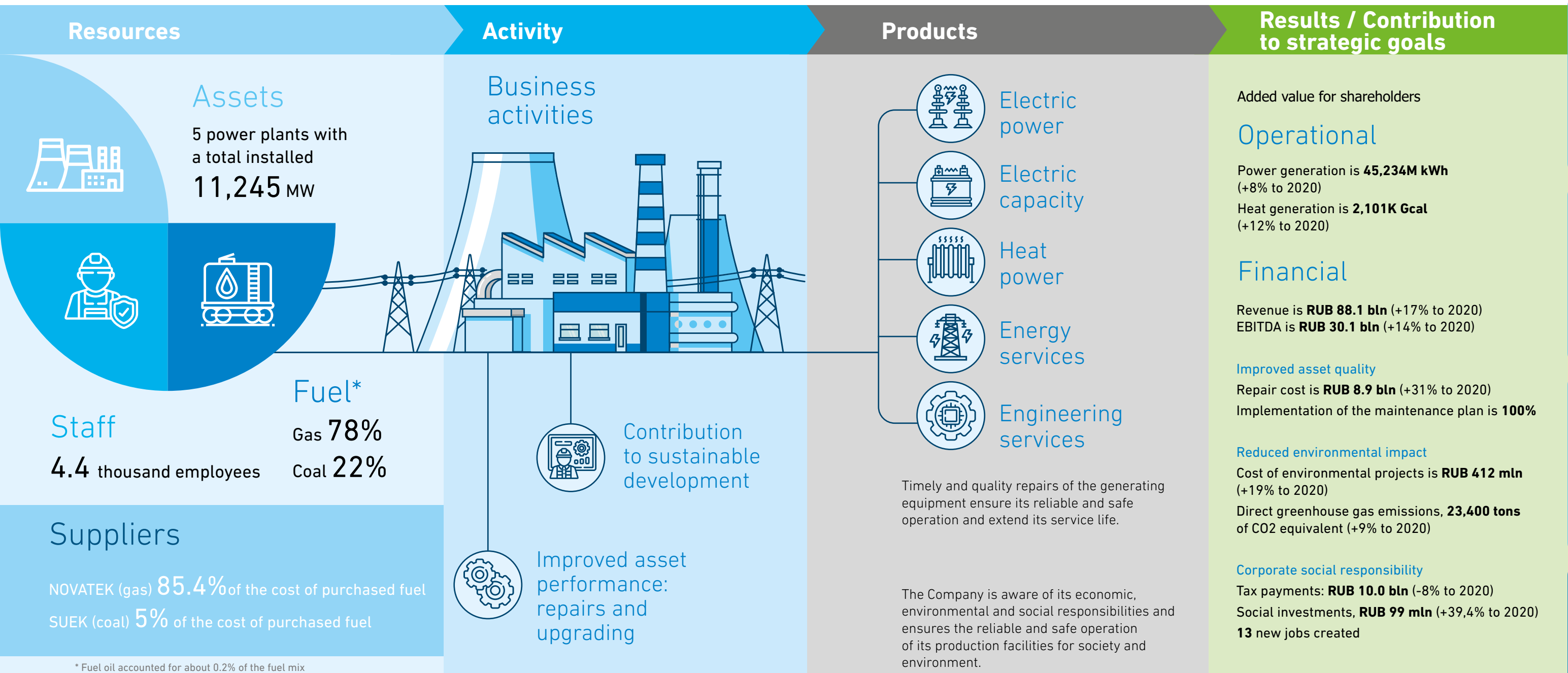
Shareholders

The major shareholder of Unipro PJSC (83.73%) is the leading international energy company Uniper operating in more than 40 countries (installed generating capacity is about 35 GW)

The Company's business model presented in this Report has been prepared in accordance with the IIRC International Integrated Reporting Framework and enables to demonstrate how the Company's resources are converted into products and to evaluate the performance in terms of contribution to the achievement of strategic objectives.

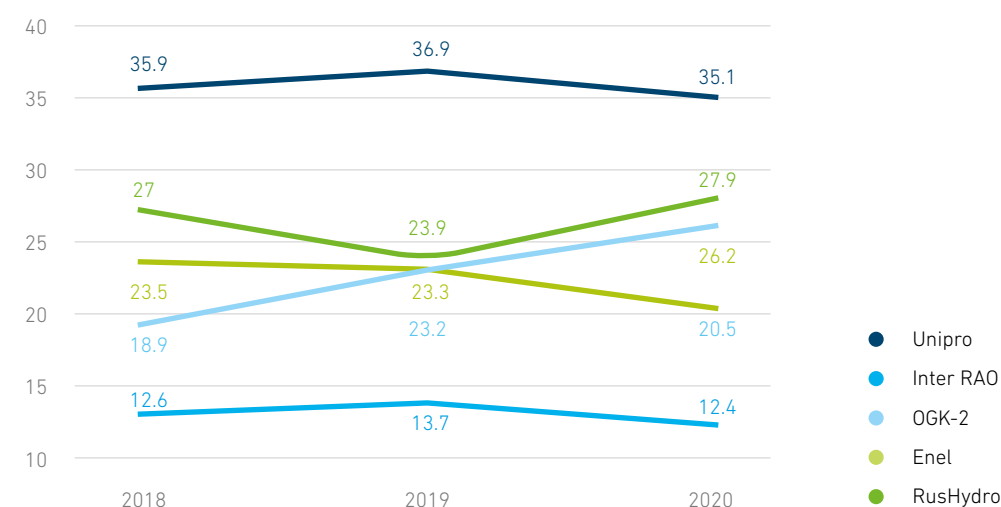
Customers

The Company operates in the wholesale electric power and capacity market. Residents, local industry and public enterprises and entities are consumers of the produced heat



1.5 Investment Appeal Factors² and Competitive Advantages

Unipro PJSC is one of the most efficient generation companies in Russia³:



Appealing Dividend Policy, steady dividend flow per share, steady payments:

Unipro PJSC		2018	2019	2020
Dividend (payment)	RUB bln	14,000	14,000	14,000
Dividends per share for a year	RUB	0,222	0,222	0,238
Earnings per share as of the record date:				
- Q3	%	4,10	4,04	4,00
- for a year	%	4,27	3,96	4,34

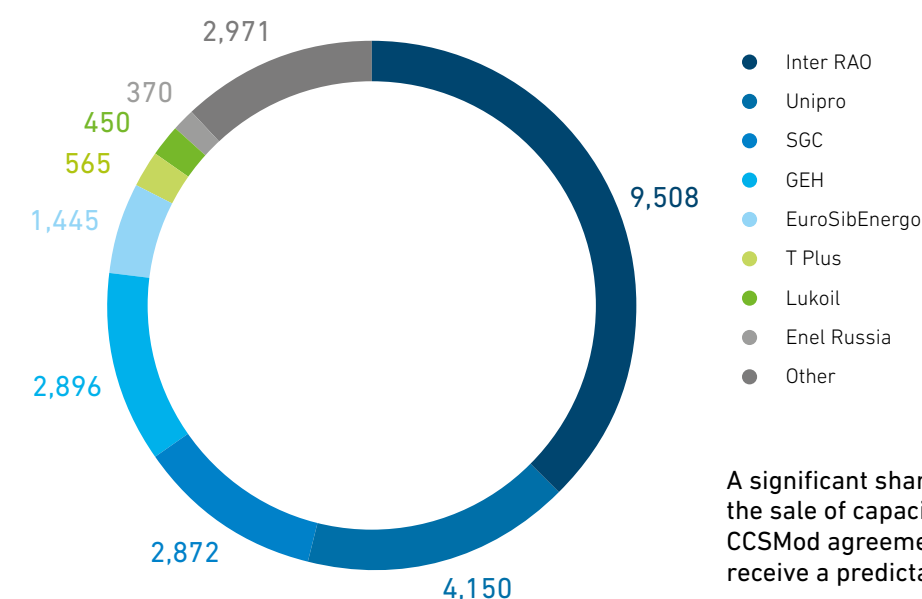
A sustainable financial standing and low debt burden provide broad prospects for investment in RES and other strategic projects:

Unipro PJSC		2018	2019	2020
EBITDA	RUB bln	27.9	29.6	26.4
Net debt	RUB bln	0.3	3.2	1.8
Net debt/EBITDA		0.01	0.1	0.1

² The data is provided for 2018 to 2020 subject to the information available at the time of preparing this Report.

³ The data is provided on the basis of publicly available sources, including the annual reports of the companies presented.

Unipro PJSC has a large portfolio of projects⁴ for the modernisation of heat generation facilities within the CCSMod⁵, MW



A significant share of low-volatility revenue from the sale of capacity, including under CSA and CCSMod agreements, enables the Company to receive a predictable steady cash flow.

The strategic priority of Unipro PJSC is investment in renewable energy in order to transit to low-carbon power generation.

Developed system of internal controls and risk management prepared in accordance with the policies of Uniper Group.

Competitive Advantages

- > A high competitive position on the supply curve in the DAM market due to:
 - A high share of efficient steam gas equipment (CCGT units of ShGRES, YaGRES, SuGRES-2) and large steam power units (800 MW units of SuGRES-2, BGRES)
 - Low fuel costs due to proximity to fuel sources (Berezovskaya GRES, Surgutskaya GRES-2).
- > High demand for the generating equipment of Unipro PJSC: the level of utilisation of the Company's GRES is higher than the average for thermal power plants in the entire wholesale market
- > Asset portfolio diversified by power generation technology and geographical areas
- > High availability of equipment and low accident rate due to the quality of asset management
- > High standards of industrial and occupational safety: the Company's Health and Occupational Safety Management System is certified for compliance with ISO 45001:2018
- > Responsible Environment Protection Policy, the Environmental Management System is certified for compliance with ISO 14001:2015
- > Unique competencies of the Company's engineering function
- > High level of corporate governance, production and financial management

⁴ Without the selection of projects involving the installation of gas turbines that are samples of innovative equipment for 2027-2029

⁵ Heat power modernisation programme

32

2.1

ADDRESS OF THE
CHAIRMAN OF
THE BOARD OF
DIRECTORS

34

2.2

MARKET
REVIEW

46

2.3

DEVELOPMENT
STRATEGY

STRATEGIC REPORT

2

52

2.5

PROCUREMENT
ACTIVITIES

56

2.6

INNOVATIVE BUSINESS
PROCESS SUPPORT

48

2.4

INVESTMENT
ACTIVITIES



2.1 Address of the Chairman of the Board of Directors



Dear colleagues! On behalf of the Board of Directors of Unipro PJSC, I would like to thank each of you for your substantial contribution to the operational and financial performance achieved in 2021.

Dear Shareholders, Investors and Colleagues!

Unipro had a successful year in 2021, yet the company is taking steps towards a greener future. To maintain Unipro's leading position in the energy market and improve the environmental friendliness the Board of Directors has approved a new strategy. Thus, taking the course on reducing the carbon footprint, Unipro is planning to develop renewable energy and deep mod-

ernization projects. The company will also continue to implement innovative technologies and refurbish its equipment.

I am therefore very proud that, even amid the Covid-19 corona virus pandemic and OPEC+ deal impact on the energy market, our assets continued operating successfully and have managed to achieve stable financial results. According to the accounting

statements prepared in compliance with the International Financial Reporting Standards, in 2021 the EBITDA amounted to RUB 30.1 bn (+14.1% as compared to 2020). At the same time, the demand for Unipro production capacity in 2021 exceeded the market average and amounted to 45.9%. The total output of the Company's plants exceeded last year's indicator and totalled 43.3 bln KWh.

In 2021, several notable events happened. For example, we have launched power unit №3 of Bere-zovskaya GRES, and the company started receiving CSA payments. In 2021, Unipro was performing works at Surgutskaya GRES-2 power unit №1 in the frames of the modernization program. I have to mention that unit №5 of Surgutskaya GRES-2 was selected to take part in the electric power industry modernization programme.

Unipro is aware of its responsibility to personnel, stakeholders, environment and society. Unipro employees are key to the company's success, and we care about each person who works for Unipro. Health and safety are the key values for Unipro. I would like to draw your attention to the fact that in 2021 Unipro Total Recordable Incident Frequency (TRIF) was the lowest among whole Uniper group, which is the great achievement for us. The company places its greatest value in its employees, we implement projects dedicated to personnel development and lifelong learning. Being a socially responsible company, we'll also continue to support educational projects, children's educational institutions, charitable foundations and healthcare organizations in the regions where Unipro operates.

In 2021, the company keeps maintaining its commitments to high standards of corporate governance. The Russian Central Bank also noted the improvement of the company's corporate governance level within its monitoring of implementation of the principles and recommendations of the CBR's Code of Corporate Governance. Over the course of the year, the Board of Directors adopted various decisions for the effective and stable functioning of the company. In order to prevent the spread of COVID-19 we continued the practice of electronic voting at the general meeting of shareholders.

In September 2021, Unipro PJSC's Board of Directors decided to establish a sustainable development committee at the Board of Directors. Its key mission will be to take part in planning the strategic targets aimed at the long-term sustainable development of Unipro PJSC including environmental, social, and governance aspects. The committee will also contribute to the sustainability risk management and mitigation, improvement of Unipro PJSC's business information transparency and openness for all stakeholders.

In the current situation Unipro's most important goal is to secure safe operation of its plants and the fulfilment of its delivery obligations to its customers. The same holds true for Unipro's obligations towards its employees. Going forward, we will stick to Unipro's strategic commitments and keep working step by step on achieving our goals.

Yours sincerely,
Klaus-Dieter Maubach
Chairman of the Board of Directors of Unipro PJSC

2.2 Market Review

In 2021, the global and Russian economies were recovering from the COVID-19 pandemic. Despite the fact that the international tourism and service sectors were still under pressure, the recovery was industrial in its nature and was supported by unwilling savings of 2020 and low interest rates. Consumption of goods, in turn, became the basis for rising energy resources demand and commodity prices and thus boosted the inflation.

According to the International Monetary Fund (IMF), after a 3.1% decrease in the global GDP in 2020, its growth was 5.9% in 2021. In 2021, the largest growth was shown by the United Kingdom (+7.2%) among developed economies and India (+9.0%) among developing economies. Due to the demand recovery and high energy resources' prices, the GDP of the Russian Federation recovered from its crisis decline in 2020 (-3.0%) and grew by 4.5% in 2021.

The IMF notes that the supply disruptions affected the 2021 GDP in developed economies and expects the 2022 GDP growth by 3.9%. According to the IMF, the GDP of low-income developing countries was affected by the severe pandemic conditions in 2021. The near-term outlook is expected to improve for exchange

commodity-exporting developing countries. The IMF forecasts that the GDP of developing countries will grow by 4.8% in 2022.

In January 2022, the IMF forecast the Russia's GDP growth by 2.9% in 2022. However, changes in the geopolitical situation and the sanctions imposed on Russia resulted in a revision of the forecast. The Russia's GDP is expected to decline in 2022. There are various estimates of the extent of its decline and the duration of its consequences for the Russian economy under conditions of high degree of uncertainty. The Government of the Russian Federation expects to achieve the maximum flexibility of the economy in order to recover it.

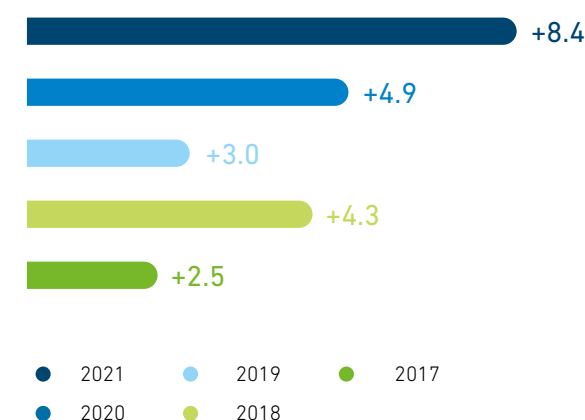
Dynamics of Real GDP⁶, % to the Previous Year

GDP indicator	2020 (actual)	2021 (actual)	2022 (forecast)
World	-3.1	5.9	4.4
Developed economies	-4.5	5.0	3.9
United Kingdom	-9.4	7.2	4.7
USA	-3.4	5.6	4.0
Europe	-6.4	5.2	3.9
Canada	-5.2	4.7	4.1
Japan	-4.5	1.6	3.3
Other	-1.9	4.7	3.6
Developing economies and emerging market countries	-2.0	6.5	4.8
India	-7.3	9.0	9.0
China	2.3	8.1	4.8
Mexico	-8.2	5.3	2.8
Brazil	-3.9	4.7	0.3
Southern Africa	-6.4	4.6	1.9
Russia	-3.0	4.5	2.8
ASEAN-5	-3.4	3.1	5.6
Saudi Arabia	-4.1	2.9	4.8
Nigeria	-1.8	3.0	2.7

⁶ Bulletin of the International Monetary Fund, WORLD ECONOMIC OUTLOOK UPDATE (January 2022): <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>

In 2021, the inflation in Russia was the most soaring over the past 5 years and amounted to 8.4%⁷. The acceleration of inflation was caused by the rising prices in the world market, the disruption of supply chains due to the pandemic, and the monetary support received by citizens during the crisis. Food inflation was the highest (10.6%) in 2021.

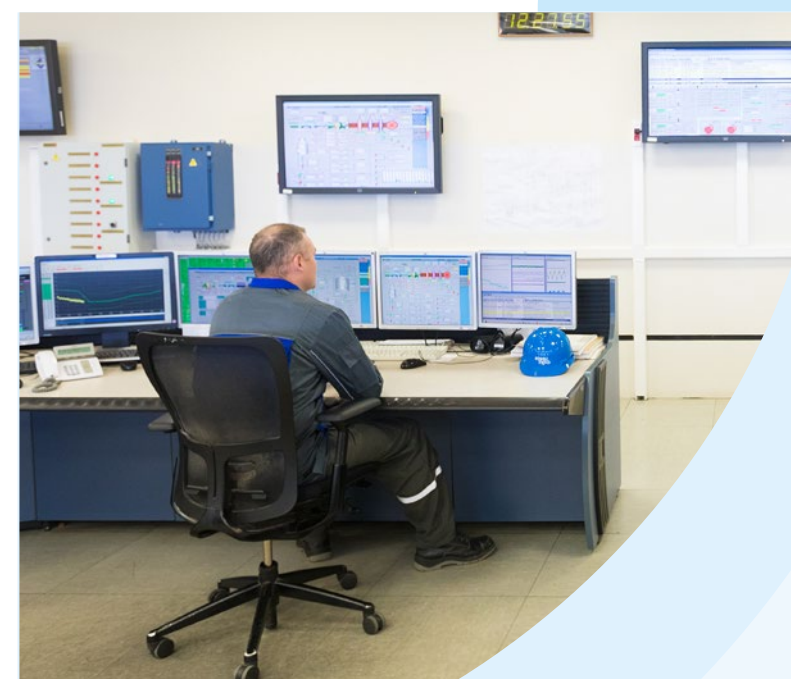
Consumer Price Index in Russia, %



In order to keep the prices down, the Central Bank of Russia raised the key rate seven times during 2021. In 2022, the Russian economy inflation will rise due to the changes in the geopolitical situation and the sanctions imposed on Russia.

According to the International Energy Agency⁸ (IEA), the global electric power demand grew by 6% in 2021, having dropped by 2% in 2020. The global electric power demand increased thanks to the rapid recovery of the economy and the current weather conditions, i.e., the colder winter and the warmer summer.

The electric power consumption in Russia showed the same dynamics: having dropped by 2.4% in 2020, the electric power demand increased by 5.5% in 2021. Further dynamics of the electric power consumption in Russia depends materially on the development of the geopolitical situation around the Russian-Ukrainian conflict and the impact of sanctions on the Russian economy.



⁷ According to estimates by the Federal State Statistics Service

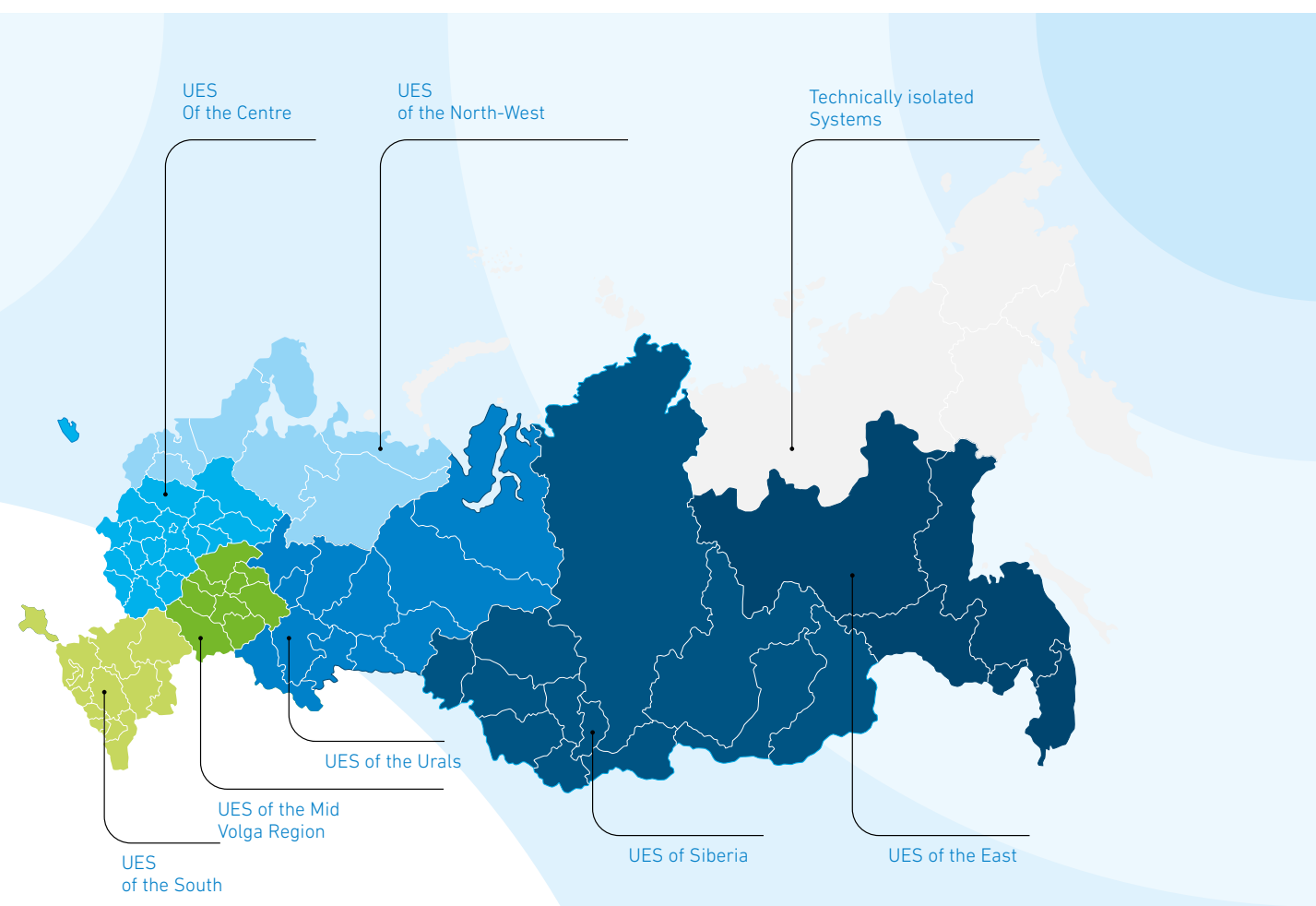
⁸ <https://www.iea.org/reports/electricity-market-report-january-2022>



Russian 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) connected by intersystem links: the IPS of the East, the IPS of Siberia, the IPS of the Urals, the IPS of the Middle Volga, the IPS of the South, the IPS of the Centre and the IPS of the North-West. The isolated power systems include the territories that are not technologically connected with the UES of Russia: Chukotka Autonomous District, Kamchatka Territory, Sakhalin and Magadan Regions, the northern part of the Republic of Sakha (Yakutia), Norilsk-Taimyr and Nikolaev power districts.



At the end of 2021, the total installed capacity of the power plants of the UES of Russia amounted to 246,590.9 MW and decreased by 1,277.7 MW, or 0.5% as compared to 2020. In 2021, the increase in the installed capacity of the energy system was mainly due to the commissioning of wind power plants in the IPS of the South.

In 2021, the electric power consumption in the UES of Russia amounted to 1,090.4 bln kWh, which was 5.5% more than in 2020 and 2.9% more than in the pre-crisis 2019. In addition to the post-crisis recovery, the growth in the electric power consumption in 2021 was positively affected by the weather factor.

The electric power generation by the power plants of the UES of Russia amounted to 1,114.5 bln kWh in 2021, which was 6.4% more than in 2020.

In 2021, the excess of electric power production over its consumption was due to the electric power export from the UES of Russia: the balance of interstate electric power flows from the UES of Russia in 2021 is the output (export) of 24.1 bln kWh, which is 81% more than the electric power export in 2020.

Electric Power and Capacity Market

GRI 102-6

Currently, there is a two-level electric power market in the Russian Federation, i.e., the wholesale (Wholesale Market for Electricity and Power)⁹ and the retail (Retail Market for Electricity and Power) markets. The wholesale market participants are generation companies (sellers of electric power and capacity), sales companies, grid companies, large consumers (buyers of electric power and capacity). Electric power in the retail market is traded under bilateral contracts with consumers.

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

According to legislation, electric power and capacity volumes to be supplied to households and equivalent consumer categories under regulated contracts were set for each seller in the Wholesale Market for Electricity and Power.

The remaining generated electric power and capacity volumes are supplied at non-regulated prices in the wholesale market. The commercial market operator determines the volume and amount of supplies and distributes payments for electric power and capacity among the counterparties, there are no disconnections/supply restraints due to non-payment in the wholesale market. SASB IF-EU-240a.3

Tariffs for the supply of electric power and capacity under regulated contracts are set by the federal executive body for tariff regulation. SASB IF-EU-240a.1; IF-EU-240a.2

utive body for tariff regulation. SASB IF-EU-240a.1; IF-EU-240a.2

A tariff-setting procedure with calendar break-down was introduced¹⁰ with effect 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 the tariffs, growth indices were applied according to the socio-economic development forecast approved by the Ministry of Economic Development of the Russian Federation.

The regulated tariffs for electric (heat) power (capacity) set for Unipro PJSC power plants vary considerably depending on a number of factors, including power plant performance, its location, the fuel used, investment plans, and when the regulation period commences. Smolenskaya GRES and Shaturskaya GRES have historically had higher tariffs compared to power plants located in the Ural Federal District, Volga Federal District, and Siberian Federal District, where gas and coal prices are lower than in Central Russia. SASB IF-EU-240a.4



⁹ Unipro PJSC operates in the wholesale market for electricity and power.

¹⁰ Resolution of the Government of the Russian Federation No. 178 "On Pricing in Regulated Prices (Tariffs) Sector of Electric Power Industry" dated 29 December 2011.

Dynamics of Tariffs on Electric Power Set for Unipro PJSC Power Plants, RUB/MWh

Branch name		2019		2020		2021	
		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2	Units 1-6	750.01	759.34	759.34	784.45	784.45	806.56
	Unit 7	546.40	546.40	546.40	563.99	563.99	579.03
	Unit 8	546.60	546.60	546.60	564.06	564.06	579.11
Berezovskaya GRES	Unit 1	354.00	382.14	382.14	437.63	429.73	429.73
	Unit 2	322.09	346.89	346.89	394.60	387.83	387.83
	Unit 3	400.53	449.80	449.80	505.72	495.80	495.80
Shaturskaya GRES	Units 1-6	1,574.39	1,611.67	1,611.67	1,681.69	1,681.69	1,744.16
	Unit 7	787.00	803.08	803.08	823.55	823.55	851.39
Smolenskaya GRES		1,329.32	1,371.27	1,371.27	1,413.29	1,413.29	1,455.87
Yaivinskaya GRES	Units 1-4	1,108.86	1,128.54	1,128.54	1,161.70	1,161.70	1,192.05
	Unit 5	651.16	651.16	651.16	675.27	675.27	698.40

Dynamics of Capacity Tariffs Set for Unipro PJSC Power Plants, RUB/MWh per Month

Branch name		2019		2020		2021	
		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2	Units 1-6	100,894.49	104,998.45	104,998.45	109,968.67	109,968.67	113,641.30
	Unit 1	183,262.18	191,142.45	191,142.45	199,700.06	199,700.06	206,283.89
Berezovskaya GRES	Unit 2	180,606.62	188,372.71	188,372.71	196,813.40	196,813.40	203,301.97
	Units 1-6	157,584.65	164,230.38	164,230.38	171,694.07	171,694.07	177,384.51
Smolenskaya GRES		115,098.78	119,771.93	119,771.93	125,386.62	125,386.62	129,570.25
Yaivinskaya GRES	Units 1-4	176,217.51	187,825.19	187,825.19	194,128.44	194,128.44	202,515.32



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 plants 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 the type of power plant (heat-electric, condensation, nuclear, and hydraulic power plants);
- > reliability of the system's conditions (grid and system limitations);
- > repair campaigns 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 region of Berezovskaya GRES presence 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 the regions in short supply and bring down the market price for regions with excess energy supplies.

In 2021, electricity sales by Unipro PJSC power plants amounted to 52.6 bln kWh, which is 8.0% more than in 2020.

Structure of Unipro PJSC Electric Power Sales by Market Sectors

SASB IF-EU-000.D

Indicators	2020	2021	2021/2020, %
Electric power sales, mln kWh, including:	48,758	52,650	+8.0
regulated sector	10,809	8,825	-18.4
competitive sector	37,949	43,825	+15.5

The capacity sales increased by 0.5% compared to 2020 and amounted to 10,048 MW per month.

Structure of Unipro PJSC Capacity Sales by Market Sectors

Indicators	2020	2021	2021/2020, %
Capacity, MW per month, including:	9,996	10,048	+0.5
under regulated contracts	2,635	3,044	+15.5
based on competitive capacity selection	3,089	3,470	+12.3
under capacity supply agreements	1,533	1,012	-34.0
under free bilateral contracts	2,739	2,522	-7.9

In 2021, regulated contracts accounted for 16.8% of electric power sales and for 30.3% of capacity sales. The revenue from sales of electric power and capacity in the regulated segment of the market amounted to RUB 12 bln (13% 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

GRI 102-6

The sale of heat energy in accordance with the 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 affordability of this product and the consumers' 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	2019		2020		2021	
	H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2						
for heat power (capacity) at headers of the source of heat power (without VAT)	535.95	535.95	535.95	551.27	551.26	566.12
Bereзовskaya GRES						
for heat power (capacity) at headers of the source of heat power (without VAT)	448.95	473.70	473.70	493.41	493.41	517.98
for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	991.91	1,046.60	1,046.60	1,158.80	1,158.80	1,212.10
population (VAT included)	1,190.29	1,255.92	1,255.92	1,390.56	1,390.56	1,454.52
Shaturskaya GRES						
for heat power (capacity) at headers of the source of heat power (without VAT)	773.50	810.93	810.93	881.43	881.43	907.56
consumers connected to the heat network without additional conversion at heat points operated by the heat-supplying organisation (without VAT)	1,384.70	1,440.83	1,293.46	1,363.54	1,363.54	1,526.28
population (VAT included)	1,661.64	1,729.00	1 552.15	1,636.25	1,636.25	-
Smolenskaya GRES						
for heat power (capacity) at headers of the source of heat power (without VAT)	967.13	1,071.16	1,071.16	1,071.16	1,071.16	1,114.40
for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	2,374.11	2,418.77	2,418.77	2,513.27	2,513.27	2,613.95
population (VAT included)	2,026.17	2,066.69	2,066.69	2,149.36	2,149.36	2,235.33
Yaivinskaya GRES						
for heat power (capacity) at headers of the source of heat power (without VAT)	917.61	945.37	915.43	915.43	915.43	1,017.58
for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	1,555.63	1,586.80	1,586.80	1,634.44	1,634.44	1,699.88
population (VAT included)	1,866.76	1,904.16	1,904.16	1,961.33	1,961.33	2,039.86

Heat generation and sales are not the key business area for Unipro PJSC. Following the results of 2021, revenue from heat power sales was about 1.7% 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 (UHSO) are specified on the corporate website of the Company at: <http://www.unipro.energy>.

The amount of heat supplied to consumers in 2021 was 12% greater than in 2020. The increase in net output was related to weather conditions.

Heat Sales Structure of Unipro PJSC, Thousand Gcal

Branch name	2020	2021	2021/2020,%
Surgutskaya GRES-2	799	934	16.98
Bereзовskaya GRES	384	394	2.65%
Shaturskaya GRES	257	316	23.20%
Smolenskaya GRES	27	33	21.17%
Yaivinskaya GRES	45	49	7.67%
Total, Unipro PJSC	1,512	1,726	14.20%

In 2021, Bereзовskaya, Smolenskaya, Yaivinskaya Branches of Unipro PJSC supplied heat power directly to subscribers under direct contracts or through entities providing housing and utility services. Surgutskaya GRES-2 supplies heat power to Surgut City Grid LLC. Shaturskaya GRES supplies heat energy to the Unified Tariff Body Municipal Unitary Enterprise

Shaturskoe Production and Technical Association of Municipal Services.

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

System Services Market

GRI 102-6

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). The primary frequency control is intended for limiting frequency deviations in the power system after the emergence of a power imbalance in any of its parts. The RPFC provides guaranteed quality of primary control. It is performed by automated fre-

quency and active capacity control systems of the allocated generating equipment that has more advanced control system features than the standard equipment. On that generating equipment, the System Operator places a reserve for the primary control (the reserve for loading/unloading equipment in terms of active capacity).

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.

Unipro PJSC is a leader among generation companies in terms of its RPFC services rendered. Specially prepared power units of Surgutskaya GRES-2, Shaturskaya GRES and Bereзовskaya GRES are involved in the work.

Regulatory Support and Development of Power Markets

Carrying out its activities in the WMEP, Unipro PJSC must promptly respond to changes in a lot of regulatory legal acts governing the electric power industry and, in particular, the company's business. The important aspects for the functioning of the Company are as follows:

- > timely provision of information (changes, news, trends) on the statutory regulation of the WMEP to the block of energy markets and the related subdivisions of the Company;
- > promoting the Company's interests through submitting proposals for amending regulatory documents from the level of federal laws to the level of regulations for the functioning of the WMEP.

As a member of industry associations (NP Market Council and Council of Power Producers Associations, Russian Union of Industrialists and Entrepreneurs, etc.), Unipro PJSC takes an active part in the discussion of draft regulatory legal acts (RLAs) and the wholesale market regulations. The Company is involved in public discussions of draft RLAs:

- > public debates when drafting an opinion on regulatory impact;
- > independent anti-corruption expert review;
- > meetings held by ministries and government agencies;
- > working teams and expert councils.

In 2019, a large-scale programme, the CCSMod, was launched to modernise the generation assets of thermal power plants. In 2021, another power unit of Surgutskaya GRES-2 was successfully selected with the start of capacity supply in 2027. In total, Unipro has currently five modernisation projects and active work is underway on a number of potential projects. Preparations for and participation in the selection is a multi-level 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 the facilities to be modernised.

It should be noted that in 2021:

- > conditions for the selection of projects were defined more precisely, including the transfer of equipment operation from a steam power cycle to a steam gas cycle using innovative gas turbines, and the respective selections were made under which the power supply will start in 2027-2029;
- > the programme to support RES projects was extended until 2035;
- > the horizons for the Competitive Capacity Selection of Generating Facilities (CCS) and the CCSMod were

revised. From 2023, the CCS will be held for four years and CCSMod for five years ahead.

In 2022, the market community will have to make profound changes in the procedure for competitive capacity selection and modernisation projects.

The following are the most notable RLAs in the electric power industry adopted in 2021 which were also drafted with contributions from experts at Unipro PJSC:

1. Resolution of the Government of the Russian Federation No. 86 dated 30 January 2021 "On Approval of Rules for Shutting-down Electric Power Industry Facilities for Repair and Decommissioning and on Amending Certain Acts of the Government of the Russian Federation on Improving the Procedure for Shutting-down Electric Power Industry Facilities for Repair and Decommissioning";
2. Resolution of the Government of the Russian Federation "On Amendments to Certain Acts of the Government of the Russian Federation on Improving the Mechanism for Raising Investments in Modernisation of Generating Facilities of Thermal Power Plants and Additional Selection of Projects for Modernising Generating Facilities of Thermal Power Plants Using Innovative Power Equipment" No. 395 dated 18 March 2021;
3. A set of RLAs aimed at extending the support mechanism and encouraging the use of renewable energy sources:
 - > Resolution of the Government of the Russian Federation No. 328 dated 05 March 2021 "On Amendments to Certain Acts of the Government of the Russian Federation on Encouraging the Use of Renewable Energy Sources in the Wholesale Market for Electricity and Power";
 - > Resolution of the Government of the Russian Federation No. 535 dated 02 April 2021 "On Amendments to Certain Acts of the Government of the Russian Federation on Encouraging the Use of Renewable Energy Sources";
 - > Executive Order of the Government of the Russian Federation No. 1446-r dated 01 June 2021 "On Amendments to Executive Order of the Government of the Russian Federation No. 1-r dated 08 August 2009";
 - > Resolution of the Government of the Russian Federation No. 1071 dated 30 June 2021 "On Amendments to Clause 196 (1) of the Rules of Wholesale Market for Electricity and Power and Invalidating Individual Provisions of Certain Acts of the Government of the Russian Federation";

- > Resolution of the Government of the Russian Federation No. 1169 dated 12 July 2021 "On Amendments to Certain Acts of the Government of the Russian Federation on Encouraging the Use of Renewable Energy Sources in the Wholesale and Retail Markets for Electricity and Power";
- 4. Order of the Ministry of Industry and Trade of Russia No. 4790 dated 30 December 2020 "On Approval of the List of Equipment Operated by Results of the Modernisation Projects of Generating Facilities of Thermal Power Plants in Respect Whereof an Opinion Is to Be Obtained that Confirms Manufacture of Industrial Products in the Territory of the Russian Federation for Each Modernisation Measure That May Be Provided for by the Project for Modernisation of Generating Facilities of Thermal Power Plants from Among the Measures Specified in Clause 266 of the Rules of the Wholesale Market for Electricity and Power as Approved by Resolution of the Government of the Russian Federation No. 1172 dated 27 December 2010 "On Approval of the Rules of the Wholesale Market for Electricity and Power and on Amendments to Certain Acts of the

Government of the Russian Federation on Arranging for the Functioning of the Wholesale Market for Electricity and Power";

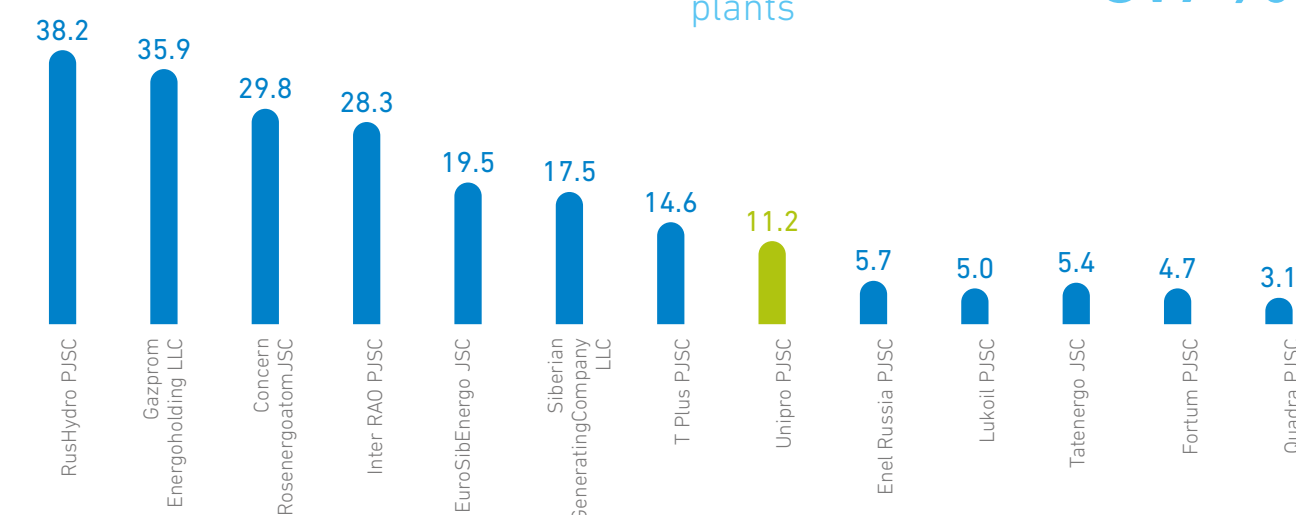
5. Draft Resolution of the Government of the Russian Federation "On Amendments to Certain Acts of the Government of the Russian Federation" No. 1852 dated 29 October 2021;
6. Executive Order of the Government of the Russian Federation No. 3052-p dated 29 October 2021 "On Approval of Strategy for Social and Economic Development of the Russian Federation with a Low Level of Greenhouse Gas Emissions Until 2050".

Unipro Industry Position

Unipro PJSC is one of the leaders in the Russian electric power generation market in terms of installed capacity among its competitors of the non-state sector. Unipro PJSC ranks first among foreign capital companies.

As of year-end 2021, the share of Unipro PJSC in the Russian electric power output amounts to **4.1%** in the installed capacity **4.6%** in the output of thermal power plants **6.7%**

Leaders in Terms of Installed Capacity in Russia, GW



Unipro SWOT Analysis

	Positive factors	Negative factors
	Strengths	Weaknesses
Internal factors	<div><div>> low fuel costs due to proximity to fuel sources (Berezovskaya GRES, Surgutskaya GRES-2);</div><div>> a high share of efficient CCGT units in the installed capacity (15%);</div><div>> the level of Unipro GRES feed is higher than the average feed of thermal power plants as a whole for the wholesale market;</div><div>> projects by Surgutskaya GRES-2 are taking part in the competitive selection of projects for modernisation of thermal power plants' equipment and have been duly selected;</div><div>> high level of production and financial management</div></div>	<div><div>> ageing of equipment;</div><div>> there are assets with a negative result in the electric power market in the Unipro portfolio</div></div>
	Opportunities	Risks
External drivers	<div><div>> modernisation of the equipment (including in-depth modernisation with the replacement of steam-power cycle equipment with steam-gas one);</div><div>> development of renewable energy sources (RES);</div><div>> recovery and growth of the demand for electric power;</div><div>> expansion of the pass-through function of the network infrastructure of the wholesale market due to new construction, modernisation, improvement of emergency control systems;</div><div>> decommissioning of unprofitable assets of the PJSC from operation</div></div>	<div><div>> strengthening of the energy sector regulation, decrease in the competition and investment attractiveness;</div><div>> stagnation of electricity consumption;</div><div>> deterioration of payment discipline in the wholesale market for electricity and power</div></div>



Unipro PEST Analysis

Political factors	Economic factors
<div><div>> state regulation of the industry (influence on the growth of free prices through the indexation of gas prices, support for certain territories by setting regulated tariffs instead of free pricing, setting price parameters for holding CCO, determining the rules for pricing and profitability for modernisation facilities, controlling price growth levels within the inflation, cross-subsidisation in the electric power industry);</div><div>> balance of interests of sellers and buyers in the wholesale market;</div><div>> international sanctions against Russia;</div><div>> putting a carbon tax</div></div>	<div><div>> the state of the world economy and that of Russia, dynamics of the demand for electric power, import/export volumes of electric power from the UES of Russia;</div><div>> competition among generators of the wholesale market;</div><div>> the state of buyers of electric power and capacity in the wholesale market and their solvency (including final counterparties of energy retail companies);</div><div>> fuel cost</div></div>
Social factors	Technology factors
<div><div>> the Company's obligations to cover the country's need for electric power and the need of adjacent production facilities and inhabited localities for heat power;</div><div>> growing popularity and development of green energy, environmental and social governance (ESG)</div></div>	<div><div>> state programme for the modernisation of generating equipment;</div><div>> energy technology development;</div><div>> development of the network infrastructure of the wholesale market (construction, modernisation, automation);</div><div>> technological emergencies</div></div>

2.3 Development Strategy

The development strategy of Unipro PJSC is aimed at maximising shareholder value subject to reducing the negative impact on the environment, and ensuring a high level of generating equipment reliability and strict compliance with OHS standards.

Strategic Goals of Unipro PJSC

CREATE VALUE FOR SHAREHOLDERS BY DELIVERING ROA

Ensuring attractive dividend policy

Maintaining high margins after the expiry of CSA contracts in 2024

REDUCE ENVIRONMENTAL IMPACT

Developing the renewable power industry in Russia and the CIS

Reducing pollutant emissions at operating generating facilities

MAINTAIN AND IMPROVE ASSET QUALITY

Maintaining excellent technical condition and high efficiency of the operating equipment

Participating in CCSMod auctions, replacing by CCGT units/decommissioning of old and inefficient SPU units

Maintaining a high level of health, safety and environmental standards

BE A SOCIALLY RESPONSIBLE COMPANY

Ensuring decent working conditions, training and professional development of employees

Supporting local communities and corporate volunteering

The primary directions of strategic development are the modernisation of the existing equipment (including the replacement of steam power equipment with steam gas equipment) and the development of generation based on renewable energy sources.

Implementing the Business Priorities in 2021

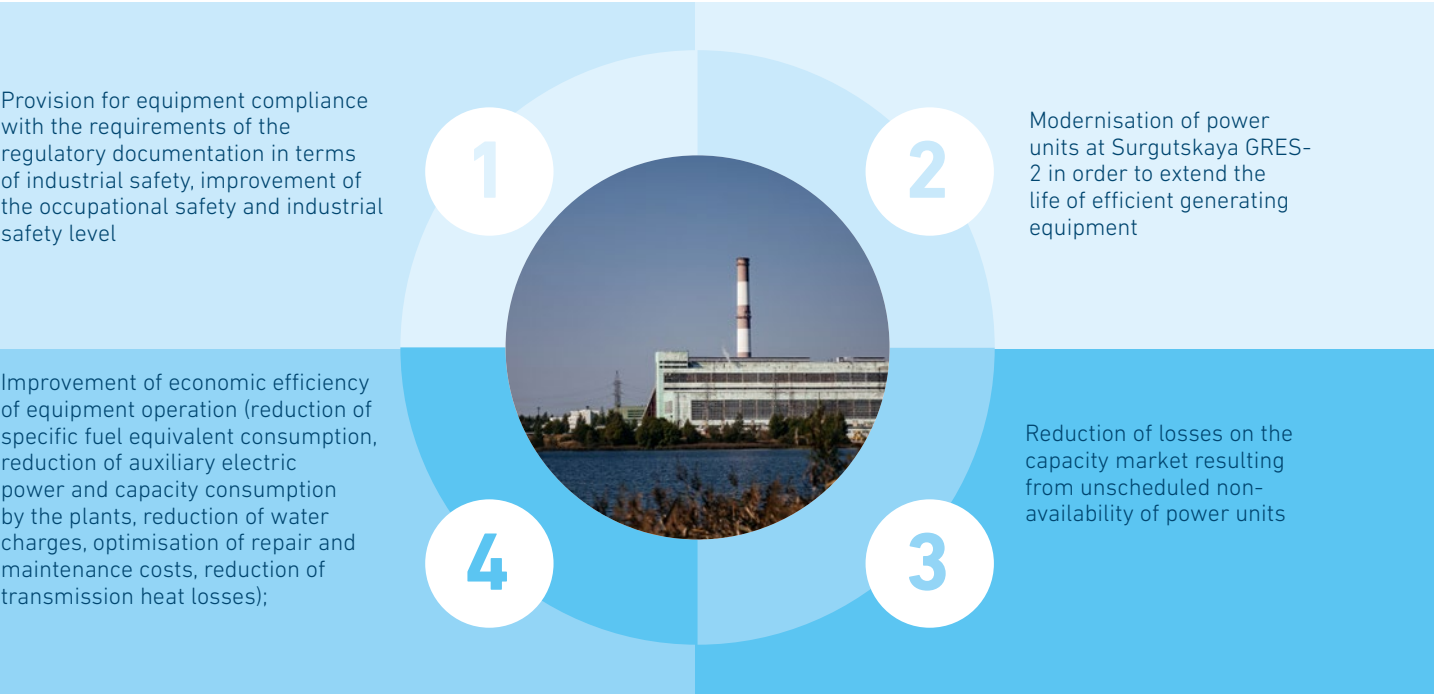
Priority tasks	Progress
Completing the repair of the boiler of Power Unit No. 3 of Berezovskaya GRES	In 2021, repair and recovery works were completed at Power Unit No. 3 of Berezovskaya GRES. The unit was put into commercial operation in April 2021 and resumed power supplies under the CSA.
Participation in the programme for modernisation of the generating capacities (CCSMod)	<p>In 2021, Unipro PJSC took part in the auctions held to select the generating equipment modernisation projects with the expected capacity supply in 2027. Following the auction results, the project for modernisation of Unit No. 3 of Surgutskaya GRES-2 was selected.</p> <p>Unipro PJSC plans to take part in the selection of modernisation projects in the following years, including projects for in-depth modernisation in the event that special quotas are allocated for projects with the transition to a combined cycle.</p>
Renewable power industry development	<p>As part of the strategic business related to the development of renewable power industry in Russia, in the reporting year, Unipro PJSC was engaged in the preliminary elaboration of several projects for the construction of wind Renewable power industry farms and became a member of the Renewable Energy Development Association.</p> <p>The lack of suppliers of localised equipment for wind and solar power plants that are ready to supply the required equipment in the market did not allow Unipro to participate in the selection of RES-2 CSA projects in 2021. Nevertheless, Unipro PJSC plans to take part in the competitive selection of renewable energy projects in subsequent auctions.</p>



2.4 Investment Activities

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

Objectives and areas of the investment activities:



Priority areas of the investment activities:

1

Implementation of modernisation projects for the power units of Surgutskaya GRES-2 that were selected within the competitive selection of modernisation projects

The implementation of the modernisation projects at Surgutskaya GRES-2 enables to extend the service life and to increase the efficiency of the most demanded steam power equipment of the company upon the terms that guarantee a return on capital employed thanks to the structure of capacity supply contracts

2

Investments in the existing equipment under the retooling and modernisation programme (R&M) programme:

- > replacement of life-expired equipment items;
- > replacement of equipment items with improved ones in order to enhance operational efficiency;

under the CCSMod agreements. In the future, the Company is going to take part in the competitive selection of modernisation projects, among other things, it considers possible participation in the projects of in-depth modernisation that implies the equipment transfer to the steam-gas cycle.

3

Investments in occupational health, industrial safety and information security systems to meet the legal requirements and improve the labour conditions in terms of safety.

Key Investment Projects Selected at the CCSMod Auctions

2019

The projects of modernisation of Power Units Nos. 1, 4, and 6 of Surgutskaya GRES-2 providing for the replacement of high and medium pressure cylinders and the comprehensive replacement of the generator, with the supply of the upgraded capacity in 2022, 2025 and 2024, respectively.

2020

The project of modernisation of Power Unit No. 2 of Surgutskaya GRES-2 providing for comprehensive replacement of the steam turbine and the generator; the supply of the upgraded capacity will begin in 2026.

2021

The project of modernisation of Power Unit No. 3 of Surgutskaya GRES-2 providing for comprehensive replacement of the steam turbine and the generator; the supply of the upgraded capacity will begin in 2027.

The modernisation project portfolio of Unipro PJSC reached
4,150 MW

Power Unit No.1 of Surgutskaya GRES-2 is under modernisation: the newly commissioned equipment (high and intermediate pressure cylinders, generator, excitation system, relay protection and emergency control schemes, generator current lead) were installed, commissioning and all necessary tests of the equipment were carried out, the necessary documents were received to confirm that the declared modernization measures were implemented in full, including confirming the localization of the equipment used (a necessary condition of the CCSMod agreement). The capacity supply from the upgraded power unit No. 1 of Surgutskaya GRES-2 under the CCSMod agreement was scheduled for March 2022, but during tests a design defect of the turbine generator was identified that prevented its acceptance for operation. The equipment manufacturer is taking measures to eliminate the defect, and together with Unipro PJSC is implementing remedial activities, which will make it possible to commission the modernized unit in Q2 2022, and the new generator, once the defect in it has been eliminated, is scheduled to be commissioned in Q1 2023.

As part of achieving the sustainable development goals, Unipro PJSC is going to participate in the selection of investment projects for the construction of generating facilities operating on the RES to be held in 2022 and later.

Retooling and Modernisation of the Existing Operating Facilities

The retooling and modernisation programme of the Company includes a set of measures to improve the technical and economic level of production:

- > regular assessment of the technical condition of the equipment (comprehensive diagnostic examinations, technical inspections, metal control, etc.);
- > analysis of the accident rate and defects in the equipment operation as part of the investigation of process non-conformances;
- > monitoring changes in the legislation regarding the operation of the power plant equipment, determining the actions required to bring the equipment in line with those requirements;

- > finding out opportunities and options for increasing the performance of the main processing equipment;
- > discussion of issues aimed at improving the safety of the service staff;
- > analysis of the results of inspections of the power plants by third-party supervisory authorities and the results of internal and third-party audits.

By results of those measures, target programmes are formed to improve the reliability and the safety of the equipment of the power plants and the heating networks, programmes to improve fire safety; projects are planned that are aimed at meeting environmental requirements, and cost-efficient projects are considered and evaluated. Then the priorities and the deadlines of implementation of certain measures of the target programmes are determined, on the basis of

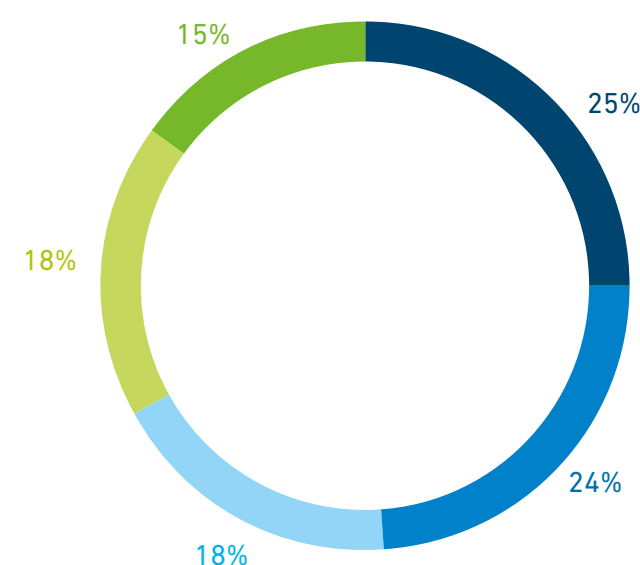
which the retooling and modernisation programme is formed for the existing production facilities of the Company for the current period.

The above process is cyclical, the retooling and modernisation programme is reviewed and updated on an annual basis. When investment projects are formed,

state-of-the-art technologies, equipment and materials that are available at the time of fulfilling urgent tasks are necessarily considered and planned for use.

In 2021, the Retooling and Modernisation Programme for the Production Unit of Unipro PJSC included 177 investment projects.

Investment Projects by Branches, %

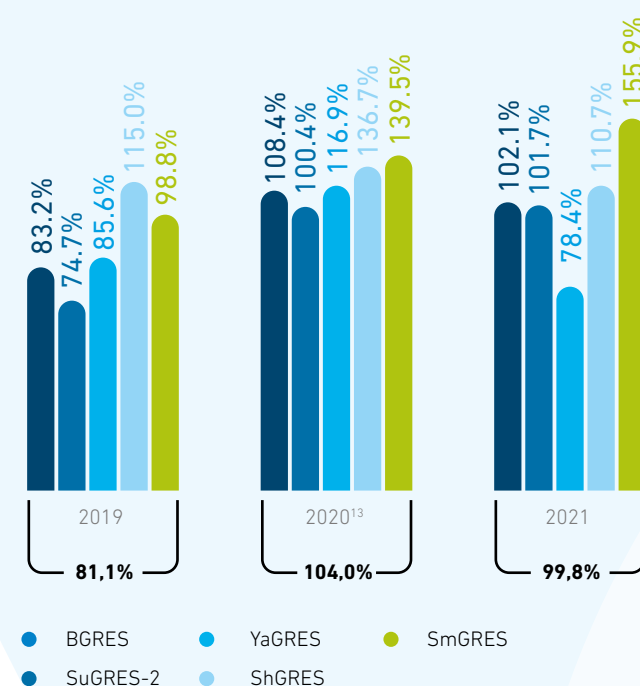


138 investment projects

are scheduled for implementation in the Production Unit in 2022

- Berezovskaya GRES
- Surgutskaya GRES-2
- Yaivinskaya GRES
- Shaturskaya GRES
- Smolenskaya GRES

Retooling and Modernisation Programme Progress, %



In 2021, the capital investments in the implementation of the investment and repair programme amounted to more than RUB 13 bln, including in the following areas:

- > retooling and modernization – 52%;
- > repair and reconstruction of Power Unit No. 3 at Berezovskaya GRES – 26%;
- > capitalised repairs – 22%.

11 Subject to the adjustment of the programme approved by the Company's Management Board.

R&M Milestones in 2021

Surgutskaya GRES-2



- > Technical refurbishment of group excitation control systems of power units
- > Technical refurbishment of the extraction steam pipeline III and HPH-6 steam extraction lines of the power unit of Plant No. 1
- > Technical refurbishment of complex generating unit CGU 24-30/30000 and protective equipment of the power unit of Plant No. 1
- > Technical refurbishment of the EAB DC shield with replacement of the accumulator battery
- > Technical refurbishment of the MAN Turbo HARD AND SOFT SYSTEM of the booster compressor station

Berezovskaya GRES



- > Introduction of an automatic system for environmental monitoring stations of emissions at Power Units of plants Nos. 1, 2
- > Modernisation of the standby stator of the TVV-800-2UEZ turbine generator
- > Modernisation of heat networks, including the replacement of pipelines and fittings

Yaivinskaya GRES



- > Modernisation of the feed-water economizer of TP-92 boiler at Plant No. 4
- > Technical refurbishment of TP-92 boiler gas ducts of Plant No. 4 (from air heaters to induced-draft fans)
- > Modernisation of control systems for the main and auxiliary equipment of the power unit of Plant No. 5

Shaturskaya GRES



- > Technical refurbishment of breakers for outdoor switchgear-220kV with the replacement of porcelain insulators with polymer ones (the outdoor switchgear-220kV replacement programme was completed)
- > Technical refurbishment of the excitation system of power unit at Plant No. 6
- > Introduction of early fire detection at steam turbine/generator of the CCGT

Smolenskaya GRES



- > Replacement of basic protections of the 220 kV overhead lines with fast acting ones
- > Modernisation of the hardware and software suite of the automated control system for burners of the boiler of Power Unit No. 1

2.5 Procurement Activities

In all the regions of its presence, Unipro conducts active procurement aimed at purchasing the necessary equipment and services in a competitive market within the investment programme and the annual repair and targeted programmes.

The goal of procurement procedures is a tender-based selection of suppliers and contractors, thus ensuring the best economic conditions for procurement, including the compliance with customer requirements in terms of deadlines, quality, and pricing.

The Company's basic approaches to the procurement are specified in the Regulation on Procurement of Unipro PJSC approved by the Board of Directors of the Company. The document describes the standard business process of providing for the production demand of Unipro PJSC and contains



mandatory rules for procuring works, services, and software licenses, including responsibility limits and description of procurement processes.

The Regulation on Procurement of Unipro PJSC provides for the following basic principles to procurement activities



Fairness and Competition

The best procurement results are only possible through using market competition. Any competitive procurement shall be open and transparent in terms of information provision, shall comply with the principles of competitiveness and equality of all participants, and prevent discrimination and unfair restriction of competition. The competitive procurement information is posted on the Company's official website. Electronic trading platforms may be used as well to make the procurement procedures more transparent



Split of Responsibilities

The segregation of duties between the Requester Unit, the Procurement Unit, the Financial Unit, and the Accounting Department at all stages of the procurement process is ensured. The decision on suppliers is made using a 'four-eye' principle (the decision is always agreed with the procurement manager in charge and the applicant).



Confidentiality

Access to the procurement information shall be available only to employees of the Company who are directly involved in the procurement procedure.



Crises (Contingencies)

In case of a crisis (contingency), including imminent threat, the procurement activities are carried out so as to prevent any damage to the Company



Monitoring of Maverick Buying

Any procurement failing to comply with those principles shall be defined as "Maverick buying".

In order to increase the competition and to ensure the procurement transparency, competitive procurement procedures are announced both at the corporate website and at electronic trading platforms. In 2021, the electronic trading platforms B2B Centre and RTS-Tender were used to make the procurement of Unipro PJSC.

An accreditation process was developed for potential participants which would like to take part in the procurement procedures. Such process makes it possible to assess their reliability and to minimise the risks of joint efforts. The accreditations in the supplier base of the Company are carried out in accordance with the rules posted on the official website of the Company. The accreditation is valid for one year from the date when it is entered in the supplier database. In accordance with the accreditation rules and the terms of the procurement documentation, the participants are required to confirm their compliance with:

- > Government of the Russian Federation;
- > occupational and industrial safety and environment protection standards of Unipro PJSC;
- > principles of the United Nations Global Compact for human rights, labour relations, environment, and anti-corruption efforts;
- > anti-money laundering regulatory requirements; terrorism financing; bribery and corruption; abuse of human rights.

Following the conclusion of contracts, the activities of suppliers shall be assessed according to the following criteria:

- > Products and services quality;
- > Timeliness of delivery and performance of work;
- > Compliance with the safety requirements;
- > Compliance with the environmental requirements;
- > Promptness and efficiency in eliminating deficiencies;
- > Organisation of the project and of the construction site;

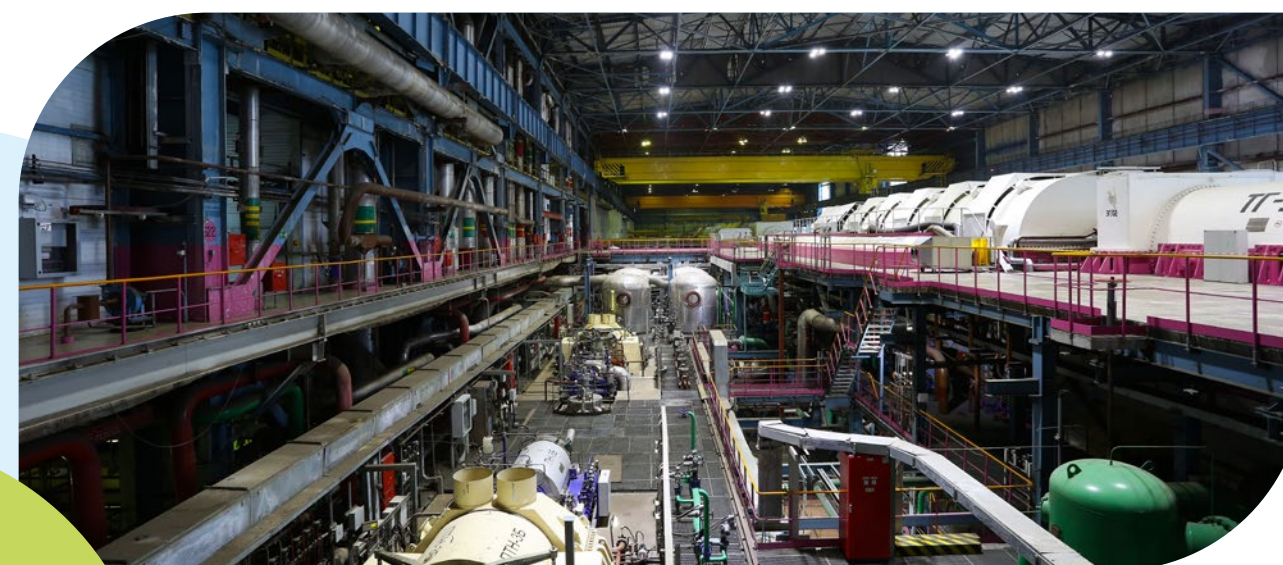
- > Quality of the working documentation being provided;
- > Accuracy and timeliness of the provision of primary accounting records;
- > Professional strengths of the staff (experience, competencies, etc.);
- > Cooperation and flexibility;
- > Quality of subcontractors' management.

The Company's procurement is arranged as part of the general Procure-to-Pay (P2P) process, that is an ongoing process based on a unified automated enterprise management system, covers the stages of purchasing products (goods, works, services) by the Company, from creating a purchase request until the full performance of financial obligations under the signed contracts, and links all involved subdivisions of the Company.

While developing and improving the procurement management system, great attention is paid to both expanding the competitive environment, the individual (categorical) approach to the procurement, increasing the transparency of the procurement process and to the automation using state-of-the-art digitalisation tools, and making a unified ongoing process that links all stages of purchasing the products, enables to automate controls as much as possible, to eliminate duplicate operations and, as a result, to increase the efficiency of the P2P process.

In 2022, the Procurement Unit expects to continue working on expanding the categorical approach to the procurement, automating and digitalising the procurement processes, reducing duplicate, "manual" controls and minimising the bureaucratic, in particular "paper" component in the P2P process.

In order to support the Company's activities, 5,726 procurements were held for the total amount of more than RUB 8.5 bln (net of VAT) in 2021



Ratio of Plan Value to Actual Value in 2021

Indicator	Plan value	Actual value
Number of procurement transactions, pcs	3,649	5,726
Total cost, RUB thousand	7,225,211.55	8,517,635.82

The plan value is exceeded, among other things, by rising prices for raw materials and supplies, unscheduled applications and additional purchases under the projects being implemented (CSA).

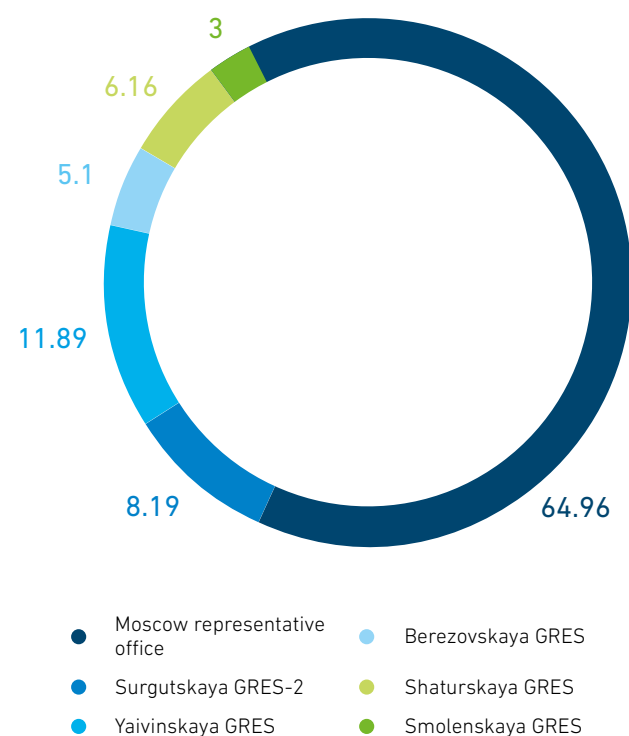
Out of the said amount, 311 procedures for RUB 2,065,028.75 thousand were carried out as purchase from a single supplier (24.24% of the total volume of procurement in monetary terms). All other transactions were made through tenders. The share of competitive purchases in a closed form was less than 1%.

The difference between the value of the most favourable initially submitted comparable proposal and the value specified in the contract in the course of competitive procedures (economic benefit from procurement) was (in monetary terms) RUB 563,034.98 thousand (10.2%).

In 2021, the share of procurement from local (Russian) suppliers amounted to 99.48% of the procurement in monetary terms.

In 2021, the share of procurement from small and medium-sized enterprises amounted to 57.21% of the procurement in monetary terms.

Share of Procurement by Organisers in 2021, %

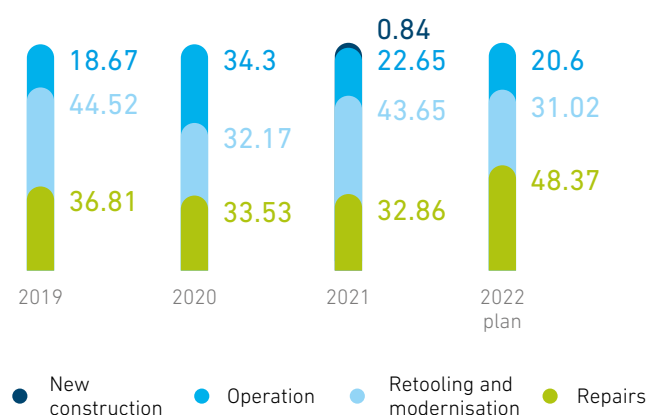


Procurement Dynamics

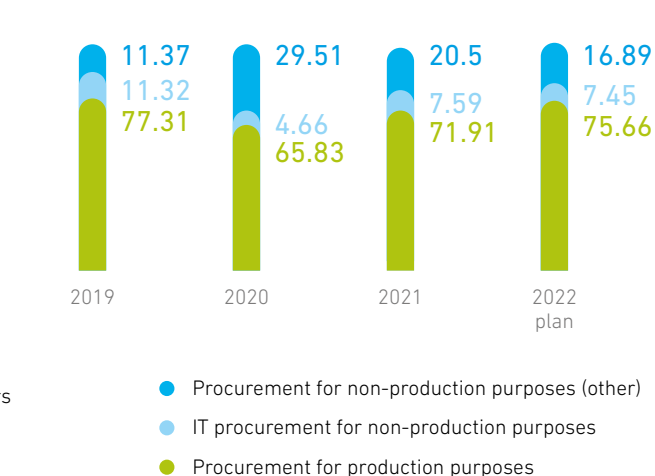
2019		2020		2021		2022 (plan)	
Number of procurement transactions, pcs	Total cost, RUB thousand	Number of procurement transactions, pcs	Total cost, RUB thousand	Number of procurement transactions, pcs	Total cost, RUB thousand	Number of procurement transactions, pcs	Total cost, RUB thousand
Moscow representative office:							
778	5,907,033.49	790	5,032,939.35	997	5,532,746.99	694	6,209,768.97
Berezovskaya GRES							
1,200	933,067.51	1,021	1,025,100.38	942	697,791.62	577	779,199.84
Surgutskaya GRES-2							
1,048	854,335.57	936	929,601.55	918	1,012,531.78	648	734,155.65
Shaturskaya GRES							
1,190	456,141.10	1,163	384,916.38	1,143	434,283.18	681	386,817.38
Yaivinskaya GRES							
1,054	471,433.18	952	388,234.95	945	524,851.62	613	339,530.84
Smolenskaya GRES							
791	312,324.13	763	228,888.17	781	315,430.64	458	219,893.48
TOTAL							
6,061	8,934,334.99	5,625	7,989,680.79	5,726	8,517,635.82	3,671	8,669,366.16



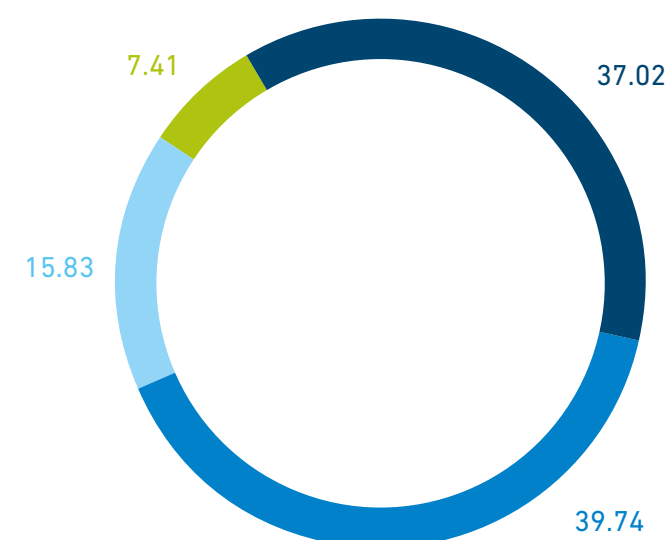
Procurements by Areas of Activity, %



Procurements by Categories, %



Procurements by Final Cost¹²



In order to perform the repair and recovery of Power Unit No. 3 of Berezovskaya GRES, 184 procedures for the amount of RUB 794,503.04 thousand were carried out in 2021. Out of the said amount, 56 procedures for RUB 674,697.40 thousand were carried out as purchase from a single supplier (84.92% of the total volume of procurement in monetary terms).

¹² The average euro/ruble exchange rate used for planning is 86.007425.

2.6 Innovative Business Process Support

Global digitalisation sets new pace of development. Being one of the most technologically advanced and strategically important industries, the power industry is at the forefront of change. Unipro strives to keep pace with the development of technology and to follow global trends.

The Company is carrying out a lot of consistent work on digital transformation and the process of creating a 'smart enterprise' has begun.

Digital transformation at Unipro is a driven process of changes which includes a set of transformations through the introduction of an innovative culture, widespread use of data, adaptation of the business model, management of value chain and focus on customers. The strategic nature of the process is confirmed by the introduction of the ACPs (Automated Process Control System), the ACPMS (Automated Commercial Power Metering System), the STIE ASSO (System of Technological Information Exchange with the Automated System of the System Operator) over the past years.

- In the reporting year, Unipro PJSC»:
- > introduced the System of Automatic Monitoring of the Compliance of Generating Equipment of Power Units;
 - > continued the digitisation of interaction with the government authorities and the relevant ministry;
 - > started to use tablet computers instead of notepads while walking down critical power generation equipment;
 - > introduced electronic routine switching logs;
 - > proactively used the distance learning system for the employees of Unipro PJSC;
 - > developed the Company's internal services to ensure and to control safe work against the spread of COVID-19;
 - > created a unique internal audit toolkit to monitor key processes.



Number of Cases of Non-Compliance with Standards or Rules of Physical and/or Cyber Security SASB IF-EU-550a.1

Indicator	2019	2020	2021
Physical security violations	0	0	0
Cyber security violations	10	4	11

- For the near future, the implementation has been scheduled of:
- > an updated staff management and payroll system in order to reduce the costs for supporting the area automated earlier and to continue improving the staff management efficiency;
 - > an automated system for calculating the key technical and economic indicators;
 - > a video analysis system for the purpose of digitalisation and automation of control over the operational and dispatching switching at the Branches;
 - > an automated system of internal controls in the accounting system in order to re-focus resources from routine to intellectual tasks;
 - > 3D digitisation of models of steam power boilers in order to quickly simulate the state of equipment and to respond to control actions;
 - > a system for checking sanction decisions in order to mitigate the risks of fines and the adverse effects on the reputation;
 - > a system of the Electronic Corporate Secretary.

60

3.1
ECONOMICS AND
FINANCE

68

3.2
OPERATING
RESULTS

PERFORMANCE

3.1 Economics and Finance

The table below shows the financials of Unipro PJSC for 2019–2021¹³.

Indicator	2019	2020	2021	2021/2020 Δ, %
Revenue, RUB mln	80,280	75,317	88,129	17.0%
Marginal profit, RUB mln	42,439	38,322	43,771	14.2%
Profitability (Gross Profit), %	52.9%	50.9%	49.7%	-
EBITDA ¹⁴ (excl. exchange difference), RUB mln	29,605	26,414	30,134	14.1%
Return (EBITDA), %	36.9%	35.1%	34.2%	-
EBIT (excl. exchange differences), RUB mln	23,273	20,274	22,257	9.8%
Return (EBIT), %	29.0%	26.9%	25.3%	-
Base net profit ¹⁵ RUB mln	19,394	16,334	17,854	9.3%
Return (base NP), %	24.2%	21.7%	20.3%	-
Net profit, RUB mln	18,856	13,750	8,233	-40.1%
Return (NP), %	23.5%	18.3%	9.3%	-
Exchange difference balance, RUB mln	41	- 128	- 11	-91.4%
Asset value, RUB mln	136,589	135,271	127,448	-5.8%

Unipro believes it correct to take EBITDA and EBIT net of the volatile factors, i.e., the exchange differences, as the Company produces and sells electric power and capacity in the Russian Federation and

uses the Russian rouble as the payment currency. These assumptions allow for the most accurate assessment of the operating results of Unipro PJSC.

Revenue

The Company's revenue in 2021 consisted of the sales of electric power and capacity, heat and other works and services. Following the results of 2021, revenues

of Unipro PJSC increased by 17.0% to RUB 88.129 bln as compared to 2020

Indicator, RUB mln	2019	2020	2021	2021/2020 Δ, %
Electric power and capacity sales revenue, including:	78,287	73,504	86,125	17.2%
- sale of electric power	45,402	41,291	50,744	22.9%
- sale of capacity	32,885	32,213	35,381	9.8%
Sale of thermal power, including:	1,433	1,374	1,510	9.9%
- sale of generated heat power	1,038	984	1,108	12.6%
- transportation of heat power	395	390	402	3.1%
Sale of other works, services	560	438	494	12.8%
Total revenue	80,280	75,317	88,129	17.0%

¹³ When preparing the 2021 Annual Report of Unipro PJSC, the consolidated financial statements for 2019–2021 prepared in accordance with the International Financial Reporting Standards (IFRS) are used for the purpose of financial disclosure.

¹⁴ EBITDA, EBIT – without effects of extraordinary events (including the depreciation of non-current assets and securities and the result of non-current assets retirement).

¹⁵ The base net profit is the net profit adjusted for non-operating profits/losses (including the depreciation of non-current assets and securities, the result of non-current assets retirement and the profit tax on those transactions).

Electric Power and Capacity Sales Revenue

As of year-end 2021, revenue from the sale of electric power and capacity increased by 17.2% to RUB 86.125 bln YoY (RUB 73.504 bln).

The share of revenue from electric power and capacity sold in the regulated market (without regard to the capacity supply agreements (CSA) decreased in the total revenue of Unipro PJSC for 2021 by 3.6% and amounted to RUB 12.165 bln (the share in the total revenue is 13.8%). The share of the sales revenue from the competitive sector reduced by 2,6 p. p. to 83,4% amounting to RUB 73.512 bln.

The revenue from electric power sales in 2021 increased by 22.9 % as compared to 2020 due to the increased generation by the Company's power plants and the growth of the DAM prices as a result of the following factors:

- > dynamic recovery of electric power consumption due to the growth in production volumes after the decline in 2020 as a result of the COVID-19 pandemic impact;
- > easing restrictions and restoring oil and gas production volumes under the OPEC+ agreement;

- > climatic impact;
- > growth in electric power exports to Finland and the Baltic states;
- > a 3% indexation of gas prices from 1 August 2020 and from 1 July 2021 and an increase in coal prices.

A 9.8% increase in the capacity sales revenue in 2021 as compared to 2020 is mainly associated with the resumption of payments for capacity supplies by Power Unit No. 3 of Berezovskaya GRES from May 2021, as well as with the increased CCS price and indexation of rates in RC. The proceeds from capacity sales by Power Unit No. 3 of Berezovskaya GRES under the CSA fully compensate for the decrease in the capacity sales revenue caused by the expiration of CSAs for CCGT units and their transition to capacity payment at CCS and RC rates. In December 2020, the CSAs for the CCGT units at Shaturskaya GRES and Yaivinskaya GRES were completed; in Q3 2021, the CSAs for two CCGT units at Surgutskaya GRES-2 were completed.

Sale of Other Works, Services

As of year-end 2021, the revenue from heat sales increased by 9.9% as compared to 2020 and amounted to RUB 1.510 bln (in 2020, RUB 1.374 bln). The revenue increased due to a 12.4% growth in heat

production by the company's power plants in 2021 as compared to 2020, that is due to the weather conditions. The share of the revenue from heat sales amounted to 1.7% of the total revenue of Unipro PJSC.

Sale of Other Works, Services

As of year-end 2021, other income (revenue from the sale of other works, services) of the Company increased by 12.8% to RUB 494 mln (from RUB 438 mln as of year-end 2020). This is due to an increase in the

income from the sale of repair and maintenance services, property lease services and the sale of information services. As of year-end 2021, the other income accounted for 0.6% of Unipro PJSC total revenue.

Operating expenses

Indicator, RUB mln	2019	2020	2021	2021/2020 Δ, %
Fuel for producing electric and heat power	34,306	32,419	39,039	20.4%
Purchased electrical energy and capacity	1,623	2,701	3,266	20.9%
Market operator service fees	1,351	1,436	1,559	8.6%
Marginal expenses	37,281	36,556	43,864	20.0%
Staff expenses	6,646	6,939	7,539	8.6%
Repair and maintenance costs	2,037	1,941	2,505	29.1%
Taxes and levies	986	835	894	7.2%
Other operating expenses	4,234	3,111	3,592	15.4%
Expenses before assets depreciation and impairment	51,184	49,382	58,393	18.2%

Indicator, RUB mln	2019	2020	2021	2021/2020 Δ, %
Depreciation of fixed assets and intangible assets	6,332	6,140	7,877	28.3%
Impairment of fixed assets and intangible assets	646	2,229	11,530	417.3%
Loss on fixed assets retirement	-	881	522	-40.7%
Total operating expenses	58,163	58,631	78,322	33.6%

Fuel expenses

In 2021, fuel expenses accounted for 49.8% of the Company's operating costs. In general, fuel expenses in the 2021 increased by RUB 6.620 bln (+20.4%) as compared to 2020 and amounted to RUB 39.39 bln (excluding the cost of fuel used for commissioning and recovery work).

The increase in the Company's fuel expenses in 2021 as compared to 2020 was due to the following factors:

- > 8.4% increase in electric power generation;
- > 2.5% increase in specific fuel consumption for electric power supply due to greater loading of less

efficient power units (SPU) at Shaturskaya GRES and Smolenskaya GRES as a result of dispatching by the System Operator;

- > indexation of prices for key energy resources (annual indexation of gas prices and rising coal prices).

Gas expenses (for electric and heat power production) accounted for 93.3% of the Company's total fuel expenses. Coal expenses (for producing electric and heat power) accounted for 5.0% of the Company's overall fuel expenses.

Purchased Electrical Energy and Capacity

In 2021, the expenses for purchased electric power and capacity increased by 20.9% as compared to 2020 and amounted to RUB 3.266 bln. The expenses increased due to the purchase of electric power and capacity by Unipro PJSC in order to fulfil its obligations under regulated contracts, including those of Berezovskaya GRES Branch, as a result of the long-

term stay of power units in the cold reserve by order of the System Operator that was due to a record-breaking level of hydro generation in the second price zone. In 2021, the share of expenses for the purchased electric power and capacity in the structure of the Company's operating costs amounted to 4.2%.

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.

In 2021, expenses of Unipro PJSC for market operator service fees increased by 8.6% as compared to 2020 and amounted to RUB 1.559 bln (in 2020, RUB 1.436 bln). In 2021, expenses on the market operator service fees as a share of the Company's total costs amounted to 2.0%.

Marginal Profit

As of year-end 2021, the marginal profit of Unipro PJSC amounted to RUB 43.771 bln, which is by 14.2% more than in 2020 (RUB 38.322 bln).

The favourable market conditions that prevailed in the electric power market in 2021 contributed to the growth of marginal profit from the sale of electric power, and the completion of repair and recovery of Power Unit No. 3 at Berezovskaya GRES and the re-

sumption of CSA payments which compensated in full for the decrease in payment for the capacity of four CCGT power units after the transition from the CSA to the payment for the capacity at CCS and RC prices supported the marginal profit from the sale of capacity. The 2021 return on marginal profit remains high at 49.7%.



Staff Expenses

Indicator, RUB mln	2019	2020	2021	2021/2020 Δ, %
Labour remuneration, including contributions to non-budgetary funds (without the state pension fund)	5,477	5,710	6,265	9.7%
Defined contribution plans expenses (with the state pension fund)	1,106	1,182	1,232	4.2%
Defined benefit plans expenses	32	35	32	-10.1%
Termination benefits	32	12	11	-8.0%
Total staff expenses	6,646	6,939	7,539	8.6%

Payroll costs include all payroll expenses, including estimated liabilities, accrued pension liabilities and contributions to non-budgetary funds.

As of year-end 2021, the Company's staff expenses increased by 8.6% as compared to 2020 and amounted to RUB 7.539 bln. The expenses increase was related to the annual revision of the employees' official salaries, lump-sum vaccination payments to

the employees (in order to prevent the spread of the COVID-19 coronavirus infection), recording of lump-sum expenses related to the successful completion of design work to overhaul Power Unit No. 3 of Berezovskaya GRES and the resumption of its operation. In 2021, staff expenses accounts for 9.6% of the Company's operating costs.

Repair and Maintenance Costs

Repair and maintenance costs include costs related to work and services for the repair of buildings, structures, equipment, including costs for repair and maintenance of the CCGT power units, costs for operation and household materials, for transport maintenance and for other production services.

As of year-end 2021, the repair and maintenance costs increased by RUB 564 mln (+29.1%) in 2021 as compared to 2020 and amounted to RUB 2.505 bln.

The expenses increase was due to an increase in the scope of repair and the recording of expenses after the overhaul of Power Unit No. 3 of Berezovskaya GRES was successfully completed and its operation resumed. The share of repair and maintenance costs in the structure of the Company's operating costs in 2021 amounted to 3.2%.

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.

As of year-end 2021, the Company's tax accruals increased by 7.2% as compared to 2020 and amounted to RUB 894 mln (in 2020, RUB 835 mln) due to an increase in the property tax that resulted from the commissioning of Power Unit No. 3 of Berezovskaya GRES. In 2021, taxes and levies accounted for 1.1% of the Company's operating costs.

Other Operating Costs

Other costs include expenses on communication and data transmission services, IT services, staff training, utility services, guarding, insurance, transport and other administrative and managerial expenses.

In 2021, other costs of Unipro PJSC increased by 15.4% to RUB 3.592 bln (in 2020, RUB 3.111 bln). The

increase in other costs was driven by a recovery in expense levels after their decline in 2020 which resulted from spending restrictions imposed during the COVID-19 pandemic. The share of the Company's other operating costs in the operating costs' structure of 2021 amounted to 4.6%.

Unipro PJSC Financial Performance

Indicator, RUB mln	2019	2020	2021	2021/2020 Δ, %
EBITDA (less exchange differences)	29,605	26,414	30,134	14.1%
Depreciation of fixed assets and intangible assets	-6,332	-6,140	-7,877	28%
EBIT (less exchange differences)	23,273	20,274	22,257	10%
Financial income/expenses (including exchange differences)	457	-13	63	-
EBT	23,730	20,261	22,320	10%
Operating result profit tax	-4,336	-3,927	-4,465	14%
Base net profit	19,394	16,334	17,855	9.3%
Impairment of fixed assets and intangible assets	-646	-2,229	-11,530	-
Loss on fixed assets retirement	-	-881	-522	-41%
Other non-operating expenses	-26	-124	-25	-
Non-operating result profit tax	134	647	2,405	-
Net profit	18,856	13,750	8,233	-40%

EBITDA

In 2021, the earnings of Unipro PJSC before interests, taxes and depreciation amounted to RUB 30.134 bln, which is by 14.1% more than in 2020 (RUB 26.414 bln). The EBITDA increased after the marginal profit.

The financial performance is supported by the commissioning of Power Unit No. 3 at Berezovskaya GRES. The 2021 return on EBITDA remains high at 34.2%.

Depreciation

Depreciation of fixed assets is calculated on a straight-line basis by linear writing off their initial value to residual value over their useful life from the time they are ready for operation.

In 2021, Unipro PJSC depreciation accruals increased by 28.3% to RUB 7.877 bln (RUB 6.140 bln in 2020).

The increase in depreciation accruals was mainly due to the commissioning of Power Unit No. 3 of Berezovskaya GRES. In 2021, the company's depreciation accruals accounted for 10.1% of the operating costs' structure.

EBIT

As of year-end 2021, Unipro PJSC earnings before interests and taxes amounted to RUB 22.257 bln, 9.8% higher than in 2020 (RUB 20.274 bln). Against the background of strong marginal effects, the growth in depreciation accruals had a negative impact on the

dynamics of EBIT. The depreciation increase was mainly due to the commissioning of Power Unit No. 3 of Berezovskaya GRES. The 2021 return on EBITDA remains high at 25.3%.

Base Net Profit

The base net profit is the net profit adjusted for non-operating profits/losses (including the depreciation of non-current assets and securities, the result of non-current assets retirement and the profit tax on those transactions).

By results of 2021, the Company's basic net profit amounted to RUB 17.854 bln which was by 9.3% higher than the results of 2020 (RUB 16.334 bln). As of year-end 2021, Unipro PJSC base net profit margin was equal to 20.3%.

Impairment of Non-Current Assets

In accordance with IAS 36, in 2H 2021, the Management analysed and identified as an asset impairment sign the increase in the cost of the Group's capital due to higher inflation of 2021 which was the basis for testing cash generating units for impairment as of 31 December 2021.

The recoverable amount of the assets was determined as their use value based on the model of discounted future cash flows after profit tax. The cash flow forecast of the model is in line with the Group's approved budget for 2022 to 2024. In later periods, the inflation-adjusted cash flows are forecasted based on the key assumptions, i.e., the expected generation volumes and the future fuel (gas/coal) prices which affect electric power prices as well. The key parameters of the model are also the discount rate and the cash flow growth rate in the post-forecast period. When assessing the recoverable amount of assets as of 31 December 2021, the cash flow forecast was discounted at the nominal weighted average cost of capital after tax of 10.60% (as of 30 June 2020, 9.55%), the long-term growth rate of cash flows was 5.1% (as of 30 June 2020, 4%).

For 12 months of 2021, the impairment loss amounted to RUB 11.530 bln, including an impairment loss of intangible assets of RUB 54 mln. For 12 months of 2020, the impairment loss amounted to RUB 2.229 bln, including the impairment loss of intangible assets of RUB 54 mln.

In 2020, the impairment testing was carried out as of 30 June 2020 due to the potentially significant impact of the COVID-19 infection on the project schedule and an increase in the Berezovskaya GRES (CSA) recovery budget related thereto and updated OPEC+ assumptions on the medium-term forecast of DAM prices and generation volumes. In 2H 2020, the assets were reviewed as of 31 December 2020. No signs of assets impairment were identified. Therefore, no asset impairment test was carried out.

In 2021, the impairment loss of assets of the Berezovskaya GRES coal-fired power plant amounted to RUB 10.505 bln plus the impairment of assets of: Shaturskaya GRES, RUB 417 mln, Yaivinskaya GRES, RUB 260 mln, Smolenskaya GRES, RUB 246 mln.

Net Profit

In 2021, net profit of the Company amounted to RUB 8.233 bln, which is lower than the net profit results of 2020 by 40.1%. In 2020, net profit of Unipro PJSC amounted to RUB 13.750 bln. The net profit decrease was due to the recording of the impairment loss of

non-current assets in the amount of RUB 11.530 bln and the loss of assets retirement in the amount of RUB 522 mln. As of year-end 2021, Unipro PJSC net profit margin was equal to 9.3%.

Assets. Significant Changes in the Assets Profile

In 2021, assets of Unipro PJSC decreased by 5.8% and amounted to RUB 127.4 bln.

The above decrease resulted from the following changes:

Non-current assets of the Company as of the date of the 2021 report decreased by 7.6% to RUB 114.3 bln from RUB 123.6 bln as of 1 January 2021. As of 31 December 2021, the carrying amount of fixed assets includes the impairment loss of RUB 11.5 bln (2020: of RUB 2.2 bln), including the assets of Berezovskaya GRES of RUB 10.5 bln (2020 of RUB 1.4 bln).

The receipts from the Construction in progress group for 2021 include facilities for the modernisation of power units and overhauls and the construction of a new fuel receiving station (hereinafter, the FTS). After FRS commissioning, coal will be supplied continuously to the three units of Berezovskaya GRES at once. All the production processes at the new FRS will be fully automated and, once it is commissioned, integrated with the new Fuel Supply Automated Process Control System at Berezovskaya GRES. The retired facilities in the Construction in Progress group include facilities retired due to shortage and loss from damage to things of value by RUB 549.6 mln and facilities written off for day-to-day operations of RUB 113.7 mln (in 2020, of RUB 1.1 bln).

As of 31 December, 2021 and 2020, the fixed assets include right-of-use assets that relate primarily to long-term land and real estate leases. In 2021, the right-of-use assets inflow and retirement include mainly the office lease agreement due to the re-entry

into a part of the lease agreements due to the fact that some employees continue teleworking.

As of the 2021 report date, the Company's intangible assets increased by 71.2% and amounted to RUB 604.7 mln (in 2020, RUB 353.3 mln). The intangible assets increased due to the commissioning of the Microsoft Dynamics 365 Information System.

At that, the Company impaired the intangible assets of Shaturskaya GRES, Yaivinskaya GRES and Smolenskaya GRES for a total of RUB 54.2 mln in 2021.

In 2021, the assets in the "Other non-current assets" line increased by 29.5% up to RUB 835.6 mln as compared to 2020 (from RUB 645.2 mln as of 01 January 2021) which was mainly due to the receipt of Volgo-gradenergosbyt PJSC promissory notes to pay the debt for the electric power and capacity supplied.

The current assets of the Company as of 31 December 2021 increased by 13.1% – to RUB 13.2 bln from RUB 11.6 bln as of 01 January 2021. The current assets increase was mainly due to an increase in inventories by 23.5% up to RUB 4.2 bln (from RUB 3.4 bln as of 01 January 2021) as a result of an increase in inventories of materials and components that are used mainly for the modernisation programme of power units at Surgutskaya GRES-2; an increase of assets in the "Advance payment of profit tax" line in 2021 by RUB 0.8 bln to RUB 1.1 bln from RUB 0.3 bln as of 01 January 2021 which is due to applying a special depreciation allowance in the tax accounting after commissioning Power Unit No. 3 of Berezovskaya GRES. Thus, the current profit tax has significantly decreased as compared to the tax advances paid.

Liabilities. Significant Changes in the Liabilities Profile

In 2021, liabilities of Unipro PJSC decreased by 5.8% and amounted to RUB 127.4 bln.

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

As of the 2021 report date, equity and liabilities decreased by 9.9% to RUB 108.7 bln from RUB 120.5 bln as of 01 January 2021. This decrease is due to a decrease in the retained earnings by RUB 11.8 bln as a result of dividend payment in the amount of RUB 12 bln out of the net profit (RAS) for 9 months of 2021 according to the resolution of the Extraordinary General Meeting of Shareholders.

As of the 2021 report date, the Company's long-term liabilities increased by 6.2% up to RUB 6.5 bln from RUB 6.1 bln as of 01 January 2021 due to an increase in the deferred tax liability for profit tax by 21.4% to RUB 4.7 bln from RUB 3.9 bln as of 01 January 2020. The increase in deferred tax liability is due to a greater extent to an increase in the temporary difference related to the launch of Power Unit No. 3 of Berezovskaya GRES.

At that, in 2021 the Company's pension liabilities decreased by 19.8% to RUB 0.6 bln from RUB 0.8 bln as of 01 January 2021. The 2021 decrease in pension liabilities is due to the recording of actuarial loss arising out of changes in financial assumptions.

In 2021, liabilities in the "Long-term financial lease commitments" line decreased by 24.3% as compared to 2020 – to RUB 0.7 bln from RUB 0.9 bln as of 01 January 2021, due to a decrease in the lease area of office premises.

Company's short-term liabilities. Most changes in the Company's liabilities profile in 2021 vs. 2020 are related to the increase in the short-term liabilities by 42.9% – to RUB 12.3 bln from RUB 8.6 bln as of 1 January 2021, caused by short-term loans received in 2021, and due to an increase in the accounts payable by 7.2% to RUB 6.7 bln from RUB 6.2 bln as of 01 January 2021, which is mainly due to an increase in debt to suppliers and contractors.

Liquidity and Equity Capital

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

The increase of capital expenditures in 2021 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

Return Indicators

Indicator	2019	2020	2021
Return on Assets (ROA), %	14.1%	10.1%	6.3%
Return on Equity (ROE), %	15.6%	11.4%	7.6%

The decrease in return indicators is due to recording the impairment of the Company's assets as of 31 December 2021.

3.2 Operating Results

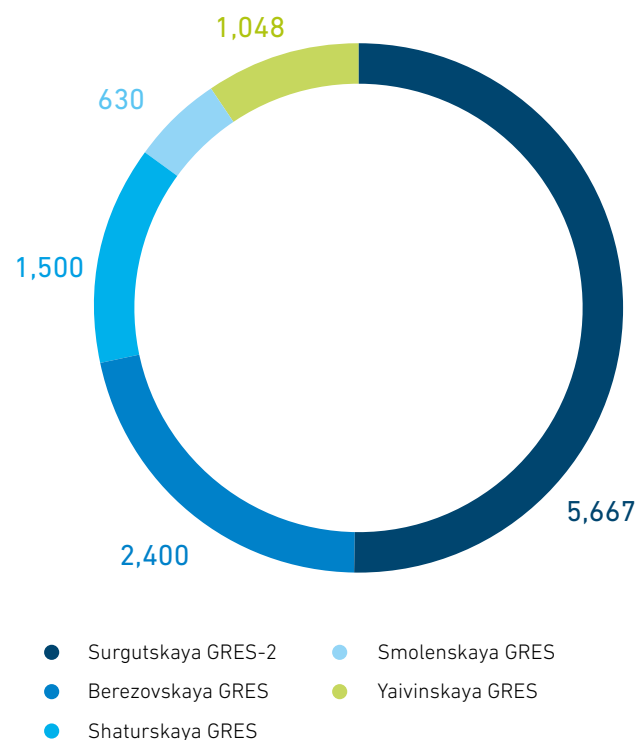
The structure of the Company's assets includes five generation facilities located in the first and second pricing zones of the Russian Federation. The installed electric capacity of Unipro PJSC did not change in 2021 and amounted to 11,245.1 MW.

In addition to the installed electric capacity, the key indicators that characterise the production activities of the generation company are the generation of electric power, the supply of thermal power from headers and the installed capacity utilisation factor (ICUF).

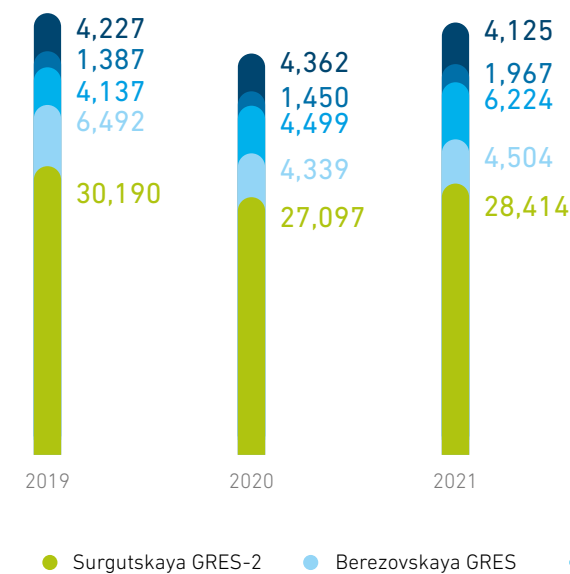
In 2021, the Branches of Unipro PJSC generated 45.2 bln kWh of electric power. In 2020, as compared with the actual figures, production of electricity increased by 8.4%. The main driver of the increase in output was the increased demand for Surgutskaya GRES-2, Shaturskaya GRES and Smolenskaya GRES due to the recovery of electric power consumption (including oil production under the OPEC+ deal) and the electric power export from the UES of Russia.

The total volume of heat power output from headers of the Unipro PJSC Branches was 2,101 thousand Gcal in 2021. In comparison with the actual figures in 2020, the total volume of heat power output increased by 12.4%. The increase in heat output is explained by the decrease in the average outdoor air temperature during the heating season: this fact was observed in all regions where the Company's Branches are present. The highest increase in the heat output took place at Surgutskaya GRES-2 Branch (by 139 thousand Gcal or 17.2%).

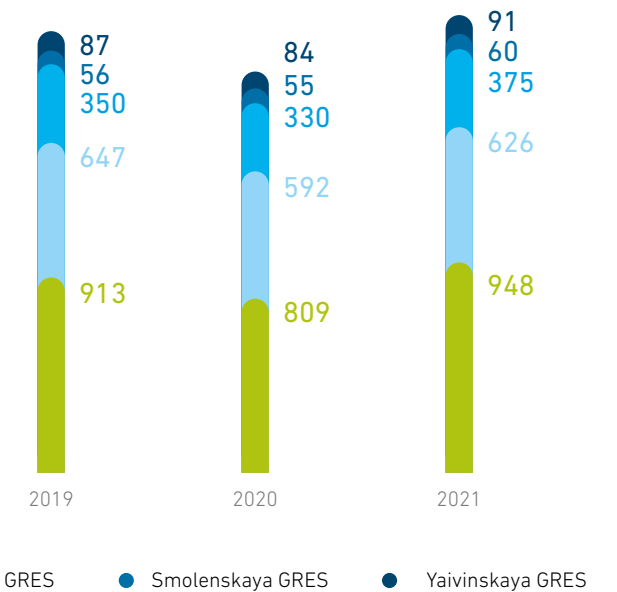
Installed Electric Capacity, MW



Electric Power Generation, mln kWh



Heat Power Output, Thousand Gcal



Installed Capacity Utilisation Factor (ICUF)

Power Plant	UoM	2019	2020	2021
Surgutskaya GRES-2	%	60.9	54.4	57.2
Berezovskaya GRES	%	30.9	20.6	21.4
Shaturskaya GRES	%	31.5	34.1	47.4
Smolenskaya GRES	%	25.1	26.2	35.6
Yaivinskaya GRES	%	46.0	47.3	44.9
Unipro	%	47.2	42.3	45.9

Key Performance Indicators by Plants GRI EU1; EU2

Energy source	Electric power plant name	Installed capacity, MW	ICUF, %	Operating area	Regulation (Pricing Zone)	Energy generation, MWh	Heat supply, Gcal
Coal (97.2%), Fuel oil (2.8%)	Berezovskaya GRES Branch SPU power units of Plants Nos. 1, 2, 3	2,400	21.4	UES of Siberia	Pricing Zone 2	4,504,137	626,239
Gas (100%)	Surgutskaya GRES-2 Branch SPU power units of Plants No. 1, 2, 3, 4, 5, 6	4,860	53.6	UES of the Urals	Pricing Zone 1	22,828,260	948,186
Gas (100%)	Surgutskaya GRES-2 Branch CCGT power units of Plants Nos. 7, 8	807	79.0	UES of the Urals	Pricing Zone 1	5,585,488	0
Gas (100%)	Yaivinskaya GRES Branch SPU power units of Plants Nos. 1, 2, 3, 4	600	32.3	UES of the Urals	Pricing Zone 1	1,700,068	90,951
Gas (100%)	Yaivinskaya GRES Branch CCGT power units of Plant No. 5	448	61.8	UES of the Urals	Pricing Zone 1	2,424,808	0
Gas (99.99%), Fuel oil (0.01%)	Shaturskaya GRES Branch SPU power units of Plants Nos. 1, 2, 3, 4, 5, 6	1,100	41.2	UES of the Centre	Pricing Zone 1	3,973,616	375,383
Gas (100%)	Shaturskaya GRES Branch CCGT power units of Plant No. 7	400	64.2	UES of the Centre	Pricing Zone 1	2,249,977	0
Gas (99.93%), Fuel oil (0.06%), Coal (0.01%)	Smolenskaya GRES Branch SPU power units of Plants Nos. 1, 2, 3	630	35.6	UES of the Centre	Pricing Zone 1	1,967,358	60,203
Total		11,245	45.9			45,233,712	2,100,962

Fuel Mix

Unipro PJSC power plants use gas, coal, and fuel oil as the process fuel. Primary fuel in the Company's fuel mix is gas – 88.42% of the total fuel consumption in 2021.

The major gas consumer is the mono-fuel Surgutskaya GRES-2. 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 2021, its share in the fuel mix of Smolenskaya GRES was 99.93%, Shaturskaya GRES – 99.99% and Yaivinskaya GRES – 99.99%.

Gas Consumption, mln Cub. m

Branch	Consumption amount
Smolenskaya GRES	601.80
Surgutskaya GRES-2	7 088.29
Shaturskaya GRES	1 697.85
Yaivinskaya GRES	940.26
TOTAL	10 328.20

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 2.9 mln tonnes in 2021.

Fuel Oil Consumption, Thous. Tonnes

Branch	Consumption amount
Berezovskaya GRES	30.8
Smolenskaya GRES	0.1
Shaturskaya GRES	0.1
TOTAL	31.9

Coal Consumption, Thous. Tonnes

Branch	Consumption amount
Berezovskaya GRES	2 920.58
Smolenskaya GRES	0.65
Shaturskaya GRES	0.05
Yaivinskaya GRES	0.25
TOTAL	2 921.54

Fuel oil is used at power units for start-up operations only.

Following the results of 2021, Unipro PJSC spent a total of 10.3 bln m3 of gas, 2.9 mln tonnes of coal, and 31.0 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 in 2021 was RUB 39 bln, net of VAT.

In 2021, the main fuel supplier to the power plants of Unipro PJSC was an independent gas producer NOVATEK PJSC. Its share in the total fuel cost procured for the Company's power plants reached about 85.4%. In addition, Unipro PJSC procured gas from Surgutneftegas PJSC and LUKOIL-Perm LLC in 2021.

The key coal supplier of the Company was SUEK JSC, which supplied lignite to the Berezovskaya GRES. In 2021, its share in the total fuel cost procured for Unipro PJSC power plants reached about 5.0%.

In 2021, the main suppliers of fuel oil for the Company are Sibprom LLC and Rosneft Oil Company PJSC.

The fuel procurement strategy of Unipro PJSC is aimed at strengthening long-term relations with major fuel suppliers, while keeping an optimal degree of diversification. [GRI 102-9; 102-10](#)

Repairs

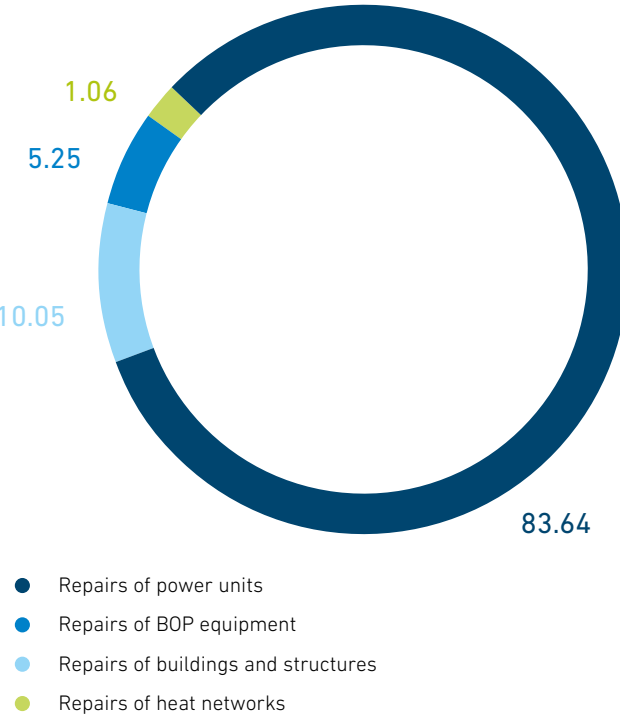
The Company drafts, approves, and implements the repair programme for the main production facilities on the annual basis in accordance with the schedule for the repair of the main equipment of the Branches and the schedule for forming production programmes. Timely and quality repairs and maintenance of the generating equipment at the power plant ensure its reliable and safe operations and extend its service life. Therefore, Unipro PJSC focuses on improving the quality of repairs, enhancing equipment reliability and reducing incidence rates.

Unipro PJSC implements a 6-year repair cycle for all power units in strict compliance with the requirements of the Rules for Maintenance and Repair of Power Facilities approved by order of the Ministry of Energy of Russia No. 1013 dated 25 October 2017. The strategy of the Company's repairs is based on the use of a combined approach to arranging for and carrying out its repairs, which priority and basis are the scheduled preventive repair using risk-oriented management methods by results of assessing the actual technical condition of the property, plant and equipment and assessing the financial risks related to an emergency shutdown of the equipment. When scheduling the repair periods and duration, the Company factors in the technical condition of the equipment, the need to perform mandatory activities required under the legislation, including industrial and environmental safety activities, the findings of the examination of failures and incidents over the past periods are taken into account as well.

Such system of repair arrangement enables to adapt it to the conditions of the Company's operations in the competitive electric power market and to carry out all repairs within the necessary time limits and with optimal costs. This approach to planning makes it possible 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. A total of 2,600 repair employees are involved in the repairs of Unipro PJSC, and the annual repair bay is 1,200 days. The process of entering into contracts with a term of performance of three years had a positive effect. That was why contracts with a term of performance of 2-3 years continued to be entered into in 2021.

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

Unipro PJSC Repair Schedule Structure in 2021, %



The total expenses on repairs at Unipro PJSC power plants reached RUB 8.9 bln in 2021, including:

- > existing production – RUB 3.5 bln
- > new production – RUB 5.4 bln

All scheduled repairs have been made in full.

21% of repairs was done using the Company's own resources, and 79% through contractors. The contractors were selected through tenders in order to ensure that contracted terms and conditions were most favourable for the Company.



Berezovskaya GRES

The following was completed in 2021:

- > Typical intermediate maintenance of the power unit of Plant No. 2 with the opening of the high-pressure cylinder;
- > Safety expert review of Group A high pressure heaters was carried out at the power unit of Plant No. 2;
- > As part of the programme to improve the reliability of the boiler heating surface operation
 - the metal state at Boilers No. 1,2 was controlled;
 - modernisation of boiler runs of Plants Nos. 1, 2 was carried out, the work was not completed, its performance was scheduled for future repair;
- > Work under Power Unit No. 3 of Berezovskaya GRES recovery project was completed;
- > Acceptance tests were carried out and Power Unit No. 3 was transferred to the reserve on 01 May 2021.

The following is scheduled for 2022:

- > Overhaul of Power Unit No. 1 with the replacement of the Hot Reheat pipeline, replacement of ½ part of the convection reheater and the current repair of Power Units Nos. 2, 3 with the performance of a standard scope of work.



Yaivinskaya GRES

The following was completed in 2021:

- > The following was completed in the course of the Branch repair campaign during the period of scheduled overhaul of Power Unit No. 4:
 - replacement of boiler gas ducts from the air preheater to the chimney stack;
 - replacement of feed-water economizer;
 - replacement of own-generated condensate units;
- > In the course of extended current repair of Power Unit No. 2, culverts and centring rings were replaced on Turbo-Generator No. 2;
- > The following was completed in the course of intermediate maintenance of Power Unit No. 5 (CCGT):
 - main inspection of the gas turbine;
 - overhaul of the generator with the rotor commissioning.

The following is scheduled for 2022:

- > During the period of intermediate maintenance of Power Unit No. 1:
 - replacement of air preheater tubes at 8 cubes;
 - replacement of the steam collection chamber;
 - replacement of loops on 8 platen reheaters of the first row.
- > During the period of overhaul at Power Unit No. 3:
 - replacement of 40 elbows on live steam and hot reheat pipelines
 - replacement of gas ducts
 - replacement of feed-water economizer
 - modernisation of monitoring and control systems of Power Unit No. 3 with the HSS transfer;
- > Balance of plant:
 - repair of Chimney Stacks Nos. 1, 2 based on an expert report on industrial safety.



Smolenskaya GRES

The following was completed in 2021:

- > During the overhaul of the power unit of Plant No. 4 the following was completed:
 - Turbine overhaul with opening of high, intermediate and low-pressure cylinders.
 - Overhaul of the generator with the removal of rotor and the replacement of slip rings and bonding leads;
 - Replacement of the nozzle diaphragm of the high-pressure cylinder of the turbine;
 - Replacement of the wire band of the 23rd step of the intermediate pressure rotor of the turbine with a modernised one;
 - Replacement of 17 elbows of steam bypass pipes on the boiler;
 - An expert review of the industrial safety of the feed pipeline and the live steam pipeline was carried out.
- > In the course of the intermediate repair of the power unit of Plant No. 6 the following was completed:
 - Intermediate repair of the turbine with opening of high- and low-pressure cylinders;
 - Technical diagnostics of Turbine Unit No. 6 was carried out and its service life was extended;
 - Overhaul of PEN-6B feed electric pump;
 - Technical refurbishment of the excitation system of Power Unit No. 6;
 - An expert review of the industrial safety of the power unit heaters was carried out.
- > In the course of intermediate repair of the power unit of Plant No. 7 of the CCGT the following was completed:
 - Repair of gas and steam turbines;
 - Inspection of the hot gas path.

The following was completed in 2021:

- > Repair of the boiler lining during the intermediate maintenance of the power unit of Plant No. 2;
- > Replacement of pipes of the right lateral screen of 2B boiler during the intermediate maintenance of the power unit of Plant No. 2;
- > Repair of 237.8 long meters of the heating network;
- > Repair of transformers 10T and 20T with the replacement of bushings;
- > Colour marking of the equipment of Unit No. 2

The following is scheduled for 2022:

- > Overhaul of TGV-200-2M turbo-generator of Unit No. 3 with a header revision;
- > Overhaul of electric motors 6 kV of draught mechanisms, a circulation pump and a feed electric pump of unit No. 3;
- > Repair of 348 long meters of heating networks in Ozerny Settlement;
- > K210-130-3 turbine overhaul of Unit No. 3;
- > Overhaul of TPE-208 boiler of Plant No. 3 with the replacement of 32 sections K-3 A, B of wall tubes on the second panel.



Shaturskaya GRES

- > Under the programme to ensure the accident-free heating during the winter period of 2021-2022, 8 sections of the heating network pipelines with a length of 3,071 long meters were replaced and pre-insulated robust pipes (PIRP) were installed.

The following is scheduled for 2022:

- > During the intermediate maintenance periods of power units 1 and 3, the following is scheduled to be completed
 - Replacement of cubes of air pre-heaters;
 - Replacement of elbows of the steam bypass pipes on the boiler;
 - Expert reviews of industrial safety of the boiler and the hot reheat pipeline;
 - Replacement of pressure exhaust ducts and backpasses of the boilers.
- > At the power unit of Plant No. 7 of the CCGT, the following is scheduled:
 - Boroscopic inspection of the gas turbine;
 - Modernisation of the hardware and software suite of the booster compressor station.
- > Heat supply networks:
 - While preparing for accident-free autumn and winter season of 2022-2023, it is scheduled to replace 12 sections of the heating network pipelines with a length of 3,160 long meters with pre-insulated robust pipes (PIRP).

The following was completed in 2021:

- > Works were performed to modernise the power unit under the capacity supply contract programme, the high and medium pressure cylinders and the turbo-generator were replaced, and the following was completed:
 - Replacement of the steam pipe line of the 3rd extraction and the steam extraction to high-pressure heaters 6A, B;
 - Pipes of Ø42x7, 50x11 of the high-pressure convective superheater of stage 2 were replaced according to the improvement notice of the industrial safety expert review;
 - Replacement of a tee of the unit for combining live steam pipelines;
 - Replacement of a training circle of the regenerative air pre-heater RAPH-A, B;
 - Repair and marking painting of Chimney Stack No. 2;
 - Replacement of the common-unit relay protection of Unit No. 1;
 - Replacement of the relay protection of 6 kV complex switch yard (CSY) cells of Unit No. 1;
 - Replacement of the excitation system of Unit No. 1;
 - Replacement of the emergency control schemes of Unit No. 1;
 - Replacement of the alarm and command device (UPASK) of overhead line 500 at Surgutskaya GRES-2 – Kirillovskaya;
 - Installation of the emergency control schemes of the equipment load factor limitation (ESC ELFL) of overhead line 500 at Surgutskaya GRES-2 – Kirillovskaya and Surgutskaya GRES-2 – Peresvet.
- > During the intermediate maintenance of Power Unit No. 3, the following work was performed:
 - Standard volume of the intermediate maintenance of turbine, boiler, generator and transformer units;
 - Technical diagnostics of 24 vessels and 19 pipelines;
 - Examination of HPR, IPR with control of the axial channel;
 - Repair of smoke exhausts with the replacement of couplings;
 - Repair of the regenerative air pre-heater with the replacement of pins
- > In the course of the intermediate maintenance of Power Unit No. 7 (CCGT), work was performed to inspect the hot gas path of the gas turbine. The moving and nozzle blades (1-3 stages) of the hot gas path and all parts of the combustion chamber of the gas turbine were replaced. The work was performed by the in-house staff under the supervision and guidance of GE Engineering Supervisors and Supervisors.



Surgutskaya GRES-2

The following is scheduled for 2022:

- > Replacement of tees Du300 (3 pcs) on the feed-water pipeline of Unit No. 2;
- > Replacement of expansion bellows Du2400 (3 pcs) on the condenser cooling water pipeline of Unit No. 2;
- > Repair of high-pressure heater 2PVD-8A with the replacement of body, spiral coils, membrane;
- > Inspection of metal and welded joints of 102 pipelines and 53 vessels;
- > Repair of high-pressure heater 6PVD-6A with the replacement of the membrane and bypass pipe;
- > Replacement of the throttling device of the fast-response pressure-reducing and desuperheating station FRPRDS-800 of Unit No. 6;
- > Opening of low-pressure cylinders for metal inspection at 3 stages near the holes for the fastening wire of Unit No. 4.



Operational Excellence Development

In order to ensure the improvement of the company's processes, Unipro PJSC continued to further develop the Operational Excellence System.

In August 2021, the decision was made to merge the Berjo-3 refurbishment project improvement office of Block No. 3 of BGRES (PIO) and the Operational Excellence Department of the Headquarters. The Operational Excellence and Project Optimisation Directorate consol-

idated the best practices and knowledge obtained while implementing the major investment project for the recovery of Power Unit No. 3 of BGRES and its experience from introducing lean production tools and the production culture development.

The operational excellence strategy was updated in order to better address key challenges, thus shifting the focus towards the project implementation.

	2021 Pilot project implementation	2022 Proactive implementation	2023-2025 Deep dive
OE Tools	<ul style="list-style-type: none"> > 6C > Improvement proposals 	<ul style="list-style-type: none"> > Ideal Site, 6C, Planning, Visualization, Meetings > Improvement proposals 	<ul style="list-style-type: none"> > Implementation of the full list of OE methods: SMED, VSM, PDSA1, Ideal Site
OE projects	<ul style="list-style-type: none"> > Efficiency of Internal resources > M&R costs optimization 	<ul style="list-style-type: none"> > Internal resources > M&R costs optimization > Supporting processes 	<ul style="list-style-type: none"> > Fuel consumption reduction > Capex and Opex optimization
Capital Construction Projects	<ul style="list-style-type: none"> > Upgrading of Unit 1 at SuGRES 	<ul style="list-style-type: none"> > Modernization of SuGRES > WWTF > Agricultural Complex > BGRES Boiler House 	<ul style="list-style-type: none"> > Upgrading of Units at SuGRES-2
Energy company	<ul style="list-style-type: none"> > CRS motivation system 	<ul style="list-style-type: none"> > Incentive system > Reducing the timing of procurement procedures > D365, Improvement and Use 	<ul style="list-style-type: none"> > Development of digital transformation projects

As part of introducing the lean productions tools, the following indicators were achieved:

	2018-2020	2021
6C Introduction	227 areas	26 areas
Managers' Gemba walks (with the operational excellence agenda)	101 walks	34 walks
Control charts	8 parameters	27 parameters
Mapping	more than 300 pcs.	100 pcs
Staff training	35 Leads	more than 70 employees

In addition, the number of current operational excellence projects is increasing at various stages of development.

Thus, improvements in the repair process, use of technical data sheets, preparation of repair, tools used, investigation of technical incidents and defects have been identified and are being implemented under the project "Efficiency of Using One's Own Resources". New planning and reporting standards have already been developed and are being implemented, among other things, for contractors.

According to the project "Maintenance and Repair (M&R)", hypotheses and measures are being elaborated. A list of equipment for all plants was determined, possible ways of reducing costs were identified and the detailed analysis of the repair cost and volume began.

As part of the project to reduce turbine oil consumption, costs benchmarking was carried out at each plant and approaches to topping up and replacing the turbine oil were compared.

For all of the above projects, the expected potential implementation effect was calculated and a roadmap for the fulfilment of those measures was developed.

The operational excellence professionals are proactively involved in the implementation of the Company's major investment projects, e.g., they helped analyse data and work schedules, mapped individual works and prepared shift performance reports during the modernisation of Surgutskaya GRES-2. While implementing the project, risks were minimised, transparency of the work performed was ensured and the process manageability was improved.

80

4.2
STAKEHOLDER
ENGAGEMENT

81

4.3
COUNTERING COVID-19

104

4.6
ENVIRONMENTAL
RESPONSIBILITY

78

4.1
SUSTAINABLE
DEVELOPMENT
MANAGEMENT
APPROACH

SUSTAINABILITY

4

84

4.4
OCCUPATIONAL HEALTH
AND SAFETY

124

4.7
SOCIAL ACTIVITIES AND
CONTRIBUTION TO THE
DEVELOPMENT OF THE
REGIONS OF FOOTPRINT

93

4.5
ENSURING DECENT LABOUR
CONDITIONS



4.1 Sustainable Development Management Approach

In 2005, Unipro PJSC declared for the first time its commitment to the UN Global Compact as to the major social responsibility and sustainable development initiative for business and confirms its commitment to comply with its principles.

GRI 102-12

The Company's principal shareholder – Uniper Group – treats sustainable development as the overarching priority and integrates its aspects in all areas of activities. Uniper Group has developed and approved the Group Sustainable Development Strategy based on the UN Sustainable Development Goals (SDG) until 2030 by identifying the areas of highest relevance to its business. Unipro PJSC supports the Group's initiative by identifying priority SDGs and tasks to ensure a contribution to their overall achievement.

As an efficient producer of the electric power necessary for the society, Unipro PJSC is well aware of its economic, environmental and social responsibility. The Company is interested in carrying out its activities subject to the advanced international standards of corporate and social responsibility and sustainable development.

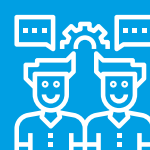
The Company understands the sustainable development as the economic growth that does not harm the environment and contributes to the resolution of social problems, finding a balance between the economic, environmental and social development.

The Company defines the corporate social responsibility as the responsibility of the Company for the impact of its decisions and activities on the society and the environment through transparent and ethical conduct that has the following features:

promotes the sustainable development, including health and well-being of the society



takes into account the expectations of stakeholders



complies with the applicable legislation and is consistent with the international norms of conduct



integrates into the activities of the entire organisation and applies to its relations with the stakeholders



Unipro 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. In the course of its activities and in its relations with its counterparties, the Company promotes the idea of observing human rights and non-discrimination in any of its manifestations, combating corruption and interacting with in-house and

third-party stakeholders based on maintaining a balance of interests and mutually beneficial cooperation.

Currently, Unipro PJSC is aimed at forming an efficient sustainable development management system:

- > according to its Articles of Association, the forming of the Company's Environmental, Social and Management Policy is within the competence of the Board of Directors;

- > no centralised responsibility for arranging for the ESG is currently established, the Company's profile units carry out sustainable development activities within their functional responsibility.

On 22 September 2021, Unipro PJSC Board of Directors resolved to establish a Sustainable Development Committee at the Board of Directors the members whereof were

GRI 102-19; 102-20:

- > Chairman – Oleg Vyugin, Professor of Higher School of Economics National Research University;
- > members of the Committee:
 - Georgiy Abdushelishvili, Managing Director – Senior Partner, Vektor Liderstva JSC;
 - Anna Belova, Lecturer, Department of Applied and Institutional Economics, the Lomonosov Moscow State University;

- David Bryson, Director for Production, Uniper SE;
- Maksim Shirokov, General Director of Unipro PJSC (was included in the Committee as a member of the Committee since 8 October 2021).

Establishment of the Sustainable Development Committee is in line with the best global governance practices. The key missions of the Committee will be to take part in planning of the strategic goals aimed at long-term sustainable development of Unipro PJSC, including environmental, social, and management aspects, ESG compliance control, and providing the Board of Directors with sustainability recommendations. The Committee will contribute to the sustainability risk management and mitigation, improvement of Unipro PJSC business information transparency and openness for all stakeholders.

Purpose	Task	2021 Result	2022 Plan
E	SDG 7 Ensuring universal access to affordable, reliable and modern energy supply, improving energy efficiency	Actual power generation (for more information, please see Section 3.2. Operating Results)	To improve the reliability of energy supply to consumers, Unipro is going to modernise the operating efficient steam power equipment. The Company is also considering its further participation in modernisation auctions and developing renewable energy sources projects.
	SDG 12 Ensuring the transition to sound consumption and production patterns	Energy consumption reduction (for more information, please see Section 4.6. Environmental Responsibility)	Developing and taking measures for conservation of power and improving energy efficiency.
	SDG 13 Reducing impact on the climate	Greenhouse gas emissions reduction (for more information, please see Section 4.6. Environmental Responsibility)	Development of additional steps to mitigate the Company's impact on the climate.
S	SDG 3 Ensuring healthy life-style and promoting well-being for all people of all ages	Number of accidents and injuries (for more information, please see Section 4.5. Ensuring Decent Labour Conditions)	Improving precautions against work-related injuries and diseases, and improving labour conditions of the employees.
	SDG 4 Ensuring overarching and fair quality education and promoting lifelong learning opportunities for all	Average number of employees training hours (for more information, please see Section 4.5. Ensuring Decent Labour Conditions)	Further training, retraining and advanced training of the staff of Unipro PJSC will continue to support educational establishments in the regions of its operations.
	SDG 8 Ensuring a decent level of wages for all employees, regardless of their age and gender	Excess of wages over the minimum wages (for more information, please see Section 4.5. Ensuring Decent Labour Conditions)	Unipro PJSC strives to maintain transparent and honest relations with its employees, including by establishing fair remuneration and providing opportunities for growth and development.
G	SDG 16 Reducing corruption and bribery in all their forms	Reducing the number of confirmed cases of corruption (for more information, please see Section 5.7. Compliance and Anti-Corruption)	Further development and improvement of the compliance management system, including the adoption of additional regulatory documents governing anti-corruption processes.

4.2 Stakeholder Engagement

Unipro PJSC operates in a continuous dialogue with all stakeholders and thus forms the basis for cooperation and grants them the opportunity to take part in the Company's operations.

GRI 102-42; 102-29

Unipro proactively interacts with all stakeholder representatives in order to keep a balance between their interests and those of the company and to ensure full and timely satisfaction of their information needs.

By results of the expert discussion, a list of key stakeholder groups was formed and prioritised. Prioritisation took into account the Company's actual and potential economic, social and environmental impact on its stakeholders, on the one hand, and the impact of stakeholders on the Company's operations, on the other hand.

Unipro strives to build efficient mechanisms for interaction with each stakeholder by determining the optimal formats and focusing on the actual expectations of the parties concerned.

GRI 102-21

E.g., a teleconference and a presentation of the company's performance are arranged for analysts and investors on a quarterly basis.

GRI 102-43

An example of interaction with the government authorities is the visit of the Governor of Perm Territory to Yaivinskaya GRES, the town-forming enterprise of Yaiva Urban Settlement that was arranged in the reporting year. At the meeting, issues of the local population employment, tax payment to the budget, social support and charity in the region of footprint were discussed.

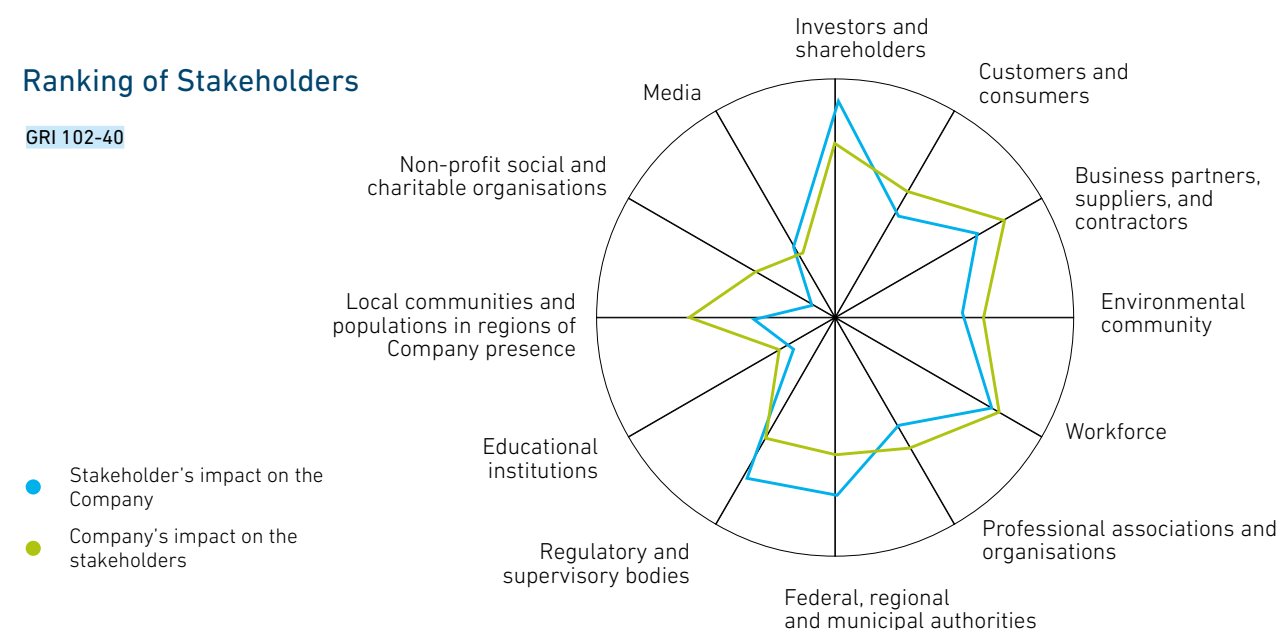
The company is glad to work with local communities and public organisations. In particular, the staff of Shaturskaya GRES Branch, together with volunteers of the Integrated Youth Centre, held the "Green Land" Environmental Campaign and planted about 40 seedlings of spruce, willow, amelanchier, and rowan trees on the shore of Lake Chernoye in 2021.

The Company interacts as well on issues that are important for it. Thus, to ensure the compliance with occupational safety requirements in the supply chain, Shaturskaya GRES holds a quarterly review competition of contractors, thus sharing its own high standards and encouraging its partners to implement them.

The Unipro participation in the expert community events is valuable. In 2021, the company became a member of the Renewable Energy Development Association and takes part together with its stakeholders in creating a favourable investment climate and promoting the use of renewable energy sources in the Russian Federation.

Ranking of Stakeholders

GRI 102-40



4.3 Countering COVID-19

In 2021, the work of the central and local anti-crisis head offices under the leadership of the General Director of the Company and of the Branch Directors, respectively, continued at the Moscow Representative Office and at the Branches of Unipro PJSC. Since 2020, the Company has developed two action scenarios:

- > **Scenario 1** "High Alert";
- > **Scenario 2** "Readiness for Isolated Branch Operation" (steps to be taken if an emergency situation regime is introduced in the regions where the Branches are present).

In the reporting year, the work was carried out according to Scenario 1.

The maximum number of employees was temporarily transferred to teleworking during the pandemic. They were primarily the employees of risk groups (over 65 years of age and those suffering from chronic diseases). The employees' teleworking was formalised. The procedure for exchanging information, staff and other documents, visiting the office and production sites was regulated. The issue of laptops, tokens, monitors to the employees was arranged for the teleworking, and the compensation for mobile communications expenses was provided for teleworkers who do not have corporate SIM cards.

In the office and at the production sites:

- > Regular non-contact temperature check of the employees was arranged. Those who have fever and/or signs of an infectious disease are to be suspended from work;
- > The employees are provided with respiratory protective equipment, gloves and antiseptics;
- > There are dispensers with disinfectants for hand treatment at the entrances to the enterprises, in the canteens and bathrooms;
- > The premises where the employees are present on a permanent basis were equipped with air bactericidal irradiators of the recirculating type;

- > The office and production premises, common areas (dining, recreation rooms, bathrooms), vehicles are wet cleaned with the use of disinfectants on a daily/shift basis;
- > In order to separate the flows of employees from different production units that do not contact during their shifts, the shift start and end were allocated over several successive periods, the operating staff is carried separately;
- > Placement of the staff at their workplaces is arranged for with account for social distancing; signal markings specifying the social distance between the employees are applied at any places that may be mass populated by the employees (production premises, canteens, etc.);
- > Electronic interaction, remote reception and handover of shifts by operating staff (telephone/video communication, Skype conferences, etc.) are a priority;
- > Special areas for receiving and handing over documents that are equipped with bactericidal irradiators have been provided;
- > We arranged for the compulsory PCR testing for the staff upon their return from leaves/business trips¹⁶, as well as preliminary testing of persons who are going to visit the Company's production sites;
- > The information on employees' contacts with persons infected with COVID-19 is collected through the "Electronic Contact Log";
- > In order to control the compliance with measures to prevent the spread of the coronavirus infection, the heads of the Branches and structural subdivisions visit workplaces on a daily basis and video surveillance was arranged in vehicles carrying the Branches' staff

587 Number of COVID-19 cases of our own staff

Number of fatal cases of COVID-19 of our own staff **0**

3,941 (90%) Number of the Company's employees who had the full cycle of vaccination¹⁷

369 Number of revaccinated employees of the company

Total cost of activities to counter COVID-19, RUB mln **38.4**

10.2 Total amount of funds allocated to help medical institutions in the regions of footprint, RUB mln

¹⁶ The employees' seconding on business trips is limited.

¹⁷ In addition, 69 employees of the Company were vaccinated with the first component of the vaccine only.

Particular attention is paid to the communication with the employees. The employees are being notified of:

- > the need to observe precautionary measure, rules of personal and public hygiene;
- > the clinical signs of the COVID-19 coronavirus infection;
- > the actions to be taken if the coronavirus infection signs are manifested in the employee and/or their family members at home and at the workplace;
- > the rules for using overalls and personal protective equipment, including masks and gloves, and of the fact that they may be used one time only.

Coronavirus infection posters are posted on information boards at all Branches of the Company and online on the internal corporate portal.

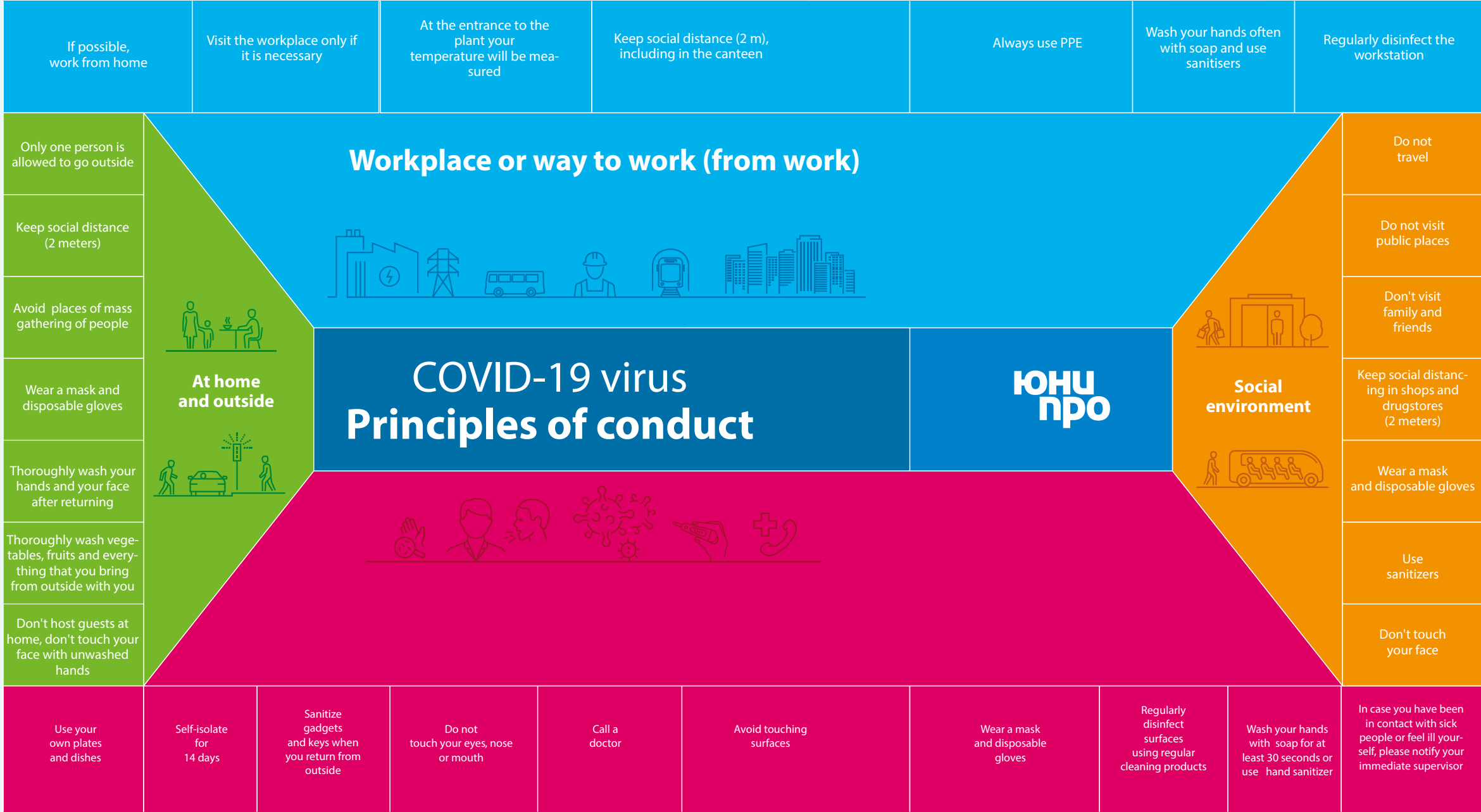
The communication campaign in support of vaccination against COVID-19 was carried out in summer. The Chief Public Health Officer for Moscow issued the Decree "On Preventive Vaccination of Certain Groups of Citizens for Epidemic Reasons" obliged companies from various industries, including the power industry, to ensure the share of their employees' vaccination of at least 60%. Despite the fact that the requirements applied to Moscow entities only, Unipro has uniform rules and therefore the vaccination approaches applied to not only the Moscow office employees (about 300 persons), but also to the entire company (about 4,500 persons).

The key objective of the communication campaign was to change the employees' attitude towards the vaccination. In this regard, an anonymous survey was carried out at the first stage about the employees' basic fears and prejudices regarding the vaccination: the employees noted in general their doubts about the virus danger and their fear of the vaccine side effects. Based on the information received, the basic messages were worded and the communication channels were formed.

The main information products of the communication campaign were as follows:

1. A special section in the corporate online edition;
2. Posters on the information boards and the corporate portal;
3. Video messages from the General Director and the Branch Directors, as well as opinion leaders;
4. "10 Reasons not to be Next" Mini-Series;
5. Online lectures with invited experts.

As a result, the share of vaccinated employees amounted to 79.8% during the two months of the communication campaign.



4.4 Occupational Health and Safety

The main objective of Unipro PJSC in the area of occupational safety is to create a corporate culture in which the health and safety of the employees of the Company and contractors are the key values of the Company.

The Company has the Health and Occupational Safety Management System certified for compliance with ISO 45001:2018 which applies to the full-time employees of the company, the employees hired under temporary employment contracts and the employees of contractors. The Unipro Health and Occupational Safety Management System is based on the fulfilment of legal and corporate requirements

GRI 403-1

Unipro PJSC approved the Company's Health and Safety Policy¹⁸ which contains the general areas and principles of the Company's activities to prevent occupational injuries and deterioration in the employees' health and to provide safe and harmless workplaces. The Policy is the basis for setting the Company's objectives for the employees' health and safety. To achieve the objectives, the Company approved the Strategic Occupational Safety Plan for 2021-2024 that is divided into the Occupational Safety Plans of the Company (Level 1) and of the Branches (Level 2).

The plans include five key areas:



The occupational health training for the staff is conducted in accordance with the legislation of the Russian Federation and the Company's standards: the occupational health training, briefings and expertise

checking of the employees and the on-going skill improvement of the staff are carried out in accordance with the Regulation on Work with the Staff of Unipro PJSC.

Key Performance Indicators of Occupational Health and Safety

2021 KPI	2021 KPI achievement status	2022 KPI
Zero workplace fatalities among its own and contractor employees	Done ¹⁹	Zero workplace fatalities among its own and contractor's employees
TRIF Threshold is ²⁰ < 1.3	0.33 (done)	TRIF Threshold is < 1.2.
Implementation of occupational health and safety plan 2021	Done in full. Additional measures were taken as well to develop the competencies and the involvement of the employees in occupational health and safety and in the implementation of a set of measures to counter COVID-19.	Implementation of occupational health and safety plan 2022

As part of sections of the Occupational Health and Safety Enhancement Plan for 2021, the following key measures were implemented:

Leadership and Commitment

- > Four meetings of the Leadership Committee for Health, Safety and Environment of Unipro PJSC were held under the chairmanship of the General Director of the Company. 16 HSSE enhancement measures were endorsed and implemented.
- > Four meetings were held of the Occupational Health and Safety Committee chaired by the General Director of Unipro PJSC and attended by the managers of Unipro PJSC, the Engineering Branch and contractors involved in the Project of Repair and Recovery Works (hereinafter referred to as RRW) of Berezovskaya GRES Power Unit No. 3. Measures aimed to improve the HSSE at the site of the RRW Project of Berezovskaya GRES Power Unit No. 3 of Unipro PJSC were adopted and taken.
- > Each individual top manager of Unipro PJSC and Unipro PJSC Branch developed and implemented a personal Safety Leadership Development Plan. The tool "Knowledge River" forming part of the programme "Destination Zero" (Zero Injury Rate) was used by the Branch top managers (Director, Chief Engineer, and Deputies) to develop the personal Safety Leadership Development Plans.
- > Each individual Branch has a functioning Centre of Competence in one of TOP 5 areas under supervision of the Branch Director. Deputy General Directors and Functional Directors of the Company provide leadership support of development of one of the TOP 5 areas at the Company Branches.
- > The Beyond Zero Corporate Programme Implementation Strategy was developed and approved. The Beyond Zero Programme is aimed at development of the company's safety culture that enables the employees to make responsible occupational safety decisions for themselves and for others.
- > The functioning of the occupational health and safety management system of the company was reviewed in accordance with the requirements of ISO 45001:2018 international standard. Under the Berezovskaya GRES Power Unit No. 3 RRW Project:
 - Each manager of the contractor developed and fulfilled a personal Occupational Safety Improvement Plan on a quarterly basis;
 - Regulations to the Safety Plan were revised in accordance with the requirements of newly issued occupational safety rules;
 - Weekly site visits by the managers of the Branch and of the general contractor were organised.

Risk Management

GRI 403-2

- > As part of the priority programmes aimed at TOP 5 high risk mitigation, the Company held five monthly safety campaigns in TOP 5 areas to assess the implementation quality of statutory and regulatory standards in these areas. Long-term programmes aimed at high injury risk mitigation in TOP-5 areas were developed and are currently implemented.
- > In order to improve the working conditions of the employees, plans for improving the working conditions of the employees are being implemented by each Branch by results of the special assessment of the working conditions carried out at 2,900 workplaces of the Company in 2019.

18 Order No. 194 dated 02 November 2020

19 A fatality involving a contractor's employee occurred at a construction site leased out to the contractor and being outside the Company's legal liability.

20 The frequency of all recorded incidents with own staff and that of the contractors at the operating production facilities.

- > At Surgutskaya GRES-2 Branch, a pre-project survey was carried out as a pilot project. It studied whether it was possible to introduce technical solutions aimed at bringing noise levels at the production site in line with the current standards.
- > In order to improve the Health and Occupational Safety Management System, the Company introduced the Procedure for Assessing the Safety of Work in the Branches of Unipro PJSC (Industry Standard STO No. OTiBP-R.10) which establishes a unified procedure for assessing the safety of work of the teams working in the Branches and for subsequent development of corrective and other actions aimed at eliminating the identified inconsistencies and their causes; In 2021, 313 employees of the Company completed training in the Procedure for Assessing the Safety of Work.
- > In order to ensure the safe operation, repair and maintenance of the equipment at height, the first stage of the schedule of retooling and modernisation projects to mitigate the work at height risks was completed in all Branches of the Company. As part of the project, horizontal and vertical anchor lines, mast safety systems for work at height were mounted and blocking devices were placed thereon. The staff were trained to use the mounted safety systems.
- > In 2021, visual cards were developed on the basis of occupational safety instructions which purpose

is to simplify the employees' perception of the requirements of occupational safety rules and the management of hazards and risks at workplaces.

- > Implementation of the Long-Term Programme for Removal of Asbestos used by the Branch equipment continued. In 2021, 63.4 tonnes (131% 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, Unipro PJSC Branches remedied 202 defects (101% of the plan) in 2021.
- > Unipro PJSC Branches implemented 24 measures (100% of the plan) under long-term programmes intended to cure the breaches of health and safety requirements for works in electrical installations.
- > As part of the Berezovskaya GRES Power Unit No. 3 RRW Project, the Company carried out:
 - the site preparation for the fire hazard season, the site acaricide treatment against ixodic ticks;
 - the preparation for the initial start-up and acceptance tests;
 - inspection of the preparation for the initial start-up and acceptance tests (there were no incidents and violations in the course of commissioning).

Staff Development

GRI 403-5

- > The Company administered an online and offline trainings in Occupational Health and Safety Leadership to 115 Heads of the Branch structural subdivisions to build up leadership and practical skills in efficient occupational health and safety management.
- > In order to develop the skills of managing the contractors' work, 250 line managers of functions and contract managers completed the course "Contractors Work Management".
- > 21 managers and employees of the OHSD were trained on the NEBOSH course.
- > In order to raise the awareness and to develop the competence of the staff, 5,211 employees and line managers were trained on the organisation and safe performance of work in the areas with high TOP-5+ risks.
- > 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.
- > Due to the steps to mitigate the risks of the spread of the new coronavirus infection COVID-19, the training was conducted and the employees' expertise was checked through the use of online facilities.
- > As part of Berezovskaya GRES Power Unit No. 3 RRW Project, the Company administered:
 - training of 509 contractors' employees in "TOP 7 High Risk Management", including staff adaptation training of 159 employees;
 - training the site staff to conduct initial start-up and acceptance tests.

Performance Monitoring

- > The Company passed the first surveillance audit of the Company activities for compliance with the requirements of the standard ISO 45001:2018. 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 noted the strengths of Unipro PJSC Occupational Health and Safety Management System, including strong engagement of the Branch managers and specialists with the maintenance and improvement of the Occupational Health and Safety Management System.
- > The audit "Assessment of Operational Excellence and Occupational Health, Safety and Environment Culture" carried out by the Uniper corporate centre was successfully passed. The audit revealed that the Health and Occupational Safety Management System processes and procedures of Unipro PJSC are adequate, proper and efficient.
- > The schedule of internal Health and Occupational Safety Management audits carried out by employees of the occupational health and safety departments of the Company Branches was fulfilled in accordance with the requirements of the

Procedure for Planning and Carrying out Internal Health and Occupational Safety Management audits (Industry Standard STO No. OTiBP-P.05).

- > An improvement notice has been made based on the results of each audit to register all the detected nonconformities, the root causes of nonconformities and corrective actions required to eliminate the causes of such nonconformities. The follow-up of measures specified in the improvement notices is arranged.
- > 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 site workplaces audit schedule was completed, steps to remove the violations identified were taken in due time;
 - Weekly, monthly, and quarterly occupational safety review on site involving development and implementation of corrective action;
 - Within the framework of production control, quarterly illuminance, dust, noise, gas contamination, microclimate measurements were arranged with the development and implementation of corrective activities.

Employee Involvement

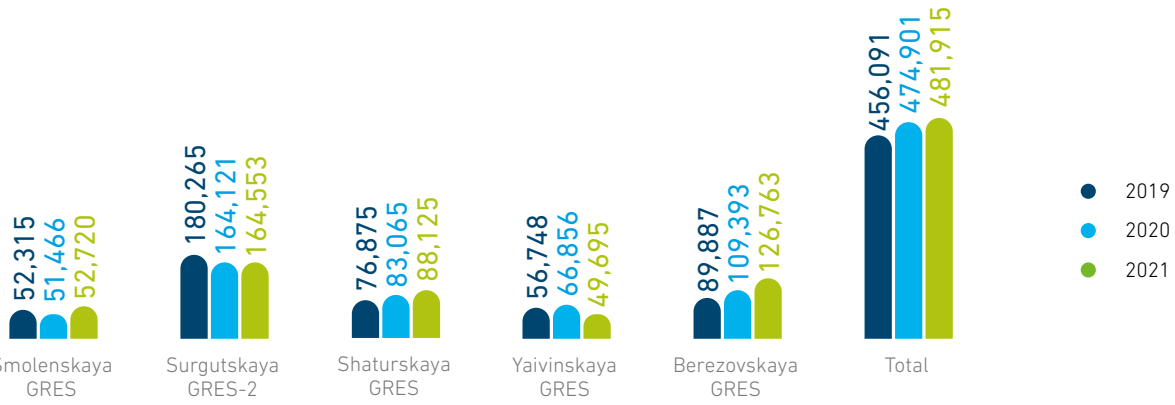
- > The occupational health and safety "Life Saving Rules" are being implemented – simple rules that allow eliminating major threats to the life and health of the Company's employees, contractors' employees and third parties during work on the Company's premises. In 2021, as many as 4,231 employees of the Company were trained in the "Life Saving Rules".
- > The Company Branches have held competitive reviews in occupational safety and health in their structural subdivisions. 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.
- > In order to encourage the employees to work safely, to improve the quality of employees training in occupational safety, the project "Safety Star" was launched at all Branches of the Company. Within the project, 80 employees of the Company were given an incentive.
- > Projective and focus group studies were carried out at the Company Branches in order to identify the employees' attitude to the worth of their own

lives and to possibly shape their safe behaviour. The study objective is to change the attitudes and behaviour of the employees in terms of developing habits to comply with occupational safety rules and to mitigate risks, including ideas and formats for printed materials.

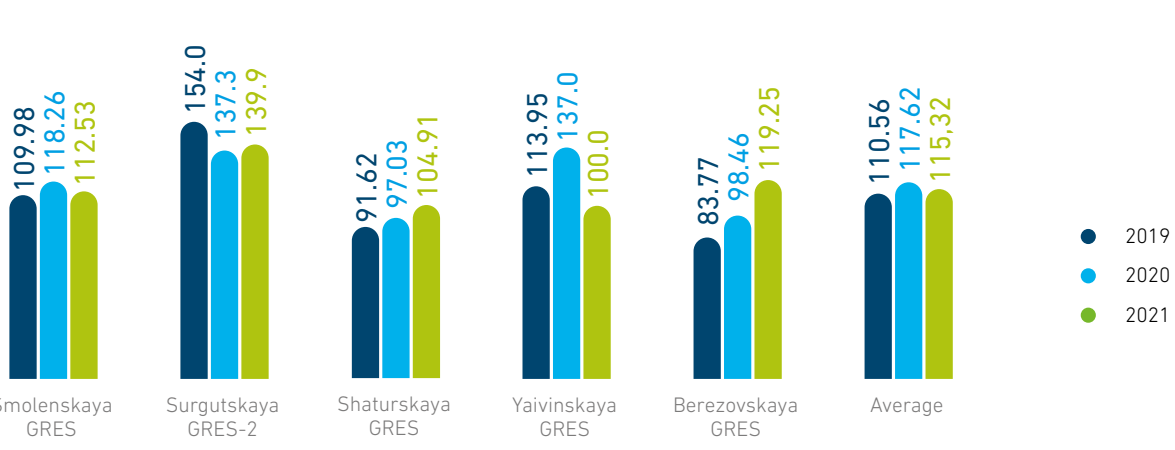
- > Under Berezovskaya GRES Power Unit No. 3 RRW Project.
 - Cascading the contractors' employee non-financial encouragement for compliance with the occupational safety and coronavirus prevention requirements

Unipro PJSC allocated RUB 481.9 mln for occupational health and safety activities in 2021 that is by 1.2% more than in 2020. In terms of one employee, the occupational health and safety expenses averaged RUB 115.32 thousand.

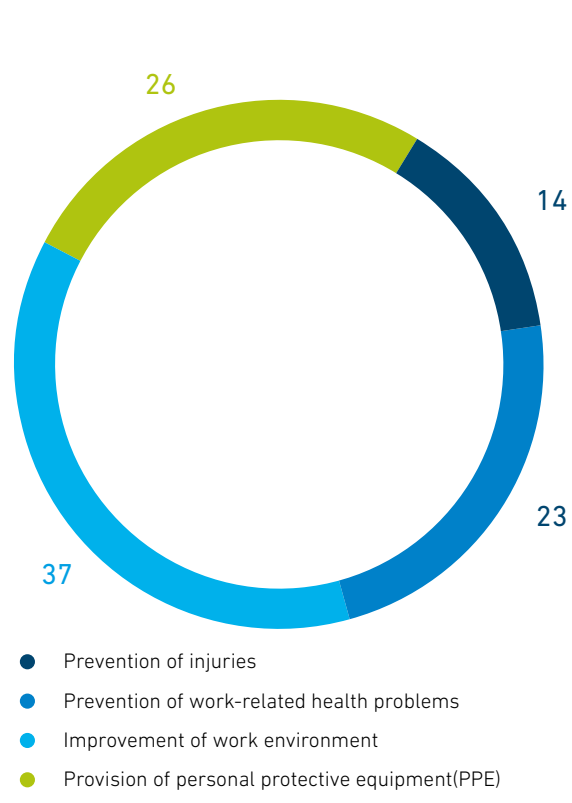
Occupational Health and Safety Expenses 2019-2021, RUB Thous.



Occupational Health and Safety Expenses, RUB Thous. per Employee



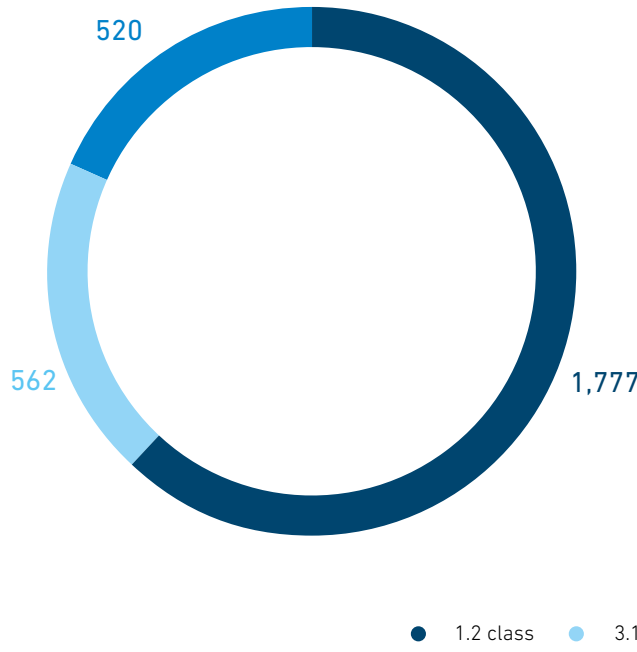
Occupational Health and Safety Expenses Allocation Structure, %



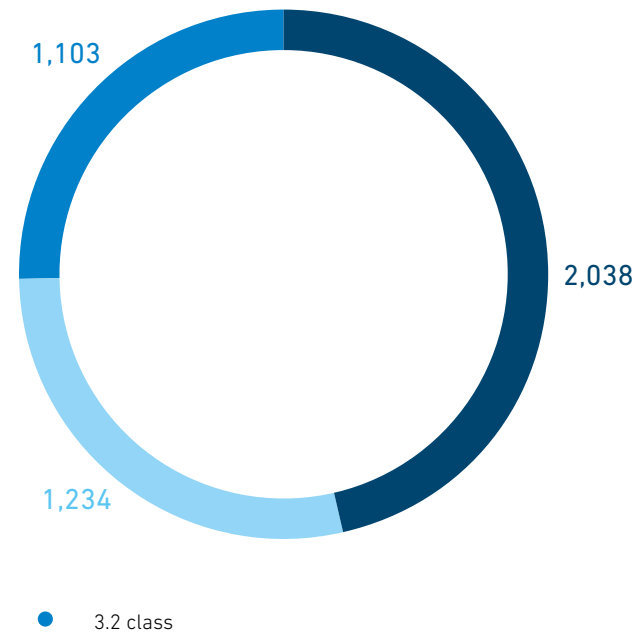
To improve the working conditions of the employees, to identify harmful and hazardous factors of the working environment and to assess the level of their impact on the employees, special assessment of work environment was held at 2,859 workplaces of the Company.

[GRI 403-2](#)

Distribution of Workplaces by Class of Working Conditions, Pcs



Distribution of Employees by Class of Working Conditions, Persons



According to the special assessment of the work environment at the Company, it was confirmed that there are no workplaces with harmful and/or hazardous working conditions (Classes 3.3 and 3.4). No occupational diseases of the Company's employees were detected.

[GRI 403-10](#)

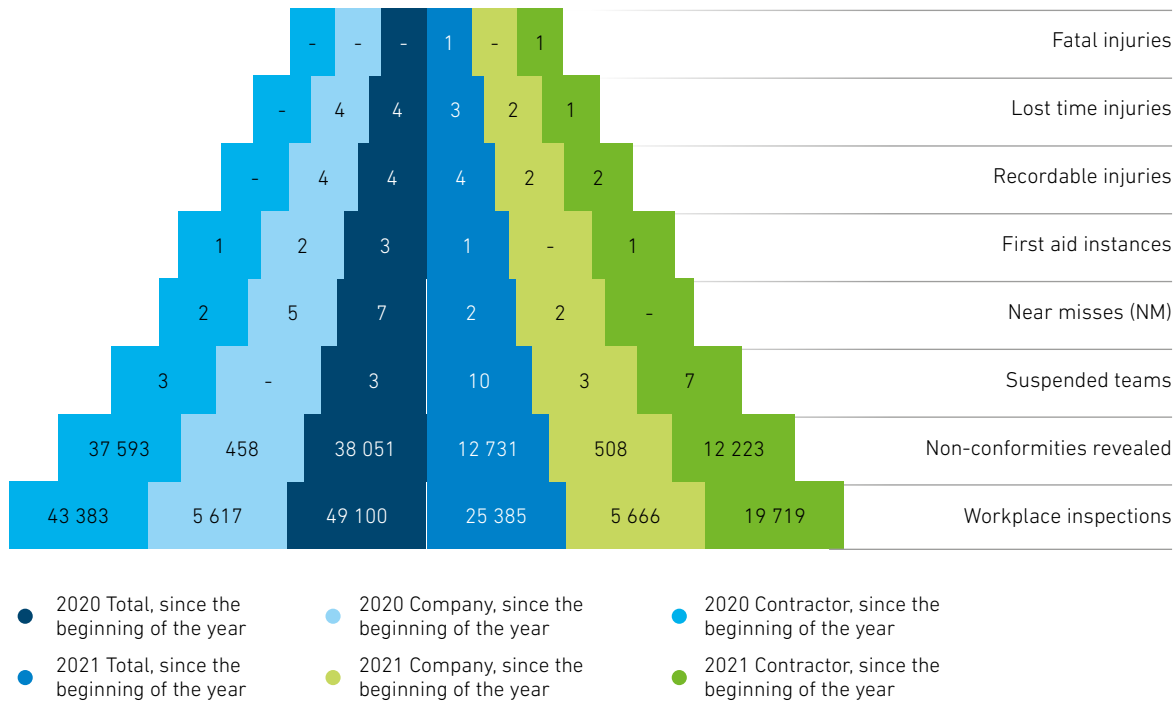
To further mitigate the impact of harmful and/or hazardous factors of the working environment, the Workplace Working Conditions Improvement Plans were developed at the Company Branches.

The special assessment of the working conditions determined that the noise at workplaces is the basic harmful and dangerous production factor that materially affects the working conditions at the workplaces. In order to reduce the noise impact, organisational and technical measures were developed and included in the Branches Plans to Improve Working Conditions at Workplaces.

At Surgutskaya GRES-2 Branch, a pre-project survey was carried out as a pilot project in 2021. It studied whether it was possible to introduce technical solutions aimed at bringing noise levels at the production site in line with the current standards. In 2022, a decision will be made on the feasibility of introducing the technical solutions proposed based on the pre-project survey.

In 2022, a pre-project survey whether it is possible to introduce technical solutions aimed at bringing noise levels at the production site in line with the current standards will be carried out at Berezovskaya GRES Branch.

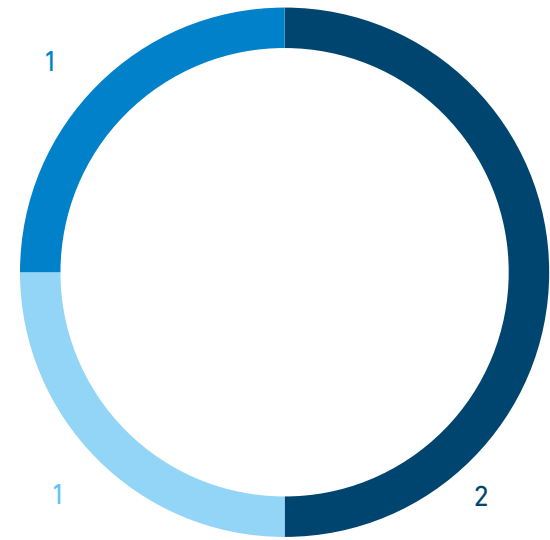
Dynamics of Basic Occupational Safety Indicators



The number of incidents involving lost time injuries remained the same as compared to 2020. Two incidents resulting in injuries recorded by Unipro PJSC in 2021 were those with its own staff. A fatality involving

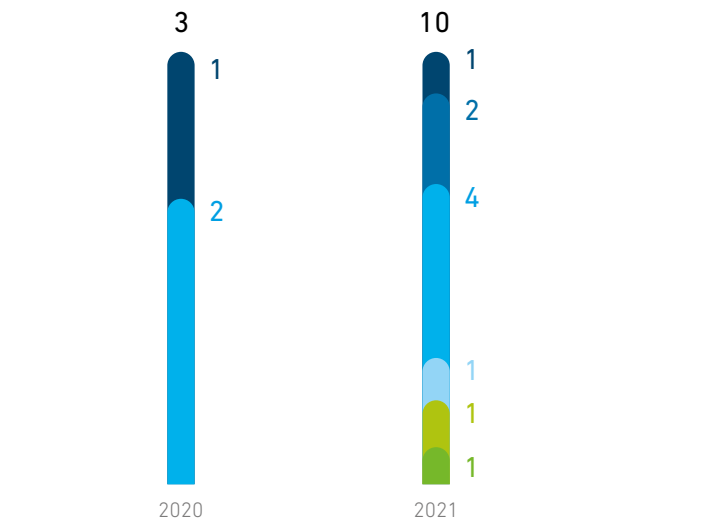
a contractor's employee occurred at a construction site leased out to the contractor and being outside the Company's legal liability.
[GRI 403-9](#)

Distribution of Total Recordable Incidents (TRI) by Types of Work



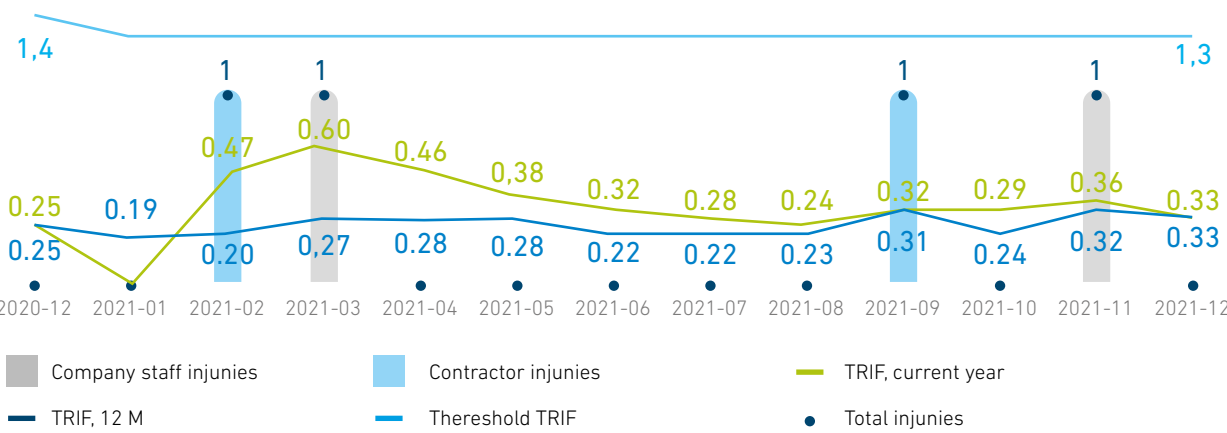
- Maintenance of thermal and mechanical equipment
- Work at height
- Civil works

Distribution of Near Misses Resulted in Suspended Work (by Type of Works) When the Teams Were Stopped



- With hoisting devices
- Hot works
- At heights
- Excavation
- Other (Work permit system, Method statement)
- In Electrical installations

Dynamics of the Total Recordable Incident Frequency (TRIF)²¹ SASB IF-EU-320a.1



In 2021, the number of near misses resulting in suspended work increased three times as compared to the same period of 2020. The number of suspended teams increased due to the integration of behavioural audit processes and the inspection of workplaces and teams, as well as additional training of those responsible for assessing the work safety. The main improvement area is the work at height.

All incidents involving lost time injuries, near misses and accidents that occurred were investigated, with root causes determined, corrective/pro-active actions developed. Such actions have been brought to the attention of the relevant Branch and contractor employees and are taken by the Company Branches.

In 2022, Unipro PJSC will focus on creating and maintaining the conditions under which the staff will freely report all incidents, microtraumas, including near misses.

Within the framework of the Occupational Health and Safety Plan, the following activities are planned to be performed in 2022 under the respective sections:

Leadership and Commitment

- > Holding quarterly meetings of the Leadership Committee for Health, Safety and Environment.
- > Encouraging leadership support on the part of the Company's top management to mitigate high risk in the priority areas.
- > Cascading of the centres of competence practices for TOP-5 (under the Branch heads' supervision).

Risk Management

- > Implementing the corporate integrated information System for Occupational Health and Safety Risk Management.
- > Developing and implementing the Working Conditions Improvement Plans according to the special assessment of work environment.
- > Implementing the focus programmes to mitigate high risks of injury to the staff, including the mounting of safety systems for work at height at all Branches of the Company.
- > Developing the concept of a programme to reduce the severity rate.
- > Assessing the compliance with the Uniper corporate minimum standard for repair work (S 09.13 WCM).
- > Implementation of the action plan to counter COVID-19.

Staff Development

- > The course "Leadership in Occupational Health and Safety" for line managers of the Branches.
- > The "Contractors Work Management" course for the line managers of functions and contract managers.
- > The TOP- training of the Company's employees and line managers.

Performance Monitoring

- > Compliance audit for compliance with the requirements of ISO 45001:2018.
- > Conducting internal audits of the performance of the Occupational Health and Safety Management System.
- > Self-evaluation for compliance with standards of the International Sustainability Standards Board (ISSB).

21 Including the projects of Unit-3 BGRES (January to November 2021) and SuGRES-2 Modernisation (March to December 2021).



Employee Involvement

- > Implementation of the communication programme in occupational health and safety.
- > Development of the concept of the Safety Consciousness programme.
- > Implementing the incentive programme "Safety Star".

Unipro PJSC arranged for the work of persons authorised (trusted) in occupational safety of the Branches trade unions. Meetings attended by the employees and occupational safety representatives are held to analyse cases of violations of occupational safety rules and their consequences and the progress of scheduled occupational safety measures.

GRI 403-3

The Leadership Committee for Health, Safety and Environment functions on a quarterly basis, that is an advisory body consisting of the top managers of the Company, the primary objective of which is to ensure that the Company's Health and Occupational Safety Management System functions efficiently through the preliminary consideration of strategic issues and the development of appropriate recommendations to the management bodies of the Company. The Leadership Committee tasks include:

- development of recommendations for pursuing the Company's Health and Occupational Safety Policy;
- development of recommendations for the compliance with state regulatory requirements for occupational health, prevention of industrial injuries and occupational diseases;

- coordination of work in the field of health, safety and environment and industrial safety at the Company;
- development of recommendations for the application by the Company of innovative approaches to the management of safety and health of the Company's staff based on the international standards (ISO 45001, ISO 14000, etc.);
- evaluation of the Company's performance in the field of health, safety and environment and industrial safety.

In 2021, four meetings of the Leadership Committee were held, at which 16 resolutions were made.

Occupational Health Working Teams chaired by the Directors of the Branches function in the Branches of Unipro PJSC on a quarterly basis. The meetings of the Working Teams are devoted to the improvement of working conditions and occupational health, prevention of industrial injuries and diseases, fulfilment of the improvement notices of the supervisory authorities, achievement of the established occupational health and industrial safety KPIs.

In 2021, 60 meetings of the Occupational Health Working Teams were held at the Branches of Unipro PJS.

4.5 Ensuring Decent Labour Conditions

Business development depends entirely on the professionalism, responsibility and good faith conduct of the employees; therefore, the human capital is the most important factor in the success of Unipro activities. The Company power facilities employ professionals with vast production experience, and extensive competencies and engineering expertise.

The management of Unipro is focused on continuous improvement of labour relations and social development, creating conditions for efficient and safe work, ensuring career progress, a decent standard of living and well-being of the employees of all Branches.

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.

Unipro has the staff that is well-balanced in terms of structure, experience and professional competencies, which contributes to the efficient solution of strategic tasks. The stability of operating activities allows keeping the headcount at the same level in general.

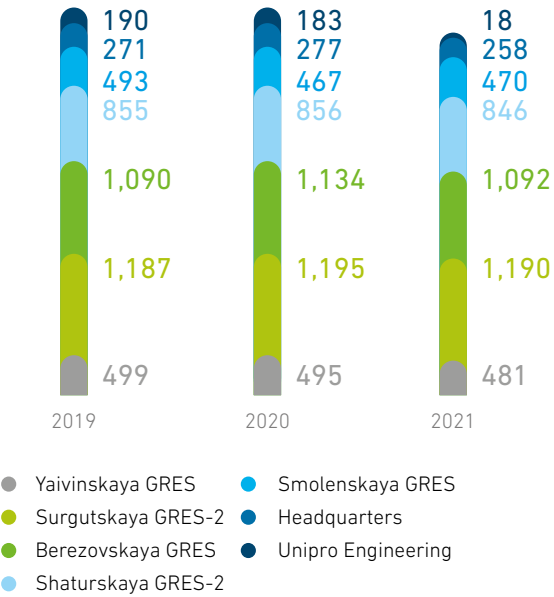
In 2021, the headcount decreased by 5.5%. That was mainly due to the fact that the project for the recovery of Unit No. 3 of Berezovskaya GRES was completed.

The structure of the Unipro staff broken down by gender, age and category of the employees is determined by specific features of the industry: therefore, most of them are men (71.0%).

The share of young employees (under the age of 35) is 23.7% of the headcount. One of the Unipro priority tasks in the staff management is to retain and involve young specialists.

Staff Number by Branches as of 31 December 2021, Persons

GRI 102-8



Staff Structure by Gender and Age, Persons

GRI 405-1

	Managers		Specialists and employees		Workers		Total
	M.	F.	M.	F.	M.	F.	
<25 years old	0	0	10	14	103	14	141
25-34 years old	75	10	131	112	498	64	890
35-44 years old	194	43	185	250	485	114	1,271
45-54 years old	241	76	130	211	504	135	1,297
>55 years old	130	24	74	97	345	86	756
Total	640	153	530	684	1,935	413	4,355

Most of the Unipro employees are employed on a full-time basis (99.8%) and on an open term (96.6%).

Staff Structure by Employment Type, Persons

Indicator	M.	F.	Total
Employed full time	3,102	1,246	4,348
Part-time employees	3	4	7

Staff Rotation and Recruitment

A priority of the Unipro staff management is the process of maintaining the quantitative and qualitative composition of the staff required to ensure the reliable functioning and development of the Company. When hiring its staff, the Company provides in full and in accordance with the legislation for an approach that excludes any discrimination or harassment.

In most cases, recruitment is carried out without the involvement of recruiting agencies. In the reporting year, 274 vacancies (44.1%) were filled through internal transfers.

Despite the difficult epidemical situation, the involvement of dedicated young specialists was kept at the same level. The Company offers a competitive relocation package for young specialists, which includes:

Staff Structure by Employment Contract, Persons

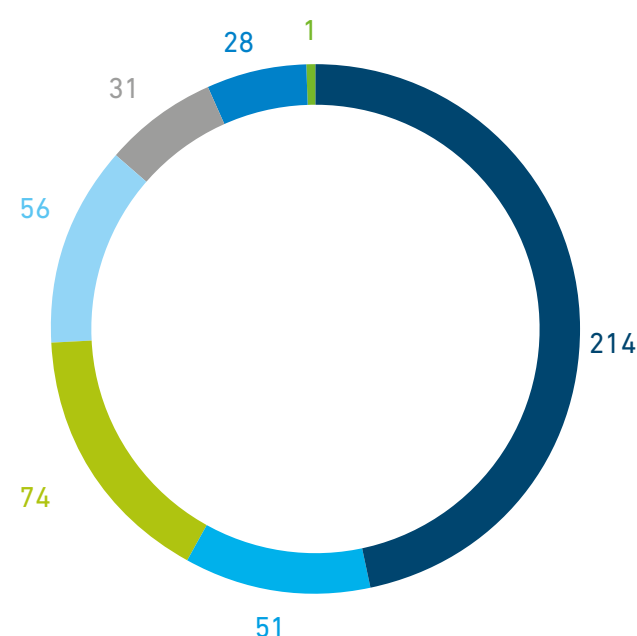
Indicator	M.	F.	Total
Open term employment contracts	3,053	1,155	4,208
Term employment contracts	52	95	147

payment for tickets to the Branch, relocation allowance and residential lease for a period of 5 years, payment for the services of a real estate agency and for hotel accommodation during the search for housing.

In addition, in order to recruit young professionals, more than 40 events were held in key Russian universities and colleges that train energy industry professionals (company presentations, career days, master classes, practical work competitions, etc.) in the reporting year.

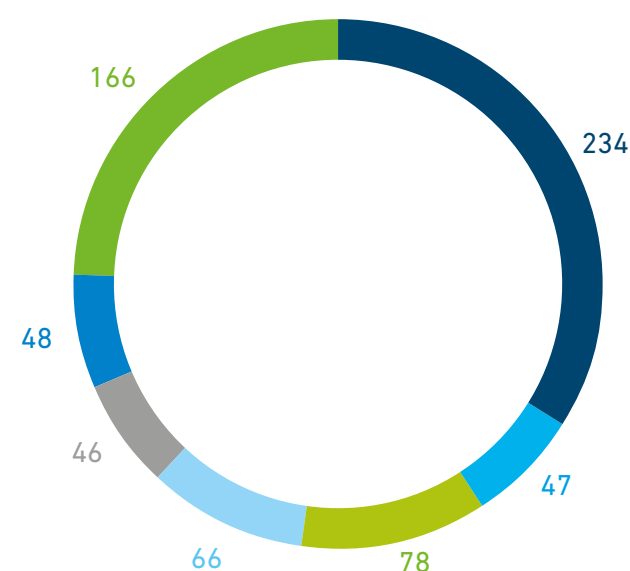
The Company hired 93 young specialists being (25 persons), most of whom were relocated to Unipro Branches from other regions.

Persons Employed by Branches



● Berezovskaya GRES
● Surgutskaya GRES-2
● Yaivinskaya GRES
● Unipro Engineering
● Smolenskaya GRES
● Shaturskaya GRES-2
● Headquarters

Persons Dismissed by Branches



● Berezovskaya GRES
● Surgutskaya GRES-2
● Yaivinskaya GRES
● Unipro Engineering
● Smolenskaya GRES
● Shaturskaya GRES-2
● Headquarters

Number of Persons Employed

GRI 401-1

Branch	<25 years old		25-34 years old		35-44 years old		45-54 years old		>55 years old	
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
BGRES	31	8	40	9	37	14	18	13	20	24
SmGRES	12	1	17	2	6	4	5	1	3	0
SuGRES-2	14	6	20	5	8	13	3	3	2	0
ShGRES	14	3	13	4	8	6	4	3	1	0
YaGRES	3	0	8	1	4	4	8	2	0	1
Headquarters	0	1	7	7	6	4	0	2	0	1
Engineering	0	0	0	0	0	0	0	1	0	0
TOTAL	74	19	105	28	69	45	38	25	26	26

In 2021, the number of employees quitting their jobs varied from 6.6% at Surgutskaya GRES-2 to 21.4% at Berezovskaya GRES. The high personnel attrition at

Berezovskaya GRES and Engineering branches is due to the completion of repair and reconstruction of Power Unit No. 3 of the Plant.

Number of Persons Dismissed

Branch	<25 years old		25-34 years old		35-44 years old		45-54 years old		>55 years old	
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
BGRES	25	7	35	8	30	14	17	16	48	34
SmGRES	6	0	11	1	6	1	3	1	13	5
SuGRES-2	2	1	10	5	7	9	6	5	18	15
ShGRES	3	4	11	1	10	5	8	6	15	3
YaGRES	1	0	8	2	9	3	7	1	11	4
Headquarters	0	0	7	5	16	7	5	1	5	2
Engineering	0	1	20	4	38	9	22	10	35	27
TOTAL	37	13	102	26	116	48	68	40	145	90

Staff Training and Development

The professional development of Unipro PJSC employees is based on high-quality and timely training for employees. The system of continuous staff training allows to develop the employee competencies in accordance with the requirements for the positions held by them and for the purpose of their transfer within the Company.

In 2021, the priority area of training was compulsory training which allows to improve the qualification and to gain knowledge required by the employees to perform their employment duties, and the online programme of comprehensive training on the company key competencies, the Unipro Leader Marathon.

Main Types of Training:

GRI 404-2:

- > knowledge assessment of electrical facility installation rules, labour safety, industrial and fire safety, and staff's working instructions;
- > pre-certification training and accrediting on industrial safety;
- > compulsory education in accordance with the requirements of the state rules and regulations;
- > the online Unipro Leader Marathon;
- > short-term training for no more than 2 weeks;
- > advanced training;
- > mastering a second profession.

In 2021, the employees of Unipro PJSC completed

6,429 different types of training, which is by 39% more than in 2020 (in average). **39%**

Number of Trainings Completed by Employees

Branch	Mandatory training	Short-term training	Advanced training ²²	Mastering a second profession	Total	% to 2020
Headquarters	101	519	75	62	757	+3%
BGRES	830	134	92	52	1,108	+39%
SmGRES	1,008	76	68	30	1,182	+53%
SuGRES-2	1,103	238	232	11	1,584	+43%
ShGRES	596	111	230	119	1,056	+39%
YaGRES	602	96	33	11	742	+42%
Total	4,240	1,174	730	285	6 429	+39%

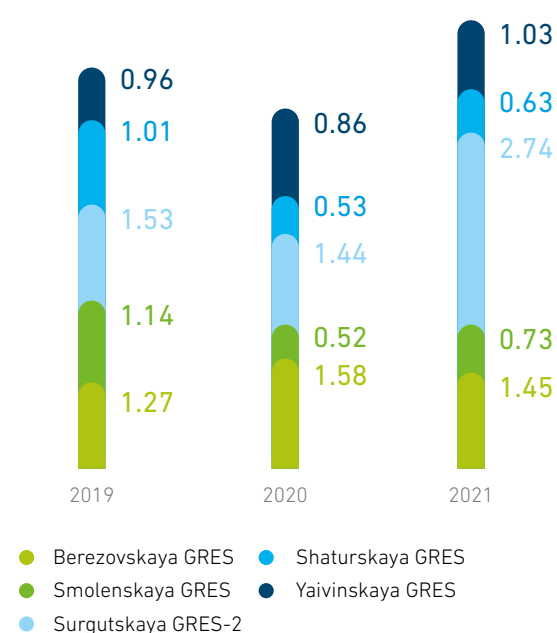
Average Hours of Training per Employee, h/Persons

GRI 404-1

Branch	Managers		Specialists and employees		Workers	
	M.	F.	M.	F.	M.	F.
Headquarters	179	97	66	34	0	0
BGRES	72	93	35	19	45	26
SmGRES	67	57	71	42	64	43
SuGRES-2	56	32	43	35	89	47
ShGRES	74	80	77	88	74	80
YaGRES	28	22	28	26	28	26

Expenses for the human resources development increased by 33% as compared to 2020.

Expenses for Human Resources Development, RUB Mln

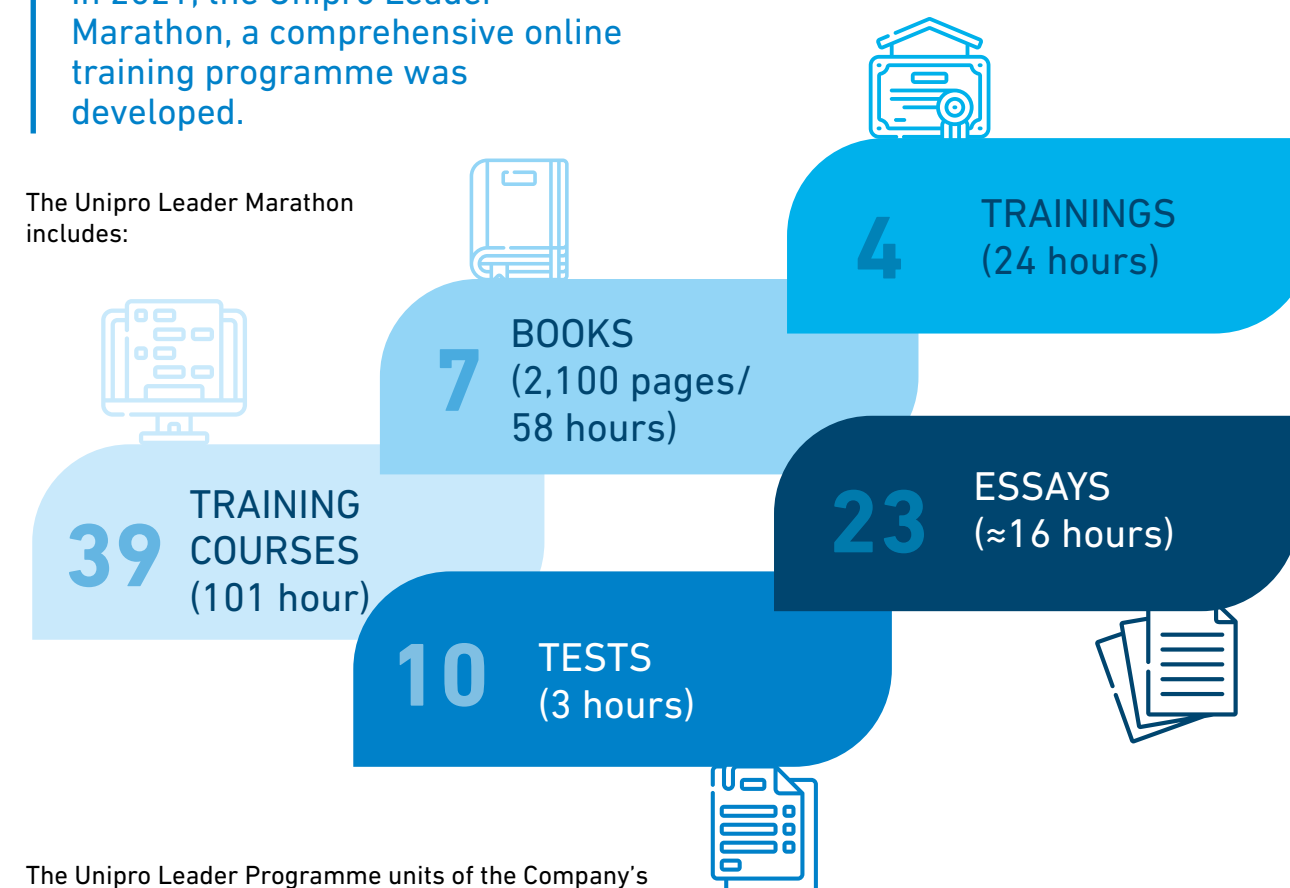


²² At least once every 5 years.

Unipro Leader Marathon

In 2021, the Unipro Leader Marathon, a comprehensive online training programme was developed.

The Unipro Leader Marathon includes:



The Unipro Leader Programme units of the Company's key competencies include:

- > **Digital Literacy** (July 2021);
- > **Communication and Teleworking** (August 2021);
- > **Resilience and Time Management** (September 2021);
- > **Change Management and Project Management** (October 2021);
- > **Leadership and Decision Making** (November 2021);
- > **Leadership and Employee Development** (December 2021).

Any employee of the company could take part in the Unipro Leader Marathon. **466 employees** took part therein (completed one or more courses). **53 employees** studied all materials of the programme.

The feedback received from the marathon participants showed that **more than 90% of the programme participants** intend to apply the skills and knowledge gained in their work and to recommend them to their workmates. The participation in the marathon will have an impact on their performance.

Programmes for Unipro PJSC Employees

In the reporting year, training projects were implemented for various functions of the Company:

- > the training "Project Management" for the retooling and modernisation project managers – 94 heads of the production units of the Branches and 38 employees of the MRO;
- > the training "Communication and Cross-Functional Interaction" – 75 employees of the MRO and the Branches;

- > the programme "Sustainability and ESG-Factors for the Energy Sector" for the top team of the MRO and the Branches;
- > online course on the programme "International General NEBOSH Certificate in Occupational Safety" for 22 employees of the MRO and the Branches;
- > online course on the topic of professional burnout for 42 employees of the MRO and the Branches.

Growth Energy Further Training Programme (in a Modular Mini-MBA Format)

The programme was developed by Autonomous Non-Profit Organisation of Further Vocational Education Stockholm School of Economics in St. Petersburg for 35 employees of Unipro PJSC at the MRO and the Branches.

The programme consists of Six (6) modules and the defence of projects.

The Programme holistic approach will ensure that:

- > the team moves in the same direction while each of it remains individual;
- > the general managerial level is enhanced by mastering new models of analysis and decision-making methods;

- > the cross-functional interaction skill is strengthened thanks to understanding the tasks and goals of other departments.

In 2021, the employees completed three programme modules:

- > **Module 1** "Business Transformation" (Moscow);
- > **Module 2** "Economics of Processes and Assessment of Their Efficiency" (Moscow);
- > **Module 3** "Quick Analysis of Production Activities" (St. Petersburg).

360 Degrees Feedback Programme

The programme plays an important role in maintaining the corporate culture of the Company.

The primary objectives of the programme are to:

- > Assess how the employees' competencies are manifested in actual working conditions;
- > Take into account different points of view: the information is received from the employees who regularly interact with the persons being assessed at different levels;
- > Compare the employee's self-esteem with the assessment of his/her workmates;
- > Analyse variations in the perception of the employee behaviour by various groups of persons;

- > Collect data for providing developmental feedback by results of the assessment.

The target audience of the programme is²³:

- > Heads of subdivisions: shops and departments;
- > Heads of the Production Unit participating in the Talent Pool Management programme.

By results of the 360 degrees assessment, streamlined feedback is provided regarding the assessment of the employee's competencies.

The total number of participants was about **214 persons**.

Share of Employees Receiving Regular Performance and Career Development Reviews, %

GRI 404-3

Branch	Managers		Specialists and employees		Workers	
	M.	F.	M.	F.	M.	F.
BGRES	33%	52%	0.7%	0.6%	0.6%	0%
SmGRES	56%	33.3%	10.4%	1.4%	6%	6.5%
SuGRES-2	55.5%	25.9%	17.2%	4.1%	14.7%	0%
ShGRES	26.4%	38%	12.5%	4.6%	11.6%	5.9%
YaGRES	12.66%	4.35%	10.42%	5.2%	1.03%	6%

23 Annual KPI performance evaluation is carried out for 100% of the employees.

Key Parameters for Assessing the Programme Efficiency

Branch	Total appointments to the talent pool positions	Appointments of programme participants to the talent pool positions	% of appointments of programme participants to the talent pool positions	Programme participants with the Potential and High Potential ratings	Availability of an Individual Development Plan	% of availability of Individual Development Plans that were assigned the High Potential and Potential ratings
SuGRES-2	12	11	92%	118	59	50%
BGRES	15	8	53%	53	42	79%
YaGRES	6	3	50%	20	16	80%
ShGRES	12	9	75%	70	56	80%
SmGRES	9	7	78%	37	35	95%
Total	54	38	70%	298	208	70%

Talent Pool Management Programme

This programme includes a number of assessment procedures::

- > Personality questionnaire;
- > Ability tests;
- > Competency interviews;

- > Feedback to participants;
- > the Assessment and Development Centre (for candidates for the positions of the Branch heads);

By the assessment results, the programme participants draw up an Individual Plan.

Remuneration System

Unipro strives to maintain transparent and honest relations with its employees, including by establishing fair remuneration and providing opportunities for growth and development.

The employee remuneration consists of a fixed and a variable part and benefits. The fixed salary part is subject to the grade of the employee's position, the regional labour market, the employee's qualification and work experience.

The Company's reward system is shaped around the "performance-based payment" principle. The variable part of the employee remuneration depends directly on the achievement of key performance indicators (KPIs). These indicators are set for all employees at all levels, including the General Director, and depend on the position.

Also in 2021, individual mandatory sustainability (ESG) KPIs for all of the Company's senior managers were set and implemented.

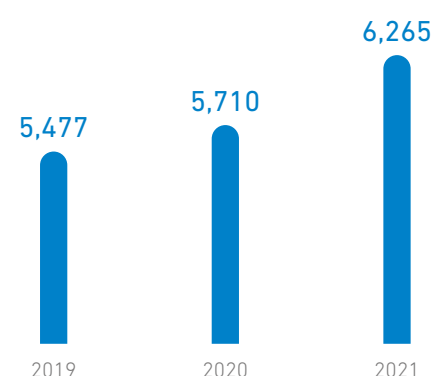
Benefits are provided to the employees for work in hazardous conditions, at night, on weekends and overtime work in accordance with the current legislation.

In order to constantly keep the employees' remuneration competitive, the Company invests effort and funds to study the labour market situation:

- > it takes part in paid salary surveys conducted by globally recognised consulting companies (Korn Ferry - HAY Group, Ernst & Young, PwC) and the EES Union, i.e., the All-Russian Industry Association of Employers of Energy Suppliers;
- > analyses the reasons for staff turnover and recruitment challenges;
- > conducts employee engagement surveys and analyses their results;
- > monitors business activity in the region;
- > studies the best remuneration practices of Russian and international companies through participation in conferences and exchange of experience with other employers.

Salary costs, including tax, account for 83.1% in the structure of all staff costs. As of year-end 2021, the Unipro expenses associated with the payment of salaries, including taxes, increased by 9.7% as compared to 2020 and amounted to RUB 6,265 mln.

Payroll Expenses, RUB Mln



The actual salaries of entry-level employees exceed the minimum wages in the respective regions by 1.7 times and more.

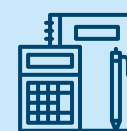
GRI 202-1

Ratio of Standard Entry-Level Salary to the Established Minimum Wage in the Regions of Operation, RUB²⁴

Region	Initial position	Salary	Minimum wage rate in the region	Ratio of the minimum salary to the minimum wage rate
Perm Territory (YaGRES)	Grade 4 Motor Vehicle Driver (male)	57,568.05	14,710.80	3.91
Perm Territory (YaGRES)	Grade 3 Stock Keeper (female)	27,264.04	14,710.80	1.85
Krasnoyarsk Territory (BGRES)	Grade 3 Pumper (female)	50,750.81	20,467.20	2.48
Krasnoyarsk Territory (BGRES)	Grade 4 Heat Networks Maintenance Technician (male)	36,605.28	20,467.20	1.79
Smolensk Region (SmGRES)	Grade 2 Pumper (female)	21,749.88	12,792.00	1.70
Smolensk Region (SmGRES)	Grade 3 Pumper (male)	25,122.42	12,792.00	1.96
Moscow Region (ShGRES)	Grade 4 Cargo and Baggage Acceptance/Delivery Inspector (male)	50,363.29	15,500.00	3.25
Moscow Region (ShGRES)	Grade 2 Switch Control House Operator (female)	32,059.68	15,500.00	2.07
Khanty-Mansi Autonomous District (SuGRES-2)	Grade 3 Power Plant Chemical Water Treatment Operator (female)	97,904.02	28,142.40	3.48
Khanty-Mansi Autonomous District (SuGRES-2)	Grade 3 Repairman for Steam and Gas Turbine Equipment (male)	58,347.32	28,142.40	2.07
Moscow (MRO)	Technician (female)	53,817.91	20,589.00	2.61
Moscow (MRO)	Motor Vehicle Driver (male)	96,088.20	20,589.00	4.67

²⁴ Unipro adheres to the principle of equality and non-discrimination based on gender: the ratio of official salaries for men and women, including the standard salaries of the initial level, is 1/1 for all categories of employees.

The Company annually indexes the employees' remuneration by the following principles:



to pay for the results of work — the indexation amount is subject to the achievement of individual key performance indicators of each employee



to pay to market — take the salary level for the same position in the labour market of the respective region into account

Social Security and Benefits

Each Branch of Unipro PJSC has entered into a Collective Bargaining Agreement²⁵ between the employer and the entity employees. The Collective Bargaining Agreement is a legal act that governs social and labour relations at each Branch and establishes general principles for regulating economic relations related thereto, basic guarantees for the employees, rights and obligations of the employer and the employees, including those to comply with occupational safety requirements provided for by the Labour Code of the Russian Federation. Upon entry into the agreement, the employer is represented by the entity head, and the employees by the trade unions.

GRI 102-41

The Branches of Unipro PJSC implement social partnership in the field of labour in accordance with the current legislation of the Russian Federation. In 2021, the social partnership paid attention to the measures to prevent the spread of the COVID-19 coronavirus infection and to the holding of online sports and cultural events.

Primary trade unions operate at 5 Branches of Unipro PJSC. The number of their members varies based on the Branch and is 6% at BGRES, 38% at SmGRES, 54% at YaGRES, 57% at SuGRES-2 and 60 % at ShGRES

GRI 407-1.

Unipro PJSC provides its employees with a full social package, guarantees and compensations stipulated by the legislation of the Russian Federation (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, including GRI 401-2:

- > voluntary health insurance (VHI);
- > personal accident and sickness insurance;
- > non-state pension scheme;
- > various types of financial assistance;
- > corporate support for housing improvements;
- > holiday packages for employees and children;
- > funds for cultural and recreational events.

Accident and disease insurance insurance provides the employees and their relatives with cash payments in case insured events stipulated by the insurance programme occur. The Company grants its employees the opportunity to insure their family members on preferential terms at the employee's expense. All entity's employees are insured at the employer's expense against the following risks:

- > death as a result of an accident or disease;
- > disability (Groups I, II, III) as a result of an accident;
- > critical disease (20 diagnoses);
- > injury (according to the injuries' table).

The Voluntary Medical Insurance (VMI) Programme grants the employees and their relatives an opportunity to have medical care of high quality. In 2021, the insured could receive the following services under the VMI:

- > outpatient care;
- > (scheduled and emergency) inpatient care;
- > emergency medical care;
- > dental care;
- > telemedicine consultations;
- > help at home;
- > emergency care in the territory of the Russian Federation;
- > testing for the new COVID-19 coronavirus infection.

The Company makes a **payment in addition to the disability retirement pension** for a non-working disabled person who became disabled as a result of an injury at work and a payment in addition to the government allowance for loss of a breadwinner paid to minor children of an employee who died at work.

²⁵ In 2021, the term of the Collective Bargain Agreements of the branches was extended for 1 year until 31 December 2022.

The Branch employees are paid **financial assistance** in case of:

- > a child birth;
- > a marriage, if the marriage is recorded for the first time;
- > due to natural disasters, emergencies or the need for expensive treatment;
- > due to a death of close family members;

The Company provides **monthly benefits** to the Branch employees who are on **paid child care leave**. Unipro helps the Branch employees and their children take **health resort treatment**. They may choose one of the two options:

- > compensation for the health resort treatment costs;
- > holiday packages on preferential terms.

The company makes an **additional payment so that the employee has his/her average earnings in case of temporary disability**:

- > due to the disease caused by the coronavirus infection;
- > due to pregnancy and childbirth.

The Company partially **reimburses the costs of paying for electric and heat power** to the employees and veterans of the Branches. The Company **reimburses** the Branch employees for the employee's **confirmed expenses** for:

- > attendance of preschool institutions by disabled children (100%);
- > attendance of preschool institutions by children from large families and of single parents (50%).

The Company's **non-state pension system (NPS)** comprises two basic pension schemes: corporate and parity.

The corporate scheme covers all employees of the Company Branches and represents a variation of the non-state pension scheme when the 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 employee's official salary and length of service with the Company.

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.

The liabilities under the corporate non-state pension scheme covered from the general resources of Unipro PJSC and calculated in accordance with IFRS (IAS) 19 amount to RUB 607 mln. The amount of funds deposited with Otkritie Non-State Pension Fund (NPF) is about RUB 42 mln. 7% of the liabilities are covered by assets specially allocated for that purpose. GRI 201-3

The share of employees whose age allows them to retire within the next five and ten years is 12.6% and 23.6% of the entire company, respectively.

Share of Employees Whose Age Allows to Retire Within the Next 5 and 10 Years, %

GRI EU-15

Branch	Employee category	Within 5 years	Within 10 years
BGRES	Managers	10.7%	21.3%
	Specialists and employees	7.5%	15.0%
	Workers	15.0%	24.4%
	Total	12.3%	21.3%
SmGRES	Managers	6.7%	16.7%
	Specialists and employees	5.0%	14.2%
	Workers	11.5%	24.2%
	Total	8.9%	20.2%
SuGRES-2	Managers	19.9%	34.8%
	Specialists and employees	15.3%	29.3%
	Workers	15.7%	26.2%
	Total	16.3%	28.4%
ShGRES	Managers	19.5%	35.8%
	Specialists and employees	7.2%	13.4%
	Workers	14.2%	29.2%
	Total	13.6%	26.8%
YaGRES	Managers	8.7%	15.5%
	Specialists and employees	1.6%	15.6%
	Workers	13.6%	25.2%
	Total	9.4%	20.6%
Headquarters	Managers	5.3%	13.3%
	Specialists and employees	8.6%	13.7%
	Workers	12.5%	12.5%
	Total	7.8%	13.6%
Engineering	Managers	0.0%	13.3%
	Specialists and employees	0.0%	0.0%
	Workers	0.0%	0.0%
	Total	0.0%	11.1%

One of the benefits provided by the Company is the **corporate support to the employees to improve their housing conditions**. The company allocates funds for that programme on an annual basis. This enables the employees who do not own any housing or are recognised to be in need of better housing conditions to receive an interest-free loan from the company for not

more than 10 years. The priority is placed on highly qualified specialists, employees invited from other localities and young specialists. The loans granted are applied by the employees to purchase and construct their housing and to repay mortgage loans.

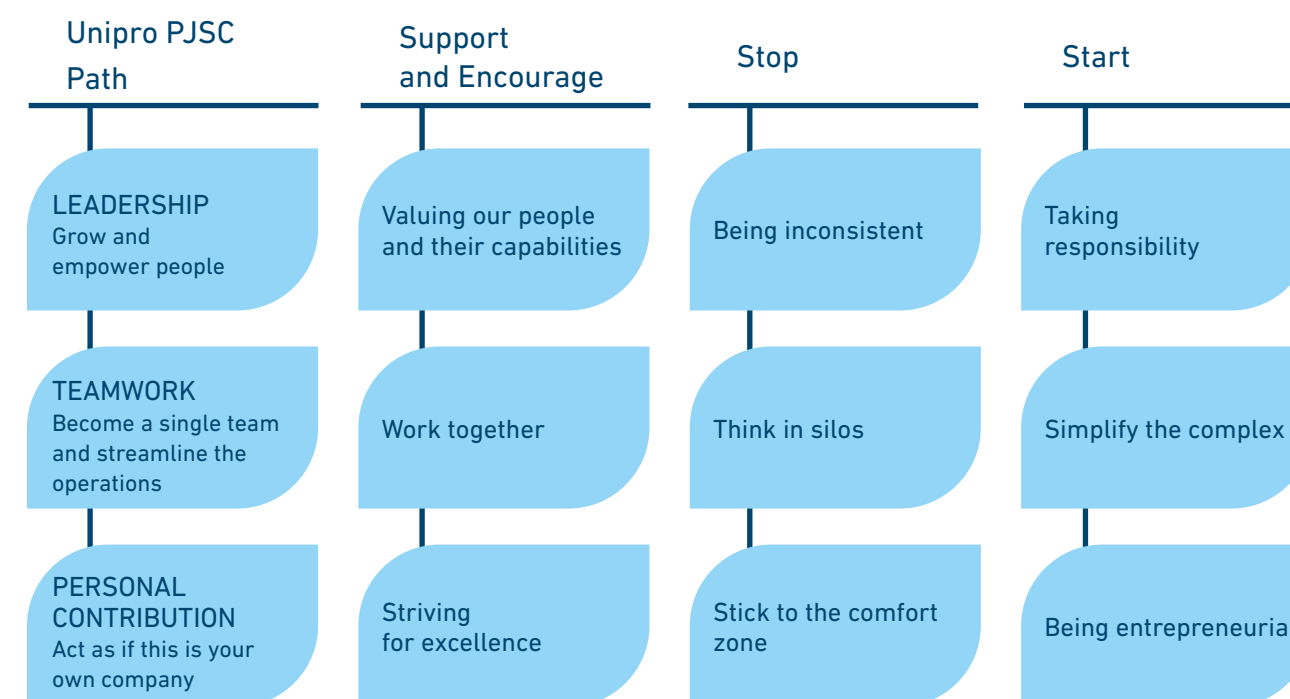
In 2021, 39 Branch employees received loans.

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 life-style culture among employees thorough implementation of various sport and development programmes.



In 2021, the Company's youth associations developed and implemented more than 70 projects in which more than 2,500 employees took part. More than a half of them are social and volunteer projects.

The joint team of engineers and environmentalists of Unipro PJSC took part in the CASE-IN International Remote Engineering Championship, a special Energy league, arranged by the Reliable Successors Foundation and the EES Union All-Russian Industry Association and won the second place out of seven teams of participants of key companies in the Russian economy energy sector. The overall score was formed by separate results of the engineering event, where our team

won the first place and the environmental event, where the Unipro team won the second place in the overall score.

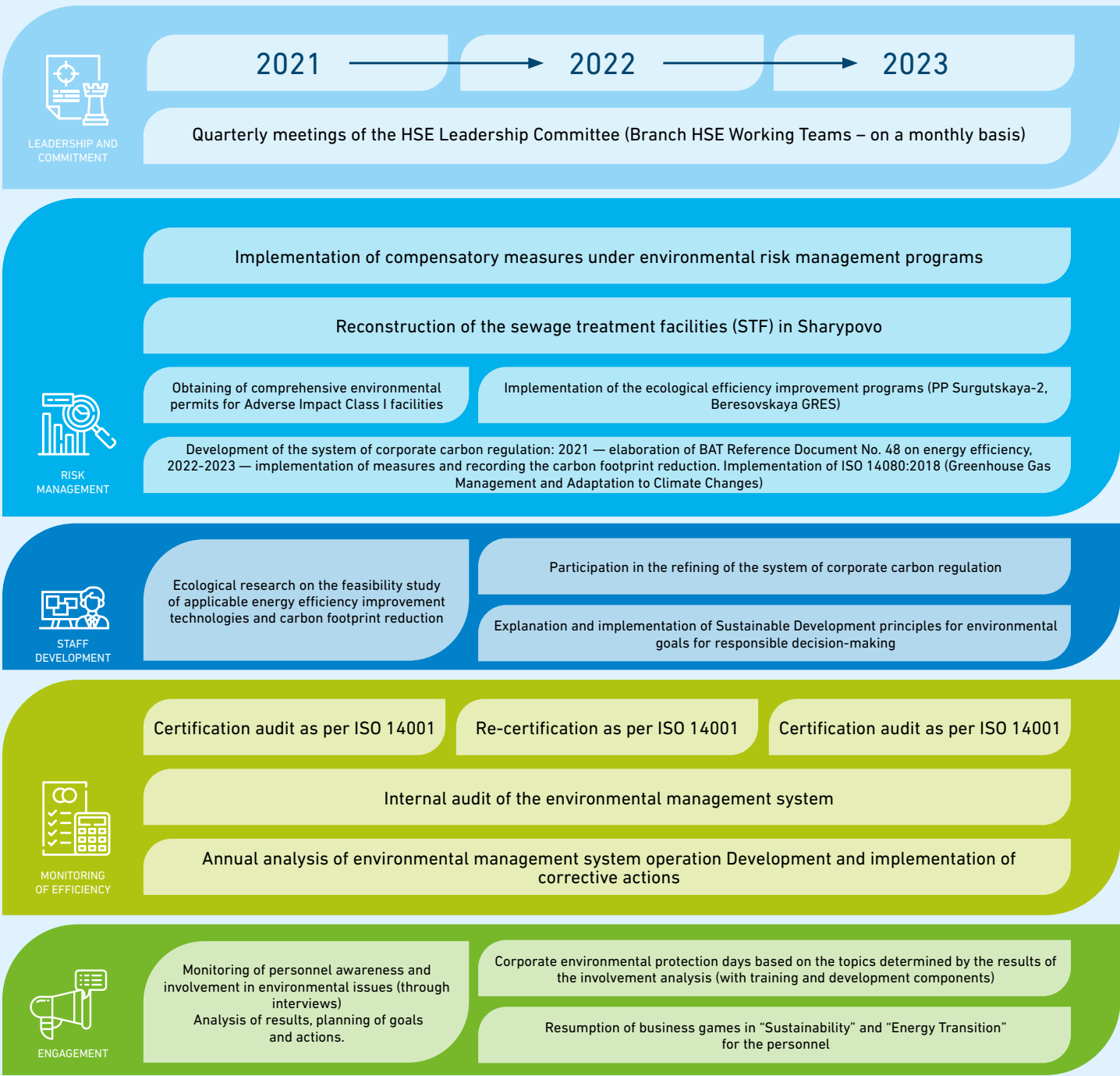
The team of the SuGRES 2 youth association won the first place in the City Festival of Working Youths "Onto the Wing" that is held annually in Surgut for young professionals from large city-forming enterprises and institutions of the city.

Ksenia Sizukhina, a young professional at Bere-zovskaya GRES, entered the top three in the individual competition among participants of the International Forum "Biryusa" Territory of Pro-Active Youths" in the Siberian Federal District.

4.6 Environmental Responsibility

Unipro PJSC believes that the environment protection is one of the conditions for the sustainable production activities and strives to constantly reduce its negative impact paying special attention to the reduction of emissions (including greenhouse gases) into the air, discharges of polluted wastewater into water bodies, far-sighted use of resources, minimisation of the production waste generation and its recycling to the maximum extent possible.

Strategic Environmental Plan for 2021-2023



Unipro's activities related to environmental protection are carried out in accordance with the approved Environmental Policy, which is based on the provisions of the federal and regional legislation of the Russian Federation, as well as of the applicable international documents ratified in Russia in accordance with the established procedure and the policies of Uniper SE Group, the Company's principal shareholder.

The objective of Unipro PJSC Environmental Policy is to define the framework for the Company's business and its 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 achieve the objectives of 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 three years.

Unipro PJSC has developed environmental efficiency improvement programmes for each power plant. The most far-reaching of these programmes are obviously aimed at adverse impact class I facilities. At the other Branches, the programmes are aimed at improving the environmental indicators to the extent technically possible given the age, the term of operation, the design features of the equipment and physical and process possibility of implementing any additional environmental protection technologies there.

The regulations and technical standards on environmental safety are based on regulation of the acceptable environmental impact made by economic entities. Therefore, projects are developed on a compulsory basis that establish standards for a permissible environmental impact: standards for permissible emissions and discharges of pollutants into the environment, standards for waste generation

and limits of waste placement, sections of design documentation for the environment protection, including steps to reduce the negative impact on the environment and to preserve the biodiversity during the period of facilities construction and operation.

Unipro PJSC operates the Adverse Environmental Impact Class I-IV facilities. Each category has a list of permits that establish the acceptable environmental impact.

Adverse Impact Class I facilities are Berezhovskaya GRES (basic site), PP Surgutskaya-2 (STU power units), Smolenskaya GRES, sewage treatment facilities in Sharypovo which are regulated, during the transition period until comprehensive environmental permits are obtained, in the same way as set by the procedures for obtaining air emission permits, pollutant discharge permits, waste generation standards and limits on their placement that were previously in force until 2019. All the facilities have valid permits and approvals. Applications for the comprehensive environmental permits are to be submitted for those facilities until 31 December 2022.

Adverse Impact Class II facilities (Berezhovskaya GRES (start-up boiler house), Shaturskaya GRES, Yaivinskaya GRES, Surgutskaya GRES-2 (400 MW CCGT Combined Cycle Power Units Nos. 7, 8) which are regulated based on the valid emission, discharge permits, limits on waste placement or declarations of environmental impact. All the said facilities have valid permits and approvals.

Adverse Impact Class III facilities (auxiliary facilities of Surgutskaya GRES-2 Branch, group water inlet of Surgutskaya GRES-2, auxiliary production facilities of Berezhovskaya GRES Branch, local water treatment facilities of Yaivinskaya GRES Branch; and Adverse Impact Class IV facilities (the open cut (Dubovitsy Village) of Smolenskaya GRES Branch) are not regulated by any permits or approvals – they require mandatory state reports on the environment protection and payment of an adverse impact fee.

In the reporting year, there were no accidents or incidents causing damage to the environment at the facilities of Unipro PJSC.

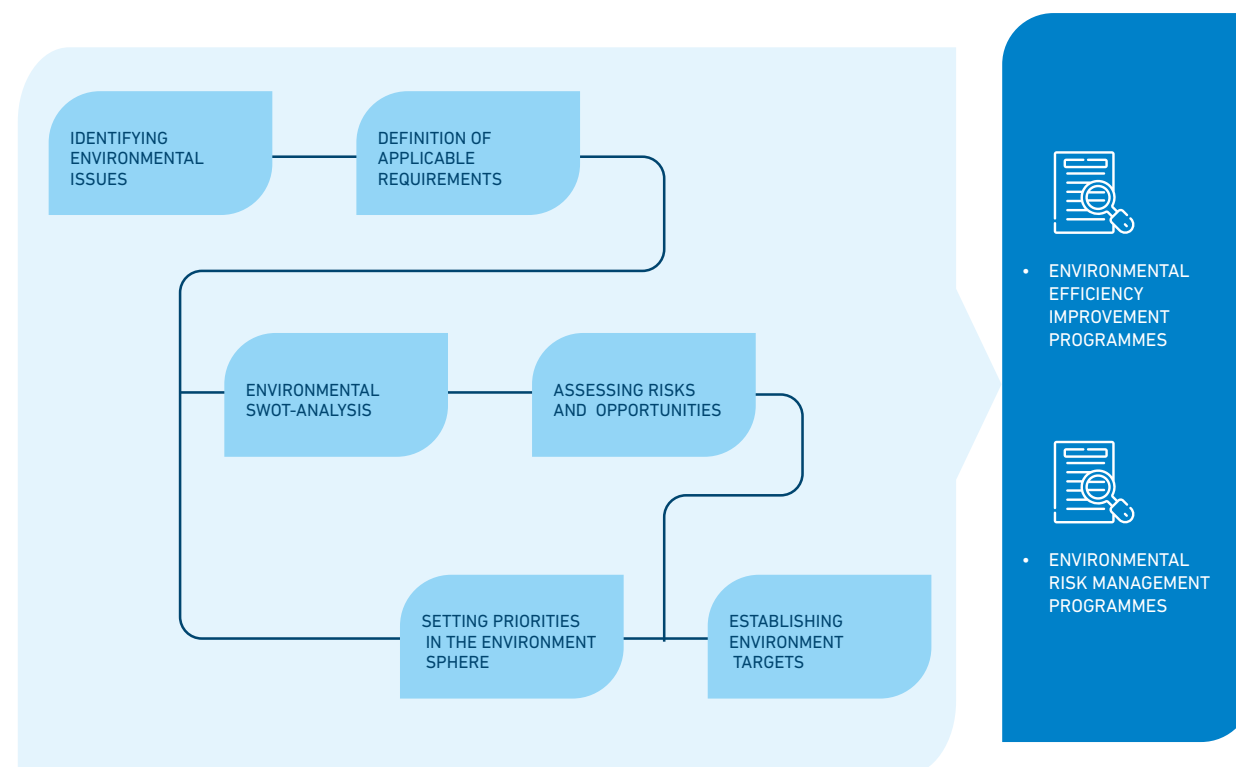
In 2021, the supervisory authorities carried out 6 inspections of compliance with the requirements of environmental and health and disease control legislation which identified two violations that do not affect the environment. The violations identified by inspections of the previous periods are carried out within the established deadlines. Non-financial sanctions were not imposed by results of the inspections in 2021.

Environmental Management System

The environmental issue is the primary element of the environmental management system (activities having a positive or negative environmental impact).

The environmental issues are prioritised according to their significance, based on the established criteria.

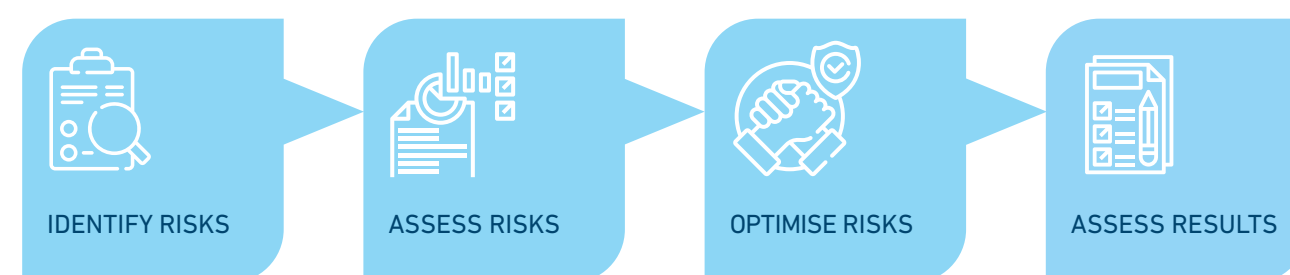
Environmental Impact Management Scheme



For significant issues, programmes are developed to improve environmental efficiency (for Adverse Impact Class I facilities) or action plans for environmental protection (Adverse Impact Class II facilities).

ISO 14001:2015 contributes to the formation of a risk-based approach. The procedure for environmental risk management of Unipro PJSC is developed based on the approaches adopted in ISO 31000 series.

Environmental Risk Management Pattern



Threats are identified at the stage of environmental SWOT analysis of the Branches followed by the identification of environmental risks related to the threats identified and an assessment of their significance by the following components: impact S, occasion O, detectability D. The risk index $EPN=S \cdot O \cdot D$ is calculated.

Risks with $RPN \geq 125$ are considered unacceptable. Risks are optimised through risk treatment by developing preventive measures to the extent that the risk becomes acceptable. The optimisation results and preventive actions are introduced in the environmental risk management programme.

Risk treatment measures might include:

- > avoiding the risk through the decision not to start or to stop the activity that gives birth to the risk;
- > acceptance or increasing acceptable level of risk for further use of a favourable opportunity;
- > eliminating the source of risk;
- > change in probability or possibility;
- > changing the consequences;
- > increase of detectability of the impact of arising risk (for example, improving monitoring);
- > sharing the risk with another party or with the other parties (including contracts and risk financing);
- > deliberate risk retention (at an acceptable level).

For each environmental issue, the applicable requirements are identified, which include the mandatory legal requirements regarding environmental protection, as well as the policies of the main shareholder, the expectations and sometimes non-documented requirements of stakeholders. According to Article 1 of Federal Law No. 247-FZ dated 31 July 2020 "On Mandatory Requirements in the Russian Federation", the mandatory requirements include the require-

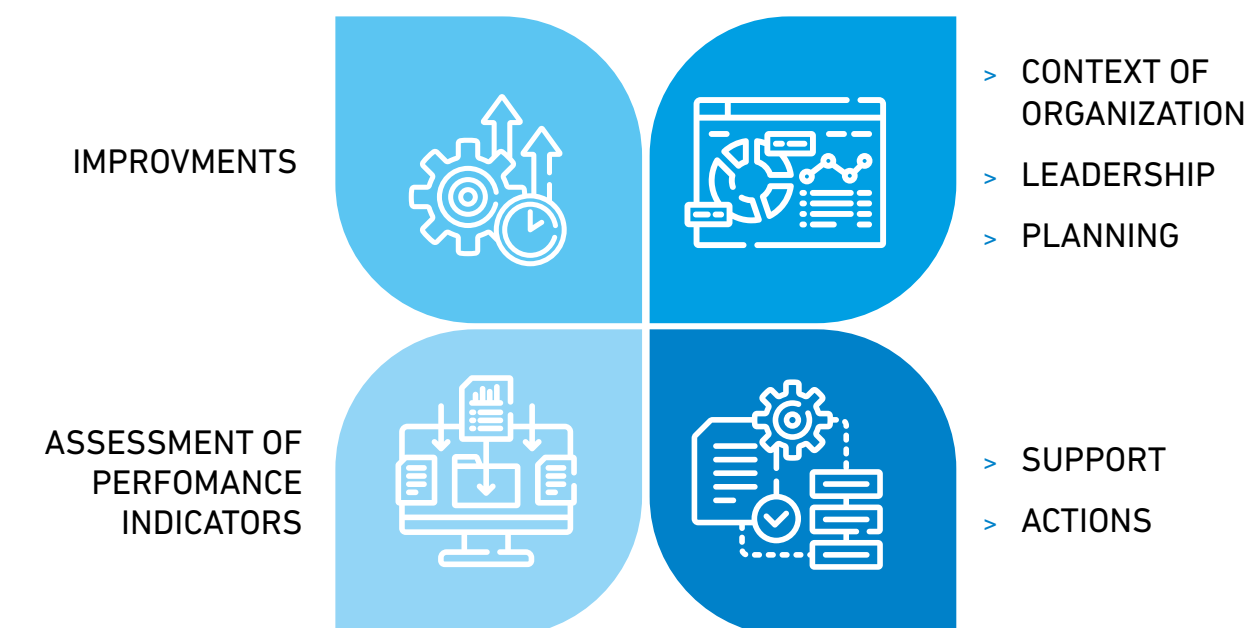
ments set by regulatory legal acts that are related to business and other economic activities and the assessment of compliance with which is carried out under state control (supervision), municipal control, bringing to administrative responsibility, granting licenses and other permits, accreditation, product conformity assessment, other forms of assessment and expertise.

Further, the applicable requirements form the basis for assessing the compliance of the Company Branches through level 1 internal audits (at the level of the Branches) and level 2 audits (conducted by Headquarters representatives) and certification audits for compliance of the environmental management system with the requirements of ISO 14001:2015, as well as regular consideration by the Company management of the Branches' reports.

Based on the identified deviations and risks of the environmental efficiency improvement programme, action plans for the environment protection and environmental risk management programmes are made more specific and updated.

All those actions are integrated into the PDCA Deming cycle.

Deming Cycle in the Environmental Management System



In late 2021, for the purposes of validating its EMS certificate received in 2019, the Company successfully passed its second EMS compliance audit for compliance with the ISO 14001:2015 international standard,

administered by the Russian Register Certification Association (accredited by international certification bodies, which are members of the International Accreditation Forum).

Environmental Investments

In 2021, the operating (current) costs and the environmental project costs (capital expenditures) amounted to RUB 412.3 mln. Measures under the NOx emission reduction programme and the construction of fish

protection structures at the water intake of Surgutskaya GRES-2 Branch account for main share (82%) in the structure of the environmental projects' costs in 2021.

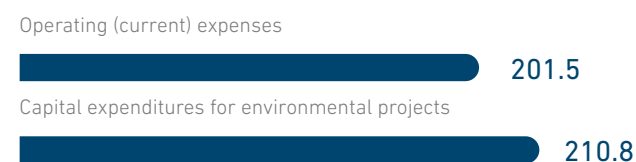
Environmental Protection Costs, RUB Thous.

Year	Operating (current) environment protection expenses ²⁶	Capital expenditures for major environmental projects ²⁷	TOTAL EP costs
2019	141,827.28	127,821.84	269,649.12
2020	110,926.00	234,644.98	345,570.98
2021	210,759.77	201,545.48	412,305.25

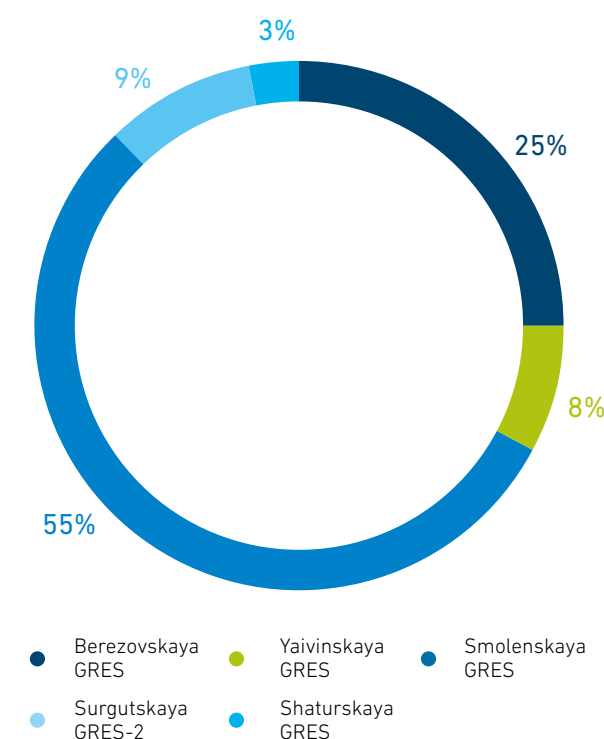
Operating Expenses and Capital Expenditures for the Environment Protection, RUB mln



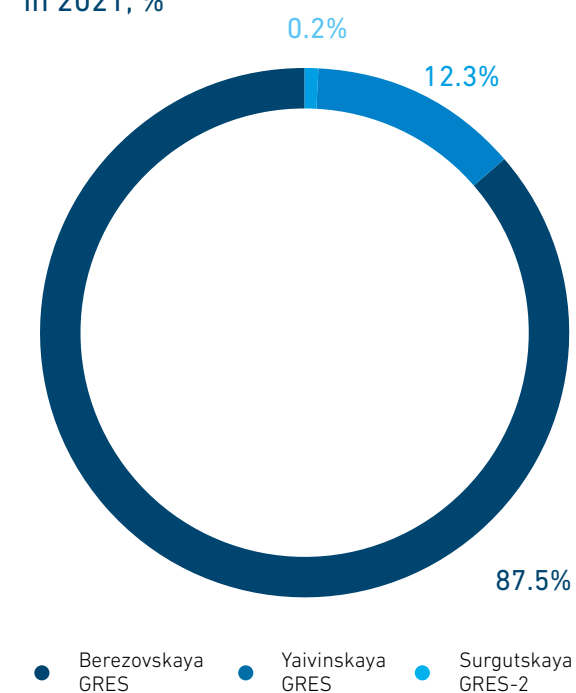
Environment Protection Costs in 2021, RUB Mln



Allocation of Operating (Current) Expenses by Branches in 2021, %



Allocation of Capital Expenditures for Environmental Projects by Branches in 2021, %



²⁶ E.g., transfer of waste for disposal, neutralisation or placement; industrial environmental control with the involvement of our own accredited laboratories or third-party laboratories under contracts, monitoring the impact of the ash and slag pond and sludge collectors on the environment, development of permits, etc.

²⁷ E.g., the construction of fish protection structures, the reclamation of the sludge collector, the introduction of automatic systems for continuous control over emissions.

Key Environmental Measures Taken in the Reporting Year

Measure description	Environmental effect	Deadline	Status as of year-end 2021
Reconstruction of the sewage treatment facilities in Sharypovo	Ensuring the regulated waste water quality indicators for all indicators	2020-2023	The design documentation undergoes the state expert review. The environmental efficiency improvement programme was approved by the interdepartmental commission under the Government of the Russian Federation.
Implementation of automatic emission control at Berezovskaya GRES	Continuous monitoring of compliance of pollutant emissions with the established requirements	2018-2021	Metrological certification of metering channels was fulfilled, a certificate was signed for putting the automatic system for continuous control over emissions into test operation.
Implementation of fish-protection facilities at PP Surgutskaya-2	Ensuring fish protection efficiency of at least 70 %	2018-2021	The measure was implemented in full. The test operation confirmed the actual efficiency of 81.69%.
Implementation of fish protection facilities at Yaivinskaya GRES	Ensuring fish protection efficiency of at least 70 %	2018-2021	The measure was implemented in full. The test operation confirmed the actual efficiency of 87.58%.
Reclamation of two sludge dump basins at PP Surgutskaya-2	Dismantling of two sections of the waste disposal facility, mitigation of adverse environmental impact risks	2019-2022	The construction and installation works are ahead of the schedule: - waste from both sections was removed for disposal; - concrete slopes of section No. 3 were dismantled and removed for disposal; planning was completed; - dismantling of concrete slopes of section No. 4 began.
Reclamation of the sludge dump at BGRES	Liquidation of a mothballed (never operated) waste placement facility, resoiling of land	2019-2021	The measure was implemented in full. The enclosing and separating dams of the sludge collector were dismantled, the soil and peat and silt deposits were filled, the territory planning was carried out in order to avoid its water logging.
NOx emission reduction at Surgutskaya GRES-2	Reaching the emission level set by the technological indicators of the best available technologies	2019-2022	Works related to Unit No. 1 were completed.

Energy Consumption and Energy Efficiency

Unipro power plants take energy saving and energy efficiency improvement measures (e.g., reduction of inflows in the gas and air path of boilers, modernisation of the lighting networks with the transition to LED fixtures, reduction of heat losses during the reconstruction of heating network sections). Differences in the absolute resource savings over the years are due to the difference in the scope of work performed for those measures in accordance with the plans.

Energy Consumption

GRI 302-1

Energy resource type	Consumption volume in kind	Unit of measurement	Consumption volume in monetary terms, RUB thousand
Heat power	90.86	thousand Gcal	4,135.28
Electric power	119.93	mln kWh	114,675.50
Motor gasoline	299.53	tonnes	945,074.27
Diesel fuel	1,068.07	tonnes	
Fuel oil	41.705	thousand tonnes	
Natural gas	10,336.909	mln cub. m	36,490,924.54
Coal	2,938.956	thousand tonnes	2,015,717.39

Electric Power Purchase in the DAM and BR Wholesale Market Sectors

SASB IF-EU-000.E

Year	Volume and cost of purchasing electric power on the wholesale market (DAM and BR)	
	Electric power purchased, mln kWh	Purchase price, mln RUB, exclusive of VAT
2019	6,286	5,716
2020	8,703	7,688
2021	9,310	9,521

Energy Intensity

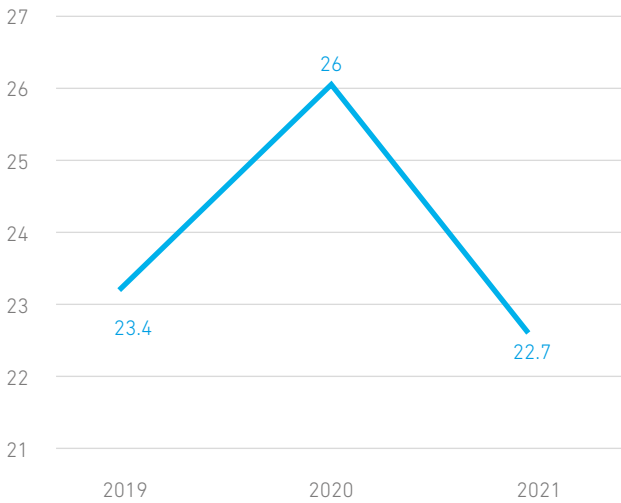
GRI 302-3

Indicator	Fuel type	2019	2020	2021
Specific fuel equivalent consumption for electric power supply, g/kWh	Gas, liquid fuel, solid fuel	299.3	296.9	304.2
Specific fuel equivalent consumption for heat power supply, kg/Gcal	Gas, liquid fuel, solid fuel	171.4	174.6	172.3

An increase in the specific consumption of conventional fuel for electricity supply for the entire Company is due to a decrease in the total generation by the most economical CCGT power units in the total production balance.

The share of the CCGT power units decreased in the generation balance of 2021 due to an increase in the generation by the CCGT power units/the load of the CCGT power unit of Shaturskaya GRES (by 108.6%) and Smolenskaya GRES (by 35.7%) as compared to 2020. Fuel consumption per production (supply) of heat energy makes up only 2.7 % of the total fuel consumption of the Company's power plants as the main volume of the fuel is spent on electric power production.

Share of the CCGT Power Units Generation, %



Energy Consumption Reduction

GRI 302-4

Energy Resource Type	UoM	2019	2020	2021
Gas	thousand cub. m	2,611	1,191	485
Liquid fuel	tonnes of standard fuel	0	190	240
Various types of fuel	tonnes of standard fuel	1,305	1,651	3,517
Heat power	Gcal	71	439	578

The change in the specific fuel consumption for heat supply is due to the difference in the operating modes of the equipment in the combined production cycle.

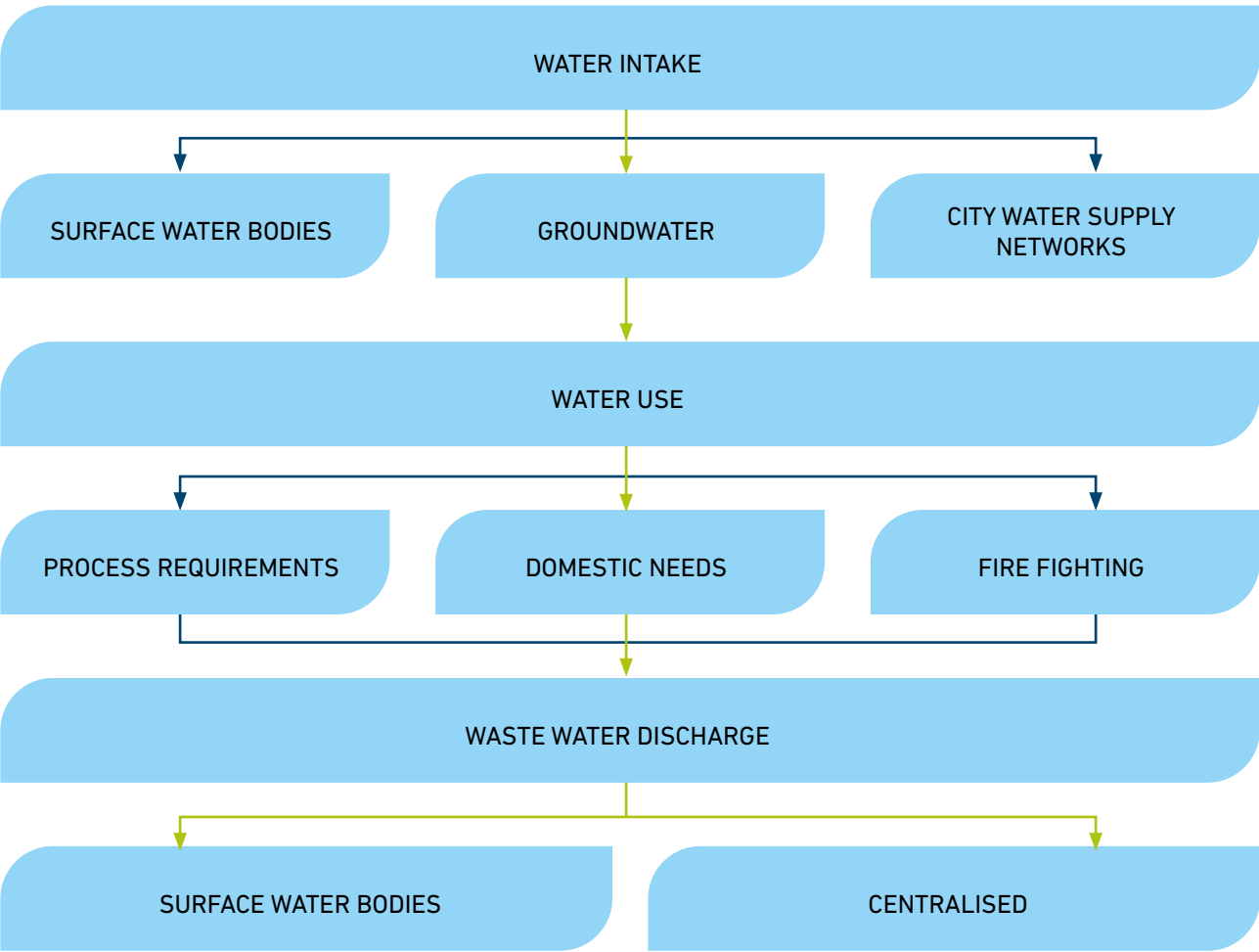
Water Use

Responsible use of natural resources is one of the basic principles of the production activities of Unipro PJSC. In accordance with the effective Environmental Policy, the Company undertakes to reduce irretrievable water consumption and to protect water resources. To this end, the water intakes of all branches of the Company are equipped with commercial water metering devices.

GRI 303-2

In 2021, all branches of the company consumed water within the specified standards. SASB IF-EU-140a.2

The main type of water intake for the power generation process is that from surface water bodies. The Company's branches take water from underground sources as well on the basis of subsoil use licenses. The Company's water use diagram below shows the types of water intake sources, the purposes of water use and the methods of its disposal.



Water Consumption, Mln Cub. m GRI 303-5 SASB IF-EU-140a.1

All regions			Regions of operations suffering from water shortage		
2019	2020	2021	2019	2020	2021
5,946.65	5,284.95	5,987.85	0	0	0

Water Consumption, Mln Cub. m



In 2021, the total water intake increased by 13%. The largest contribution to that increase is made by Shaturskaya GRES and Smolenskaya GRES with their circulation cooling and Yaivinskaya GRES with its once-through cooling system of the CCGT power units. The increase at Shaturskaya GRES and Smolenskaya GRES was caused by an increase in the number of equipment operation hours by 86% and 48%, respectively, as compared to 2020, as well as by extremely hot weather in summer. At that, the increase in the water intake at Yaivinskaya GRES by almost 46% is due to an increase in the number of equipment operation hours and the total generation of the SPU power units as compared to the previous period and the transition to instrumental water consumption metering. Earlier, the water consumption at YaGRES was determined by calculation based on water consumption standards, but at the end of 2020, the water intake was equipped with commercial water metering devices which were put into test operation in 2021. The transition to commercial metering will enable the

plant to assess its impact on the water body more adequately and to take measures for reducing irrevocable water consumption more efficiently as early as in the near future.

Unipro PJSC does not operate in any regions suffering from water shortage.

The branches of Unipro PJSC discharge wastewater in accordance with the requirements of the current environment protection legislation and permits being obtained in a timely manner. The main volume of water discharged by the production branches is the water of the circulating cooling systems of the power units which is clean by the standards (98%). Wastewater to be purified is treated by mechanical, physical and chemical methods before being discharged and then goes to water bodies. Household wastewater is to be treated at biological treatment facilities of third-party entities, first of all, water services companies, or at those owned or leased by the company, as is the case with sewerage treatment facilities (STP) in the town of Sharypovo.

Total Water Discharged, Mln Cub. m

Indicator	2019	2020	2021
Water cleaned by the standards (without treatment)	5,721.87	5,059.49	5,728.55
Water treated by the standards (mechanical, physical and chemical treatment)	121.94	121.57	124.40
Transferred for treatment at biological treatment facilities	6.23	6.16	6.24
Total	5,850.04	5,187.21	5,859.19

Discharges into the Kadat River of the sewerage treatment facilities leased by Unipro PJSC in the town of Sharypovo (BGRES) were analysed, and the analysis showed that such pollutants as nitrate ions, phosphates (according to P), COD of wastewater exceed

permissible discharge standards in certain cases. In terms of nitrate ions, the excess is caused by the process of nitrification, in terms of COD, phosphates (phosphorus) it is due to the fact that the existing treatment facilities do not technologically meet up-to-

date requirements and do not reach the set values of permissible discharge. Currently, Unipro PJSC reconstructs the sewerage treatment facilities in order to achieve the discharge standards. A programme to improve environmental efficiency of the Sharypovo

sewerage treatment facilities has been developed and is being implemented. It was approved by the interdepartmental commission of the Government of the Russian Federation. SASB IF-EU-140a.3

Emissions

The Company sets itself the strategic goal of constantly reducing gross emissions into the air for all pollutants. All pollutants emitted into the air by negative impact facilities of Unipro PJSC do not exceed the standards established by the legislation²⁸.

Regarding the Climate Policy, Unipro PJSC primarily ensures that greenhouse statements comply with the Russian legislation and, starting from 2018, verifies

greenhouse statements through independent auditors in accordance with International Standard on Assurance Engagements (ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements" with a level of "reasonable assurance". The Company's plans for 2022-2023 include the development of the system of corporate carbon regulation.

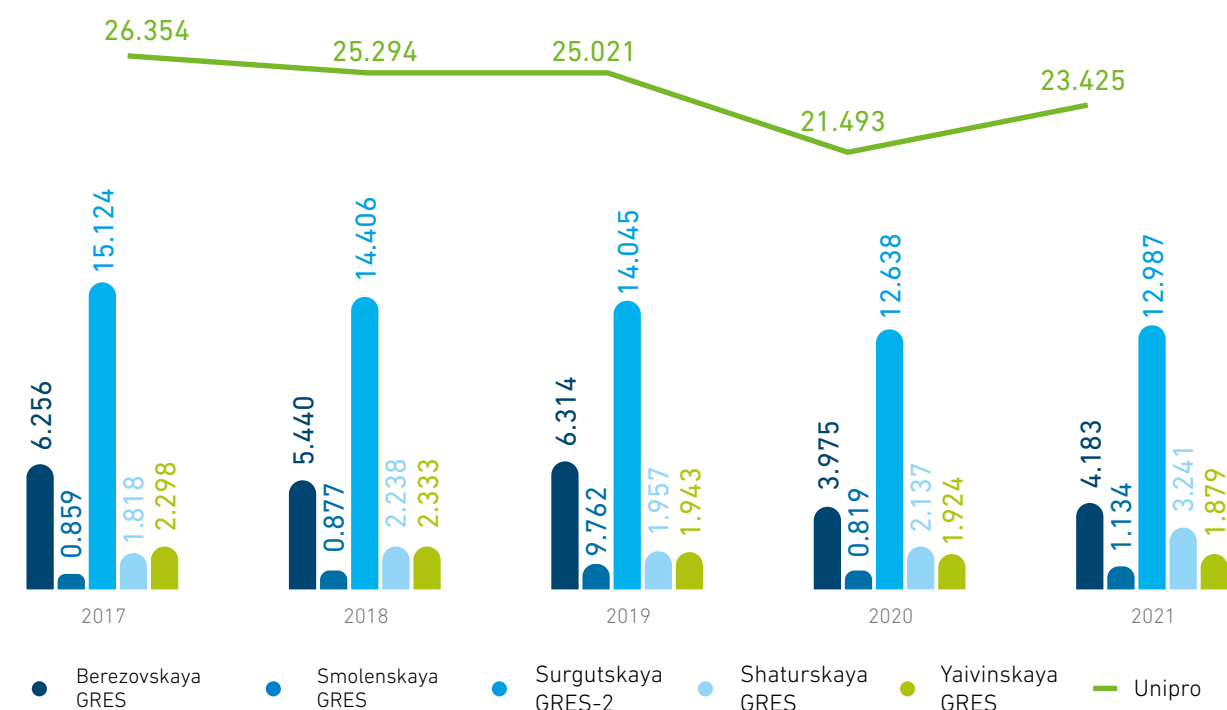
SASB IF-EU-110a.3

Direct GHG Emissions, Thousand Tonnes

Indicator	2019	2020	2021
Emissions volume	25,020.684	21,492.806	23,425.200

GRI 305-1 SASB IF-EU-110a.1

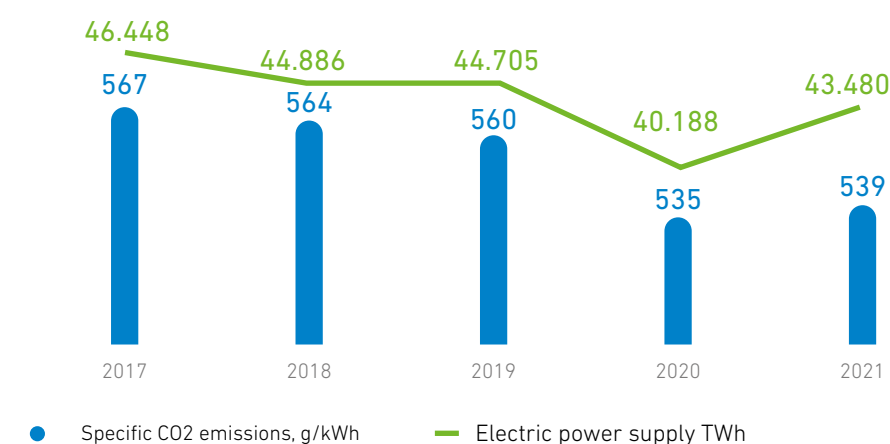
Direct Greenhouse Gas Emissions (Scope 1), Mln Tonnes of CO₂-eq.



The growth in gross CO₂ emissions by 9% is related to an increase in the total net output of electric power by 8% in 2021 as compared to 2020.

²⁸ Emissions of CO₂ (carbon dioxide) are currently not standardised in the Russian Federation.

Ratio of Dynamics in Electric Power Supply and CO2 Emission Rates



A slight increase in CO₂ emission rates (+0.7%) resulted from the dispatching of less efficient power units.

An increase in the energy efficiency of generation and a decrease in heat losses at the company's power plants are an important task which solution enables, among other things, to reduce CO₂ emissions. To this end, various measures are scheduled and implemented. E.g:

- > As part of the overhauls and intermediate maintenance, air inflows into the gas and air paths of the boilers are reduced. In 2021, in the course of overhaul of Power Unit No. 4 at Yaivinskaya GRES, the furnace lining was repaired and the boiler gas ducts were partially replaced. The total boiler inflows decreased by 15%, which corresponds to savings of 743 tonnes of standard fuel;
- > The transition to LED fixtures is on the way. In 2021, 1,505 light fixtures were replaced at Surgutskaya GRES-2 as part of the project to reconstruct the

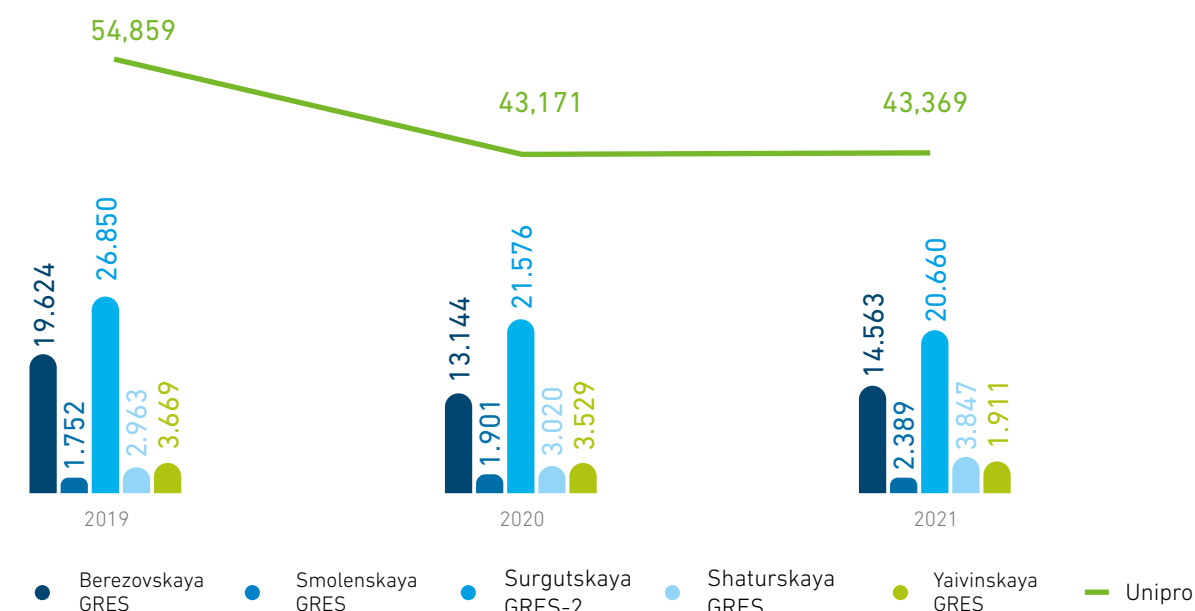
lighting networks of the main building, which corresponds to the annual savings of electric power used for lighting of 1,145 thousand kWh;

- > The heating networks are technically refurbished on an annual basis with the replacement of sections (the replaced pipelines have more efficient heat proof). E.g., this resulted in a decrease in heat losses by 646 Gcal/year at the heat networks of Shaturskaya GRES in the town of Shatura in 2021. When sections of the heat networks of Berezovskaya GRES were replaced in 2021, the heat losses reduced by 1,191 Gcal/year;
- > Equipment performance modes are being optimised. In 2021, organisational and technical measures were taken at Smolenskaya GRES, which made it possible to switch to the HAR system mode of operation with one slurry pipeline in winter. In this case, the annual electric power saving amounts to 2,203 thousand kWh.

Emissions to the Air of NOX, SOX and Other Significant Pollutants, Thousand Tonnes

Indicator, thousand tonnes	2019	2020	2021
Total, including:	54.859	43.171	43.369
NOX	37.162	28.743	29.460
SOX	8.550	6.081	6.758
Carbon monoxide	7.553	7.256	5.970
Volatile organic compounds (VOC)	0.048	0.044	0.047
Solid particles (P)	1.507	1.007	1.096
Other contaminants	0.037	0.039	0.039

Pollutants Emissions by Branches, Thousand Tonnes



A slight increase in gross emissions of pollutants into the air (+0.5%) is related to an increase in the total net output of electric power by 8% in 2021 as compared to

2020, as well as the dispatching of less efficient power units.

Share of Each Significant Pollutant in or near High Population Density Areas²⁹

GRI 305-7 SASB IF-EU-120a.1

Indicator	2019	2020	2021
Total share, %, including:	9%	11%	14%
NOX	10%	14%	18%
SOX	1%	2%	0%
Carbon monoxide	11%	11%	13%
Persistent organic pollutants (POPs)	-	-	-
Volatile organic compounds (VOC)	21%	16%	17%
Hazardous Air Pollutants (HAPs)	-	-	-
Solid particles (P)	5%	2%	0%
Lead (Pb)	-	-	-
Mercury (Hg)	-	-	-
Other contaminants	30%	29%	29%

The share of pollutant emissions into the air increased in areas with high population density due to an increase in the load of the power units of Smolenskaya GRES and Shaturskaya GRES in 2021: the net

output of electric power from those plants increased by 36% and 38%, respectively, in 2021 as compared to 2020.

Share of SmGRES and ShGRES Generation in the Volume of Generation, %

Indicator	2019	2020	2021
Share	12%	15%	19%

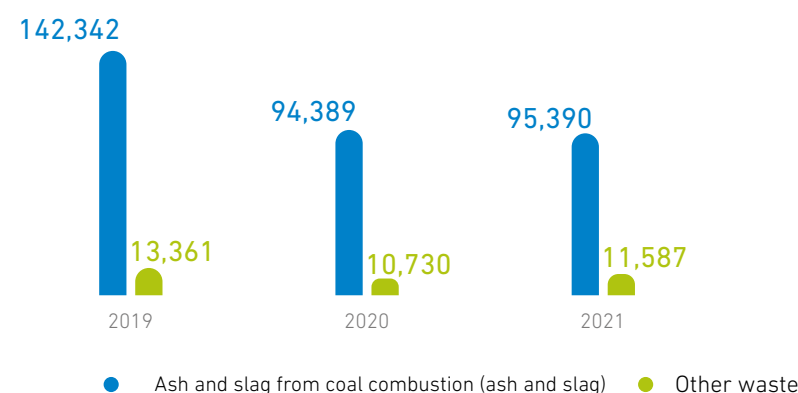
²⁹ The list of constituent entities of the Russian Federation and certain areas of constituent entities of the Russian Federation that are included in the territories with a high population density was approved by Executive Order of the Government of the Russian Federation No. 707-r dated 25 May 2004. The only Branches of Unipro PJSC located in such areas are Smolenskaya GRES and Shaturskaya GRES.

Waste

The Company prioritises the minimisation of waste generation and maximum recycling as the key elements of waste management. The bulk of the Company's waste (89%) is ash and slag waste from coal combustion. Ash and slag are placed at our own spe-

cially equipped waste disposal facilities (ash disposal areas) in accordance with the license obtained for handling those types of waste. 99.8% of ash and slag is generated at Berezovskaya GRES

Waste Volume, Thousand Tonnes SASB IF-EU-150a.1; IF-EU-150a.1



According to the Russian waste classification, "non-hazardous waste" includes waste of Hazard Class V, and "hazardous waste" includes waste of Hazard Classes I-IV.

The main hazardous waste includes: sludge from cleaning tanks, pipelines and wastewater from oil products, litter and sweepings from the territory of enterprises and production premises, litter from the

demolition and dismantling of buildings, construction and repair waste (litter).

The main non-hazardous waste includes: metal scrap and waste, water treatment waste (sediments) generated by mechanical treatment of natural waters, ion-exchange resins, plant waste from the care of tree and shrub plantings, brickwork scrap, cement and fireclay brick waste.

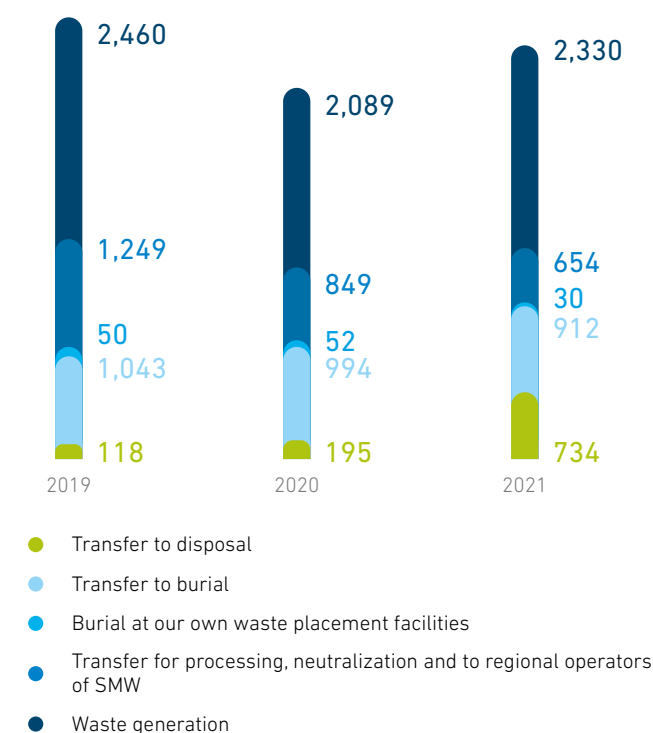
Volume of Waste by Treatment Method, Tonnes

GRI 306-2

Treatment method	2019			2020			2021		
	TOTAL	Class I-IV	Class V	TOTAL	Class I-IV	Class V	TOTAL	Class I-IV	Class V
Transfer to disposal	2,116	118	1,998	1,725	195	1,530	3,931	734	3,197
Transfer to burial	9,111	1,043	8,068	7,387	994	6,394	5,979	912	5,068
Burial at our own waste placement facilities	875	50	826	713	52	662	1,010	30	980
Transfer for processing, neutralisation and to regional operators of SMW	1,259	1,249	10	905	849	56	667	654	12
Waste generation	13,361	2,460	10,901	10,730	2,089	8,641	11,587	2,330	9,257

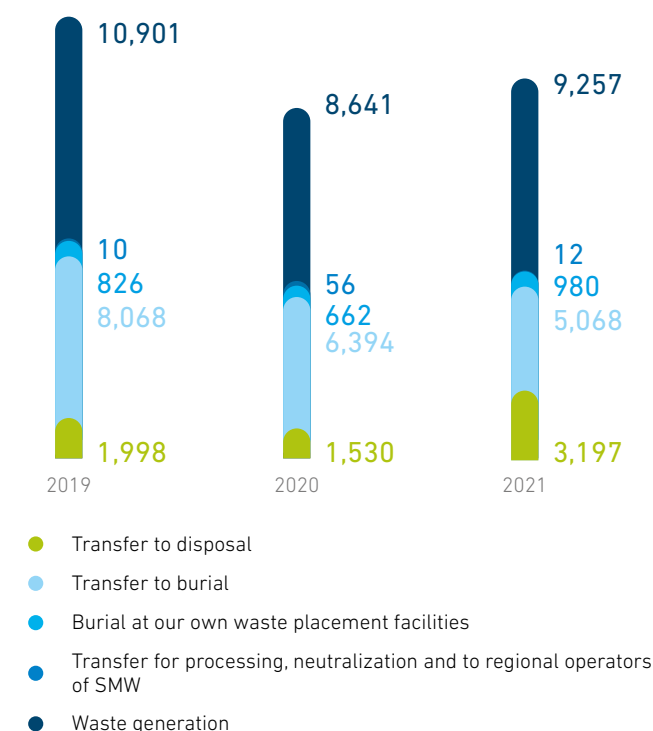
In 2021, the non-hazardous waste generation at Unipro PJSC amounted to 80% of the total amount of waste generated (excluding ash and slag). At that, the share of its disposal is 35%.

Volume of Hazardous Waste by Treatment Method, Tonnes



The low share of hazardous waste disposal is due to the fact that the bulk of such waste is Hazard Class IV waste (litter from the demolition and dismantling of buildings, construction and repair waste (litter), etc.). Today, there are no technologies for the disposal of that waste in the regions where the company operates, that is why it is transferred to burial. At that, 100% of hazardous waste transferred to burial is waste of Hazard Class IV.

Volume of Non-Hazardous Waste by Treatment Method, Tonnes



In 2021, 100% of waste included in the list of production and consumption waste types which contain useful components and which are prohibited from burial³⁰ were transferred by the Company not to burial, but to disposal or neutralisation.

In 2021, 34% of all waste generated by the company (excluding ash and slag) was disposed. In 2020, that indicator was 16%.

Conservation of Biodiversity

Being fully aware of its responsibility, Unipro strives not to produce any significant impact on biodiversity and protected natural areas. The Company's production activities do not cause any reduction in the number of species, changes in habitat areas, spread of invasive species, pests and pathogens.

GRI 304-2

The Company pays special attention to the conservation and restoration of the fish stocks of rivers. Unipro assesses the impact on aquatic biological resources of those water bodies that it plans to use in its activities. Following the assessment results, certain conservation and compensation measures are taken. In particular, fish protection devices (FPD) are designed, baby fish is released.

In 2021, measures to reproduce fish resources were taken at three branches of the Company:

- > employees of Berezovskaya GRES have let out about three thousand sturgeon juveniles into the Yenisei River;
- > employees of Shaturskaya GRES have let out about one thousand silver carp juveniles into Svyatoye Lake;
- > employees of Yaivinskaya GRES have let out 8300 pike juveniles into the Yaiva River.

In 2021, full-scale tests were carried out of the actual efficiency of fish protection facilities installed in 2020 at two branches, according to the programmes agreed upon with the Russian Federal Fisheries Agency³¹. The confirmed actual efficiency of the fish protection facilities of Surgutskaya GRES-2 was 81.7% and of Yaivinskaya GRES — 87.6%.

Furthermore, the Company's employees carried out volunteer environmental campaigns.

Measure	Measure description
Environmental team of Unipro PJSC became a prize winner of the CASE IN-2021 International Engineering Championship	The case on "Reducing the CCGT Power Unit Carbon Footprint by Co-combustion of Natural Gas and Hydrogen" took second place.
Environmental campaign "Collect Waste Paper - Save a Tree!" at Shaturskaya GRES	Employees collected 1.8 tons of paper waste.
Environmental campaign "Green Region" at Shaturskaya GRES	Employees of Shaturskaya GRES branch, together with volunteers of the Integrated Youth Centre of Shatura, planted an alley of spruce, willow, amelanchier, and rowan trees on the shore of Chernoye Lake.
Environmental campaign "Global Cleanliness Day"	Employees of Smolenskaya GRES and schoolchildren from Ozerny Settlement performed a volunteer clean-up dedicated to the environmental campaign. The number of participants was about 40 people. They cleaned about 465 m of the coastal territory of the Smolenskaya GRES reservoir, as well as the park in Ozerny Settlement.
	Also, the Youth Association and employees of Berezovskaya GRES cleaned the water protection zone of Berezovsky Reservoir of litter. 10 cub. m of litter were collected.
Surgutskaya-2 GRES team entered "Clean Games", the city team competition in litter collection and sorting.	The team of the Surgutskaya-2 GRES Youth Association took part in the city ecological team competition. Among 28 teams composed of young workers of major employers in Surgut, our team won third place.
Surgutskaya GRES-2 Press Centre and Hydropower Facilities and Heating Network Shop placed environmental posters on the bank of Surgut Reservoir	Environmental paintings were placed along the bank of the Surgutskaya-2 GRES Reservoir. The authors were children of the Unipro employees who tried in their work to draw the adults' attention to environmental issues, the cleanliness of water bodies and shorelines, recycling, and responsible attitude to nature.

31 The technical solution applied at Surgutskaya GRES-2 involved the use of combined fish protection facilities with bottom electrodes, pontoon sections and a baffle boom; at the Yaivinskaya GRES — an air-bubble curtain with a floating boom.

Industrial Safety

Reliable and safe generation, operation of equipment, technical and production facilities is one of the strategic goals of Unipro. The Industrial Safety Policy is of essential value in this regard.

As part of bringing the documents of the industrial safety management system of Unipro PJSC in line with the requirements of Federal Law No. 116-FZ dated 21 July 1997 "On Industrial Safety of Hazardous Production Facilities" and Resolution of the Government of the Russian Federation No. 1243 dated 12 August 2020 "On Approval of Requirements to Document Support of Industrial Safety Management Systems", the "Regulations on Industrial Safety Management System at Unipro PJSC" were developed³². The Company's tasks and objectives to mitigate the risk of accidents at hazardous production facilities and the Company's industrial safety obligations are enshrined in the Industrial Safety Policy.

To ensure the reliable and safe operation and functioning of the equipment, technical devices, buildings and structures at the hazardous production facilities is one of the priority goals of Unipro.

The basic industrial safety principles are enshrined in the Policy adopted and are aimed at mitigating the risks of accidents at hazardous production facilities.

Industrial safety objectives:

- > Ensure the level of industrial safety at the operational hazardous production facilities, at which the risk of accidents and incidents is absent or minimum;
- > Ensure continuous analysis and improvement of functioning of the industrial safety management systems and production control;
- > Fulfil plans of actions to enhance the industrial safety level.

Unipro PJSC is committed to the following:



To comply with the legislation and other requirements governing the Company's industrial safety activities;



To ensure the readiness of the Company's management bodies, employees, emergency rescue services and units to localise and eliminate the consequences of possible accidents, incidents, fires at hazardous production facilities;



To identify and eliminate potential threats of accidents, incidents, fires and personal injuries while operating hazardous production facilities, and to manage industrial safety risks;



To consult the Company's employees engaged in the operation of hazardous production facilities and their representatives on industrial safety issues;

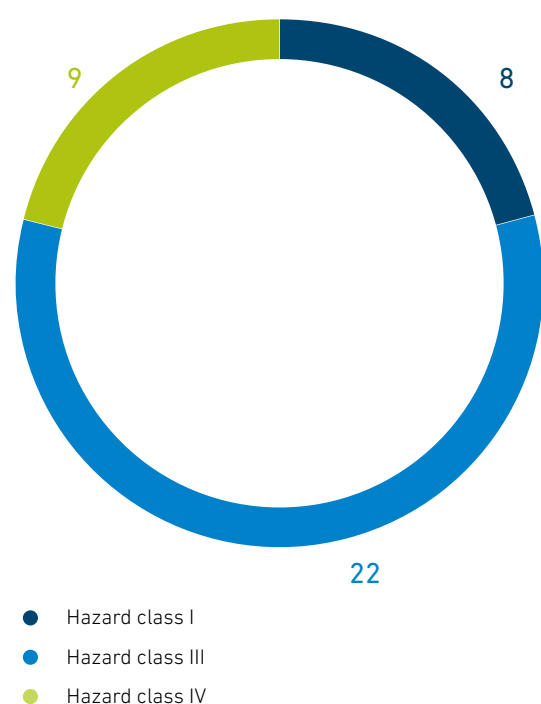


To ensure the development and continuous improvement of the industrial safety management system, to improve its performance and to implement best practices.

32 Approved by Order of the General Director No. 212 dated 20 December 2021.

The industrial safety goals and objectives are aimed at mitigating industrial risks at the operational hazardous production facilities by improving production control, the quality of repairs and industrial safety expert-examinations. The development of an Industrial Safety Management System (hereinafter the "ISMS") in Unipro PJSC is mainly driven by the operation of hazardous production facilities referred to Hazard Class II in the Company. The ISMS requires planning and follow-up of certain measures, implementation of corrective and preventive actions, conduct of inspections and analysis of the effective operation of the system in accordance with the Company's Industrial Safety Policy, as well as development of measures for consistent improvement and adjustment of the system to

HPF Distribution by Hazard Classes



All the HPF and hydraulic facilities 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.

The Company ensures control over the operation of HPF in accordance with Industry Standard STO No. UPBiTA-02PB "Regulation on the Process Control over Compliance with the Industrial Safety Requirements at Hazardous Production Facilities of Unipro PJSC" (approved by Order of the General Director No. 204 dated

changing circumstances. Operation of hazardous production facilities ("HPF") is controlled by the Company in accordance with the Regulation on Production Control over Compliance with the Industrial Safety Requirements at Hazardous Production Facilities of Unipro PJSC in 4 stages as per the annual production control plan.

Unipro PJSC operates 39 hazardous production facilities registered in the state register as required by Federal Law No. 116-FZ dated 21 July 1997 "On Industrial Safety of Hazardous Production Facilities" and assigned a relevant hazard class – Registration Certificate A58-70689.

Distribution of HPF, Technical Devices (TD), Buildings and Structures (BS), Hydraulic Facilities (HF)

Branch	HPF	TD	BS	HF
Yaivinskaya GRES	8	565	143	13
Surgutskaya GRES-2	6	1 058	222	1
Berezovskaya GRES	6	1 041	203	26
Shaturskaya GRES	14	764	444	1
Smolenskaya GRES	5	406	121	3
Total	39	3,834	1,133	44

08 December 2021) through a four-step process as per the annual production control plan.

As part of bringing the documents of the industrial safety management system of Unipro PJSC in line with the requirements of Federal Law No. 116-FZ dated 21 July 1997 "On Industrial Safety of Hazardous Production Facilities" and Resolution of the Government of the Russian Federation No. 1243 dated 12 August 2020 "On Approval of Requirements to Document Support of Industrial Safety Management Systems", the "Regulations on Industrial Safety Management System at Unipro PJSC" were developed (approved by Order of the General Director No. 212 dated 20 December 2021). The Regulations contain information on the Industrial Safety Management System in force at the Company, include and establish the requirements

provided for by federal rules and regulations, in-house policies and procedures of the Company and other regulatory industrial safety documents in relation to hazardous production facilities operated by the Branches. The Regulations are an integral part of a set of organisational, technical and process measures aimed at preventing accidents and incidents at HPF. Compliance with the procedures established by these Regulations is controlled at the Company by the Industrial Safety and Technical Audit Department and at the Branches by the Reliability, Environment and Fire Safety Departments within their authority. Criteria systems and assessment in accordance therewith of the efficiency of the industrial safety management system at Unipro PJSC were established.

In order to establish the compliance with the industrial safety requirements at the HPF of the Company's Branches, 448 industrial safety expert reviews, out of which 408 technical devices and 40 buildings and structures, were carried out in accordance with Federal Law No. 116-FZ "On Industrial Safety" in 2021.

The staff industrial safety certification is carried out in accordance with the requirements of the "Regulation on Staff Certification in Industrial Safety, Safety of Hydraulic Facilities, Safety in the Electric Power Industry" approved by Resolution of the Government of the Russian Federation No. 1365 dated 25 October 2019 – using the information system "Single Testing Portal".

In April 2021, the Federal Environmental, Industrial and Nuclear Supervision Service inspected the compliance with the industrial safety requirements at all branches of the Company. No violations affecting the safety of the operated hazardous production facilities were identified. The measures prescribed in the improvement notices issued by results of the inspection are taken in accordance with the plans as part of the production programme.

In order to assess the functioning of the industrial safety management system, the state of fire safety and the level of technical operation of hazardous production facilities of the Company, the Industrial Safety and Technical Audit Department carried out on-site comprehensive inspections of Stage IV production control at Smolenskaya GRES, Yaivinskaya GRES, Berezovskaya GRES in accordance with the 2021 plan and schedules.

As for the technical devices which will be operated as part of Power Unit No. 1 of the Surgutskaya GRES-2 branch of Unipro PJSC, the following was done in the course of its modernisation:

- > compliance of 2 equipment units with the requirements of the Technical Regulation of the Customs Union "On Safety of Equipment Operating under Excessive Pressure" was assessed (documents confirming the conformity to TR CU 032/2013 were received);

- > the commissioning check of the facility readiness for operation was carried out with the participation of an inspector of the North Ural Department of Rostekhnadzor;
- > two new technical devices were registered and recorded with the North Ural Department of Rostekhnadzor.

In accordance with the approved production programmes, activities were performed, aimed at bringing HPF 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 2021 were taken in full.

To ensure safe and reliable operation of HPF, compliance with the legal requirements, and timely planning and scheduling as well as performance and control of diagnostic and routine procedures by the Company, the Company continued implementing and modernising the Industrial Safety Management Automated Information System (ISMAIS) in 2021.

Based on the experience of operating the existing components of the ISMAIS, the following modules were improved and adjusted: a report on arranging for the production control, the section "Certification", the section "Incidents", the section "PC Electronic Log".

Consistent modernisation of the ISMAIS enables the Company to ensure a more efficient management of industrial safety business processes, reveal and correct all irregularities promptly, and plan its process safety ensuring efforts.

In order to fulfil the requirements of the Administrative Regulation for the Provision of Public Service on Registration of Hazardous Production Facilities in the State Register of Hazardous Production Facilities by the Federal Environmental, Industrial and Nuclear Supervision Service No. 140 dated 08 April 2019, amendments were made to the State Register regarding 11 hazardous production facilities:

- > GRES auxiliary facilities site of Smolenskaya GRES Branch, Reg. No. A58-70689-0029;
- > GRES fuel facilities of Smolenskaya GRES Branch of Unipro PJSC, Reg. No. A58-70689-0028;
- > Transport section of Smolenskaya GRES Branch of Unipro PJSC, Reg. No. A58-70689-0042;
- > Gas consumption network of Shaturskaya GRES Branch, Reg. No. A58-70689-0040;



- > Transport section of Shaturskaya GRES Branch, Reg. No. A58-70689-0023;
- > GRES auxiliary facilities site of Berezovskaya GRES Branch, Reg. No. A58-70689-0019;
- > GRES fuel facilities of Berezovskaya GRES Branch, Reg. No. A58-70689-0013; GRES auxiliary facilities site of Surgutskaya GRES-2 Branch, Reg. No. A58-70689-0003;
- > GRES main building site of Yaivinskaya GRES Branch, Reg. No. A58-70689-0009;
- > Main building site of the CCGT-400 power unit of Yaivinskaya GRES Branch, Reg. No. A58-70689-0056;
- > GRES auxiliary facilities site of Yaivinskaya GRES Branch, Reg. No. A58-70689-0011;

Amendments were made to the policies for compulsory insurance against third-party liability of the hazardous facility owner for harm caused by an accident at the HPF.

2022 and Midterm Plans:

- > To fulfil the plan to improve industrial safety;
- > To improve the existing and to develop new in-house policies and procedures that ensure industrial safety compliance with the requirements of internal standards and the conformity to federal rules and regulations newly put into effect;
- > To ensure the compliance with the industrial safety requirements for operated hazardous production facilities by fulfilling plans to carry out expert reviews, evaluations and surveys, carrying out scheduled preventive repairs and monitoring the technical state of buildings, structures and technical devices;
- > To implement and to develop digitalisation processes in the planning, implementation and assessment of performance of measures to ensure the efficient functioning of the industrial safety

management system by improving the automated information system for managing and arranging for industrial safety.

The main risk factors for emergencies at Unipro PJSC branches are as follows:

- > destruction (loss of containment) of process equipment and tanks, failure of emergency protection systems;
- > errors, delays and/or inactivity of personnel in normal and abnormal situations, unauthorized personnel actions;
- > external natural and man-made events;
- > non-compliance with industrial and fire safety rules by personnel, as well as traffic rules on the territory of the plant by vehicle drivers;
- > unlawful actions leading to an intentional emergency (sabotage, terrorist acts).

The following also pose a potential emergency danger:

- > hydraulic structures with waterfront of hydro power plant hydro systems (spillway and earthen dams);
- > explosive and flammable substances (natural gas, hydrogen, turbine and transformer oil, coal, fuel oil);
- > hazardous chemicals (sulfuric acid, caustic soda, and ammonia water);
- > high pressure vessels;
- > hoisting equipment.

The basis for the emergency prevention and response in the branches are facility-level elements of the Functional Emergency Prevention Subsystem at Fuel and Energy Complex facilities of the Ministry of Energy of Russia, which is a part of the Unified State Emergency Prevention and Response System. The coordinating management bodies are the Commission for the Emergency Prevention and Response and Fire

Safety, the day-to-day management bodies are the duty dispatcher services of the branches, functions of the day-to-day management bodies are assigned to the Civil Defense and Emergency Headquarters. Branches also include non-regular emergency rescue teams, non-regular civil defense units, fire units, and professional emergency rescue teams involved in the provision of fire protection services and rescue support to the branch facilities.

The warning system for branch personnel and the public living near hazardous production facilities is based on local warning systems, i.e., sets of organizational and technical measures to protect branch personnel and the public from the consequences of accidents and emergencies, implemented to eliminate or maximally reduce the number of victims in emergencies at potentially hazardous facilities. Local warning systems are designed to promptly provide signals and information about a potential or actual emergency. Coverage of the personnel by warning means: electric horns - 100%, wire broadcasting - 85%, radio broadcasting - 97%.

During 2021, government oversight authorities conducted scheduled and unscheduled inspections of compliance with the established requirements in the field of civil defense and emergency situations.

In 2021 staff training in civil defense and emergency management issues was organised and held in Unipro PJSC branches in accordance with the requirements of regulatory legal acts. All the planned measures for training and improving the training resources and facilities have been fully implemented (239 employees were trained).

All newly hired Unipro PJSC employees are required to get an introductory briefing on civil defense and emergency management during their first month of employment. In 2021, 55 drills and training exercises were planned and carried out at Unipro PJSC branches (3 integrated drills, 5 HQ exercises, 5 special tactical training exercises, and 42 on-site training exercises), in which 1,181 employees took part.

During the reporting period, 3,193 introductory briefings were held on fire safety rules, including for contractors' employees. 366 briefings on fire safety measures and 1,139 presentations on fire-related topics were conducted in labour collectives. 64 planned fire-fighting drills were conducted with the participation of fire safety divisions, where 2,329 employees of branches and fire safety divisions were involved.

A number of accidents involving fire outbreak have been recorded within the branch site and facilities for the reporting period. The rapid response proved a high readiness of fire protection units: there were no open fires, no property damage, and no casualties.

4.7 Social Activities and Contribution to the Development of the Regions of Footprint

Unipro PJSC is a socially responsible Company which branches are located in 5 regions of the Russian Federation. The development of its regions of footprint is one of Unipro's priorities.

During the reporting year, Unipro created 13 new jobs: 7 at Berezovskaya GRES, 3 at Surgutskaya GRES, 2 in the Headquarters and 1 at Shaturskaya GRES.

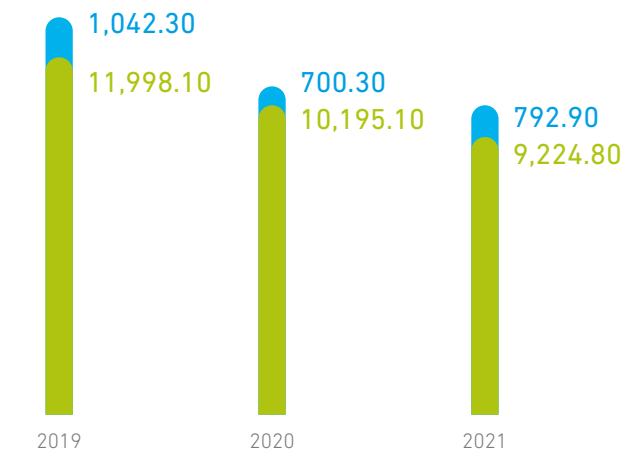
GRI 203-1

The Company is a major taxpayer in the regions of its footprint.

Tax Paid, RUB Mln

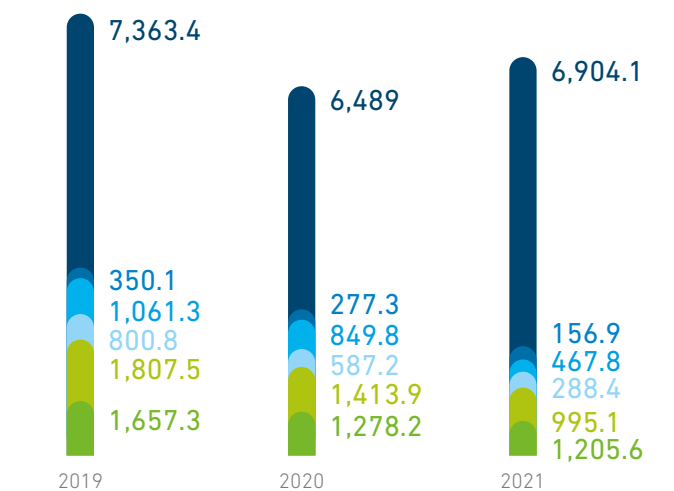
Taxes paid to budgets of all levels	2019	2020	2021	Taxes paid to budgets of all levels	2019	2020	2021
VAT	5,657.8	4,961.7	5,485.1	Transport tax	2.6	2.7	2.7
Profit tax, including:	5,003.0	3,807.3	2,035.2	Berezovskaya GRES	0.6	0.6	0.6
Berezovskaya GRES	1,059.7	862.5	679.2	Shaturskaya GRES	1.2	1.2	1.2
Headquarters	938.1	705.3	353.8	Smolenskaya GRES	0.3	0.3	0.3
Shaturskaya GRES	825.3	622.3	243.7	Surgutskaya GRES-2	0.3	0.3	0.3
Smolenskaya GRES	294.1	220.7	99.1	Yaivinskaya GRES	0.3	0.3	0.3
Surgutskaya GRES	1,240.0	941.5	500.2	Land tax	31.6	29.2	28.6
Yaivinskaya GRES	645.8	454.9	159.1	Berezovskaya GRES	8.2	8.4	8.4
Dividend profit tax	589.1	588.7	839.7	Shaturskaya GRES	3.6	2.7	2.7
MET	0.0	0.0	0.0	Smolenskaya GRES	5.3	5.5	5.5
Water tax	1.7	1.9	2.6	Surgutskaya GRES-2	10.7	10.8	10.8
Property tax	1,008.1	668.5	761.5	Yaivinskaya GRES	3.8	1.9	1.2
Headquarters	0.1	-	-	Other (state duty)	0.7	- 0.1	0.6
Berezovskaya GRES	443.4	246.8	332.6	TOTAL tax paid	13,040.4	10,895.4	10,017.8
E.ON Engineering	0.1	0.4	0.4	Insurance contributions to state non-budget funds	1,386.4	1,521.9	1,662.3
Shaturskaya GRES	133.5	120.2	116.0				
Smolenskaya GRES	16.1	15.1	14.7				
Surgutskaya GRES-2	308.9	205.1	220.8				
Yaivinskaya GRES	105.9	80.8	77.1				
Personal income tax	719.4	810.0	834.9				
Headquarters	149.6	205.8	195.5				
Berezovskaya GRES	121.5	127.6	139.0				
E.ON Engineering	23.8	31.9	45.5				
Shaturskaya GRES	97.7	103.4	104.2				
Smolenskaya GRES	34.2	35.7	37.3				
Surgutskaya GRES-2	247.6	256.1	262.9				
Yaivinskaya GRES	45.0	49.4	50.7				
Personal dividend income tax	26.4	25.6	26.7				

Tax Payments by the Budget Level, RUB Mln



- Federal budget
- Regional and local budgets

Tax Payments by the Region, RUB Mln



- Krasnoyarsk Territory
- KHANTY-MANSI AUTONOMOUS DISTRICT-Yugra
- Perm Territory
- Moscow Region
- Smolensk Region
- Moscow

Objectives of Unipro PJSC Social Investment

The Company annually implements a comprehensive Social Investment Programme aimed at improving the quality of life in the regions of its footprint and at educating a new generation of professional power engineers. In January 2021, the Company approved

the Corporate Communications Regulations of Unipro PJSC which determine, among other things, the basic principles of the Company's corporate social responsibility activities.

GRI 203-2

Objectives of Unipro PJSC Social Investment:

Creating a favourable environment among employees to facilitate improvements in the loyalty of the staff and appeal of the Company as an employer



Strengthening the Company's reputation and credibility among third parties (population in the regions of the Company's presence, local administrations, and other stakeholders)

Demonstrating responsible attitude to the social environment in which it operates



Unipro renders assistance to children's organisations and institutions, healthcare facilities, veterans of wars and armed conflicts, honoured workers of the industry, low-income citizens and education, culture and sports projects.

The basic principles of the charitable programme are transparency, targeting and efficient use of funds.

In 2021 the assistance was addressed to:

20

preschool secondary and higher educational institutions

10

sports projects

4

charitable foundations

10

cultural institutions

5

health care institutions

2

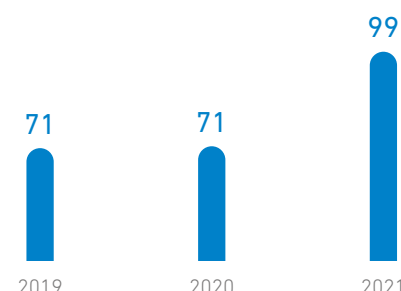
festivals

The Company carries out its charitable activities in two basic forms:

- > **Charity is a type of Social Investments** as permitted by the current legislation of the Russian Federation providing for free transfer of funds (assets) by the Company to support non-profit initiatives (implementation of cultural, sports, or social projects) in the instances when the Company expects no quid pro quo from a third party.
- > **Sponsorship** is a type of Social Investments as permitted by the current legislation of the Russian Federation providing for contractual partnership with a company or event organisers where the Company secures certain rights and preferences for its PR and marketing objectives (e.g., strengthening of the Company's business reputation, promoting the Company's brand) in exchange for financial support agreed upon by the parties.

Public health projects and initiatives, educational projects, cultural, and sports projects shall be prioritised for nomination as potential beneficiaries of charity support or sponsorship in the Company. The main criterion for allocating funds to charity is the greatest coverage of the residents of the territory who will be able to benefit from the Company's support.

Total Social Investment, RUB Mln



Over the past three years, the total social investment amounted to about

241 RUB mln

Education Projects Support

Support of education is one of social priorities of Unipro PJSC. As part of the charitable assistance programme, the Company implements a wide range of educational projects.

In 2021 all branches provided financial assistance to the project "Career Begins at School"

2.5 RUB mln

were allocated for its development

From 2017, the first-in-Shatura urban district class with enhanced studies of physics and mathematics is in place with the support of Shaturskaya GRES Branch. Since then, students participated in conferences, forums and power-related academic competitions. The second power-related class graduated in June 2021. Last year, the students of the new power-related class visited the museum of the power plant history and took part in an open lesson with a representative of the operational excellence function of the branch.

A lot of work is being done with the industry-specific educational institution – the Shatura Power Engineering College. Students may attend professional navigation lectures, take part in excursions to the power plant and meetings with power engineers.

In September 2021, 20 second-year students of the group of relay protection and automation of electric power systems wrote a dictation dedicated to the history of the Shatura power plant construction. The text of the dictation was based on the memoirs of Alesha Radchenko, the son of Ivan Ivanovich Radchenko, who headed peat mining at the beginning of the last century.

In 2021, multimedia equipment was updated in the power-related class of the secondary school in Ozerny Settlement thanks to support of Smolenskaya GRES Branch. Students of 9 grades studied in the power-related class in 2020-2021 in the foreman for control and measuring equipment branch of study. As part of the project "Career Starts at School", schoolchildren from Ozerny visited the Smolensk Educational Technological Academy. The students completed the "Fundamentals of Electrical Installation" introductory course. Each of the students was able to lay the cable on the stand, assemble the simplest electrical circuit of "light bulb-switch-protection" and check its operation. In addition, the schoolchildren became aware of the Smart Home system and of what it controls.

A project of interactive teaching aids that is implemented together with Surgutskaya GRES-2 was presented on 1 September at Municipal Budgetary General Education Institution Secondary School No. 19.

Innovative technology enables to download an app that helps learning more about the power industry and future jobs in the industry. The interactive feature enables to see and learn more about 25 sections dedicated to the jobs of the future until 2030 – the fields that will enjoy the highest demand according to the Agency for Strategic Initiatives, Skolkovo, and federal experts. The key module is dedicated to power generation and storage, power lines, and power consumption management. In addition, a new sports ground was installed at the school, among other things, at the expense of Unipro PJSC, by 01 September, which will enable the children to practice, to develop their sports skills and to join a healthy lifestyle.

Thanks to Smolenskaya GRES, the walls of the swimming pool were repaired at the Ozerny secondary school, the street pavement was repaired and old windows were replaced at Prechistenskaya Secondary School, the south facade of Skazka Kindergarten building was repaired, the children's group was repaired and the roof of the pavilions was replaced at Kolokolchik Kindergarten.

In addition, assistance was rendered to the Odyssey ship modelling club for the replacement of lighting in the working class and the purchase of model components.

In the past year, Shaturskaya GRES provided financial aid to the Comprehensive Youth Centre, the town library, local kindergartens and the Shatura Power Engineering College as part of the Social Investment Programme. Out of the allocated funds, Shatura Lyceum purchased state-of-art interactive video panels and Municipal Budgetary General Education Institution Shatura Secondary School No. 1 replaced window blocks on the second floor of the building. Modern plastic windows were mounted in the chemistry, physics, library and medical rooms.

Out of the funds donated by Yaivinskaya GRES, the special boarding school reequipped a carpentry workshop for boys and purchased equipment for the medical room and the canteen.

Each first grader of Yaiva Settlement received a big stationery set on the Day of Knowledge.

In 2021, the Company's employees continued to share their knowledge about the profession of a power engineer with the younger generation.

For the first time, students of power-related classes from the town of Shatura, Surgut, Ozerny Settlement and Yaiva Settlement visited the online guided tour to the Museum of Berezovskaya GRES History that was conducted by the head of the branch Press Centre. More than 50 persons could plunge into the past, hear interesting facts, see the unique layout of Berezovskaya GRES which has the status of a grade I science and technology monument, the main control room from which the first power unit was launched in 1987, historical finds discovered by archaeologists in the territory of Berezovsky Quarry. The students learned how Siberian villages lived before large power plants appeared.

In 2021, a number of guided tours was held at Berezovskaya GRES for students of the power-related class and for children who chose the chemical and biological branch of study. Future power engineers had the opportunity to see the production facilities of the power plant, the equipment, the workplaces of mechanics and shift supervisors. The children visited the chemical laboratory, tried to carry out analyses and tests themselves. The branch arranged for other events to disseminate knowledge among the younger generation. Dmitry Kazarin, Director of the

power plant, representatives of the plant workshops, departments and functions, talent pool members and young professionals held meetings with the students of the power-related class of Sharypovo School No. 8 on a regular basis. All of them shared their experience with the schoolchildren who decided to devote their lives to the power industry.

Guided tours are regularly held for students at the museum of Berezovskaya GRES, where the guests learn about the power plant history.

The management of sponsored secondary schools did not stand aside either. The next online training was held for the directors of all power-related classes. Irina Kislova, Deputy Director of the Shatura Lyceum, shared her successful experience in arranging for academic work and answered questions of her colleagues.

Within the project "Energy Efficient Generation", Ozerny Secondary School arranged for the entertaining quizzes "Planet of the Fuel and Energy Sector" and "Energy Efficient Generation". Schoolchildren of Grades 5 and 9 took part in the events. The employees of Smolenskaya GRES Branch helped prepare materials for the quizzes. In the course of events, the children learned about different fuel and energy sectors, difficult work in the power industry, where and how minerals are extracted and how electric power is generated.

Healthcare Projects Support

In 2021, Unipro PJSC rendered additional assistance to health care institutions by allocating about RUB 10 mln

In the summer of 2021, Unipro donated a Class B ambulance car to the Sharypovo Municipal Hospital that is equipped with the most state-of-art equipment for emergency care, transportation and monitoring of the patient at the pre-hospitalisation stage. Its medical outfit makes it possible to launch medical intervention even before arrival to the hospital. As early as in the car, the doctors will be able to make an EKG, an express blood glucose test, administer resuscitation procedures, and assist with emergency delivery. The car interior is equipped with an AC unit, bactericidal lamp, and anti-epidemic kit with a respirator.

In addition, funds were allocated to the Sharypovo Municipal Hospital for the purchase of oxygen concentrators, irradiators, beds with mattresses and sets for long-term infusions.

Assistance was rendered to the Shatura Central District Hospital as well: about two and a half mln roubles were transferred to purchase medicines and medical equipment for the treatment of COVID-19 patients.

As part of its Social Investment Programme, 12 tablets were procured for the general physicians of Surgut Municipal Outpatient Clinic No. 3 in June. From now on, as they take a house call, doctors will be able to use the tablet and mobile app to review the patient's medical record, generate a sick leave certificate, and issue a subsidised prescription. The new service makes it possible to shorten the time required to record the call and transmit the necessary information to doctors significantly and minimise any distortions of data during transmission thereof by phone from the operator to the doctor.

Cultural Projects Support

The social responsiveness activities carried out by the company contribute not only to the socio-economic development of the Russian regions, but also to the preservation of traditional intellectual and cultural values. Unipro PJSC provides charitable assistance to museums and theatres.

In 2021, the Company continued to support scheduled cultural and sports events in the regions of its presence, despite the difficulties of conducting them in the context of the spread of the new virus.

Unipro supported the XIII International Vivacello Festival, which was held in Moscow from 09 to 20 November 2021. Vivacello is the only large-scale project devoted to cello music in Russia.

In 2021, the famous cellists Xavier Phillips, Dmitry Yablonsky, Julian Rakhlin (violin), Sarah McElravy (viola), pianist Konstantin Lifshits, conductor Oleg Caetani, jazz masters and leading musical groups took the stage.

One of the mega events of the festival was the world premiere of a new work by Samuel Struck, bright and original French composer, guitarist and conductor, i.e., the concerto for cello and guitar with the orchestra "Eliza, My Mirage". The Cello Concerto by Gabriel Prokofiev, a British innovative composer, a grandson of Sergei Prokofiev, was also performed for the first time in Moscow.

As the custom has it, the Company supported the Theatre Festival "Golden Mask" in August 2021. Bereznikovsky Drama Theatre hosted wonderful performances by St. Petersburg Subbota Theatre. The theatrical tour programme was opened by the play for children and adolescents "Tsatsiki Goes to School", and the next day, spectators saw an unexpected and vivid interpretation of Nikolai Gogol's comedy "The Government Inspector" directed by Andrei Sidelnikov, Chief Director of Subbota Theatre. In addition to the

performances, the programme of the "Golden Mask" in Berezniki included a creative laboratory for the artists of Bereznikovsky Drama Theatre. Theatre critic Yulia Kleiman gave an open lecture on storytelling in international practice, and directors and teachers Ilya Barabanov and Sergei Shchedrin conducted individual and group master classes with actors from Bereznikovsky Drama Theatre.

In 2021, Unipro became a partner of Krasnoyarsk Art Museum named after V.I. Surikov for the fifth time. With the support of Berezovskaya GRES Branch, the exhibition "Holy Russia" by Mikhail Nesterov, the world-famous Russian and Soviet painter, started in Krasnoyarsk Art Museum named after V.I. Surikov. The renovated painting was seen by thousands of residents of Krasnoyarsk Territory. The Branch employees had the opportunity to visit the exhibition for free and to see the world's masterpiece of art.

To assist in cultural and historical heritage preservation, Unipro regularly supports and finances projects for updating the material and technical base of cultural institutions: museums, cultural centres, libraries in the regions where the enterprises operate.

In 2021, Yaivinskaya GRES Branch sponsored traditionally the annual inter-municipal festival for disabled children "Ray of Hope". Thanks to the power engineers, Yaiva Museum of Local Lore began designing a new permanent exhibition which will continue in 2022. Funds were allocated to the Kizel Blind Association for the purchase of blind-aids for the blind.



Sports Projects Support

Unipro PJSC actively promotes the development of physical culture and mass sports. The charity projects are aimed at promoting a healthy lifestyle, repairing and equipping sports facilities.

The company has been supporting the Zvezda sledge hockey club for several years now. In 2021, the allocated money was applied to purchase uniforms for sportsmen and financial aid was provided to those players who needed medical care due to the pandemic.

The football players of the Energy team, for which the Shaturskaya GRES employees play, won a number of awards in 2021: the team became the champion of the Super League of the Shatura Town District in mini-football 2020/2021 and the absolute champion of the summer football season.

In addition, Shaturskaya GRES continued to support the skiing class for children and teenagers. In 2021, modern and, most importantly, comfortable equipment for training and competitions was purchased for the young skiers.

Thanks to Yaivinskaya GRES, young hockey and football players received new uniforms, outfits and equipment.

In 2021, Smolenskaya GRES helped the taekwondo classes of Dukhovshchinsky Region. The classes applied the allocated funds to purchase sports equipment, promising sportsmen went to training camps and to European level competitions. During the year, Dukhovshchinsky taekwondo practitioners repeatedly became winners and awardees of regional and Russian competitions. In September 2021, Matvey Karnaukh (Dukhovshchina) won a bronze medal at the Junior European Championship. In 2021, the Company approved a valuable For the Will to Win award at the

taekwondo tournament in Smolensk Region. It also provided assistance to a boxing club in Ozerny Settlement.

Futsal is actively developing in Sharypovo both among boys and girls. The children successfully perform at competitions of various levels and there are a lot of people who want to play football. In November 2021, Berezovskaya GRES helped to hold a football tournament to celebrate the Power Engineer's Day in Sharypovo. 115 young male and female footballers took part in the competition. All participants of the junior futsal tournament received memorable gifts, power engineers awarded a professional soccer ball to each team, the best forwards, defenders and goalkeepers of the tournament and coaches of the winning teams were awarded prizes.

Surgutskaya-2 GRES supported municipal synchronised swimming teams. Funds were used to prepare for the competition. In November, athletes from Surgut took part in the All-Russian competition "Pearl of Yugra" in Khanty-Mansiysk. In addition, the branch provided assistance to para-badminton players of Surgut Region. The funds transferred by the Company were applied to purchase sports equipment. This year, Dmitry Frolov and Agvan Piloyan have made Candidate Masters of Sports. Assistance was also provided to district rugby players. The funds were used to pay for travel to competitions and purchase of team uniforms. In early August, the women's team Northern Foxes from Surgut took part in the Russian Beach Rugby Championship held at the aquatic arena in Moscow. The team was ranked 8 at the Championship.



Volunteer Movement

In 2021, despite the difficult epidemiological situation, volunteering continued to develop.

During the year, employees of Yaivinskaya GRES participated in a campaign to support a shelter for abandoned animals in Kizel accepting animals from Yaiva. Power engineers collected food and consumables, held a wood-chopping tournament and then provided firewood to the shelter for heating.

In September, young employees of Yaivinskaya GRES took part in planting of lindens in Yayva Settlement.

Power engineers of Shaturskaya GRES took part in My Choice career guidance campaign and held an event for children from social rehabilitation centres in Shatura and Roshal together with other employees of city district entities and companies. The event aimed at showing employment opportunities in the area, discussing social support and inspiring young people to find their calling. Volunteers showed and trained the basic professional skills with the younger generation. "It's an interesting experience for me. For example, it is not enough to understand the operation of a turbine, you still need to be able to convey it to children, explain it in plain language," Sergey Zhuravlev, Lead Production Engineer of the steam and gas turbine shop, shared his impressions. As part of the event, children also learned about the professions of an entrepreneur, beekeeper, veterinarian, firefighter and traffic police officer. The children listened to the guests with enthusiasm, asked many questions and participated in discussions.

In May, employees of Smolenskaya GRES planted poles of ornamental apple and maple trees on Energetikov Alley and in the park near the Settlement administration.

During the year, Smolenskaya GRES employees and students of the 10-11th grades of the Ozerny Secondary School joined the International Clean Up the World campaign and the All-Russian Environmental Water of Russia campaign. Together they cleaned up coastal strips of the plant's water discharge, the beach and the park behind the stadium in Ozerny Settlement and vacation spots for Ozerny residents.

Every year, young employees of Berezovskaya GRES strive to provide assistance to the distressed population. In 2021, following a good tradition, the association started a fundraiser for the charity event "Help Me Go to School". In addition, the volunteers congratulated all students of Sharypovo School No. 8 on 1 September; dressed in Uniproshka life-size puppet, they entertained and took pictures with the children. The youth association also holds events to help abandoned animals, garbage collection events at the plant. In the summer, they held a collective flash mob to celebrate healthcare workers.

In 2021, sixty high school students joined the Unipro team under the summer employment programme for teenagers. More than forty of them are the children of Berezovskaya GRES employees. The children helped housing and utility services to landscape the city. The girls mastered the basics of document management at Sharypovo Branch of the Pension Fund and the Administrative Commission.

In December 2021, employees of the Moscow representative office participated in an online fair to help severely ill children undergoing treatment and rehabilitation. In total, RUB 102,700 were raised.

Support of Charitable Foundations

In 2021, Unipro provided assistance to three care recipients of GALCHONOK Charitable Foundation for Children and Youth with central nervous system disorders. The kids were provided with the equipment required for further rehabilitation.

In 2021, the Company again held the annual campaign “Books as a Gift” as part of cooperation with the foundation “Illustrated Books for Blind Children”. During this campaign, 22 institutions for visually impaired children received 202 sets, including books with a Magic Pencil device (“The Snow Queen”, “Christmas”

and “Journey into History”). The series of books allows to improve knowledge of preschool children, obtain historical information in plain terms. Unique and interesting design will enhance the visually impaired kids’ sensory experience.

Social initiatives

In November, an opening ceremony of Fox, The Journalist sculpture was held in HCC Stary Surgut. Installing the bronze fox became possible due to inclusion of the “Follow the Fox” project in the Social Investment Programme of Surgutskaya-2 GRES. It is already the sixth sculpture devoted to foxes in the Historical and Cultural Centre Stary Surgut and the first funded by Unipro PJSC.

Shaturskaya GRES annually celebrates veterans who are currently employed at the plant and pays for subscriptions to 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 meetings dedicated to the Victory Day and Day of Remembrance of Russians who performed official duty outside the Fatherland.

On 9 May, all veterans of the Great Patriotic War of Ozerny Settlement received financial aid for treatment and purchase of medicines.

On the eve of Victory Day, Surgutskaya GRES-2 provided financial assistance to the city public organisation of veterans (pensioners) of war, labour, armed forces and law-enforcement agencies for the third

year in a row. The funds were allocated to purchase food packages and hold festive events dedicated to the holiday.

Yaivinskaya GRES provided funds to establish a therapeutic group for pensioners. Elderly people were able to receive treatment, have a massage and other health-improving practices and to visit the swimming pool. Eventful leisure time was arranged for them.

Berezovskaya GRES has allocated funds for gifts to all veterans of the Great Patriotic War in Sharypovo as it did in previous years. On the 76th anniversary of the Great Patriotic War in Sharypovo, ten participants in the battles of the Great Patriotic War and 115 widows of deceased war veterans, prisoners of concentration camps, survivors of the Siege of Leningrad and home-front workers with equal status were congratulated.

The plant’s youth association came up with the “Letter of Gratitude to Veterans” initiative to collect children’s drawings and crafts. The communication was published in social media and posted on bulletin boards at the plant. About 80 people responded to the request of the youth. Colourful postcards and letters with warm words of congratulations from the children of the town were delivered to the elderly.



Uniproshka for Kids

The communication project “Uniproshka for Kids” has been held in the regions where the Company operates since 2018. Its main goal is to teach children of preschool and primary school age how to behave correctly and, most importantly, safely in the street, at home, as well as in public places, that is, to help them master the basic skills of behaviour in emergencies. The power engineers are implementing this beneficial project with the help of Uniproshka – a character invented by the Company.

In 2021, the project entered a new stage of development, when the Company arranged interactive online classes allowing to cover new schools in the regions where Unipro PJSC operates. This year, the project is focused on personal safety in the summer, energy and resource saving and personal safety during winter holidays.

The new event format allowed us to expand coverage in the regions where we operate; a total of 1,795 children attended online classes. In addition to schoolchildren from Surgut, Yaiva, Sharypovo, Shatura and Ozerny, the classes were attended by schoolchildren from Cherusti (Shatura District, Moscow Region) and Aleksandrovka (Perm Territory).

In addition to online classes, at the beginning of 2021, Ozerny Secondary School hosted classes on the waterbody safety in winter. More than 370 schoolchildren attended the events for two weeks. The children learned the risks associated with first ice, points where they could go on a frozen waterbody surface, how to check the ice thickness and how to act in situations when they fell through the ice.

In April 2021, Shaturskaya GRES Branch of Unipro PJSC together with the traffic police held the Light Up and Be Visible on the Road event; traffic police officers and Uniproshka reminded passers-by of the traffic rules and provided reflective badges near School No. 4 in Shatura.



In advance of the winter holidays in December 2021, traffic police officers supported by Berezovskaya GRES Branch of Unipro PJSC held traffic awareness classes at schools. The topic of meetings with students was their safety on the road in winter. Event organisers called for the obligatory wearing of reflectors and also told the children where they would be more visible to drivers on their clothes. Reflectors were also sent to Schools No. 2, No. 12, No. 6 in Sharypovo, schools in Rodnikovskoye and Shushenskoye. In total, Berezovskaya GRES delivered to the traffic police about 300 reflective stickers developed as part of the project “Uniproshka for Kids”.

In addition, the State Traffic Inspectorate of Sharypovo installed two models of a child pedestrian at unregulated pedestrian crossings with heavy traffic at the expense of Unipro PJSC. Models of a boy and a girl are dressed in winter clothes with reflective elements. The figures are installed in Norilskaya Street near the children’s clinic and in Komsomolskaya Street near the Central Park. The structure urges drivers to slow down when approaching a pedestrian crossing and give way to pedestrians and reminds pedestrians of the rules for crossing the roadway and the need to use reflective elements.

The pandemic allowed to develop events in the Company’s social media. In 2021, a new contest for children “Imagine a Friend for Uniproshka” was held in VKontakte. Drawings of the participants were the basis for designing new characters and they have already been used in animations, colouring books and comics. Tutorial cartoons, comics, puzzles and useful tips from Uniproshka were posted on Instagram and VKontakte.

In addition, 2 new animations, “Uniproshka and Wild Animals” and “Uniproshka and Resource Saving”, a tutorial video on winter dangers and a colouring comic book were released.

CORPORATE GOVERNANCE

136
5.1
CORPORATE
GOVERNANCE
SYSTEM

140

5.2
SHAREHOLDERS
AND INVESTORS

145

5.3
MANAGEMENT
BODIES

161

5.4
AUDIT
AND CONTROL

166

5.5
RISK
MANAGEMENT

176

5.7
REPORT ON
REMUNERATION
OF MANAGEMENT
AND CONTROL
BODIES

174

5.6
COMPLIANCE
AND ANTI-CORRUPTION



5



5.1 Corporate Governance System

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

Unipro key priorities:

- > Organisation of effective corporate governance aimed at achieving the highest performance of the Company;
- > Increasing transparency and justifiability of governance processes for investors and contractors;
- > Risk mitigation and protection of rights and interests of the Company's shareholders.

The corporate governance system of Unipro PJSC is built in full compliance with the norms and requirements of the Russian legislation, listing rules of Moscow Exchange PJSC, recommendations of the Code of Corporate Governance of the Central Bank of Russia. In building an efficient corporate governance system, the Company is focused on introducing best governance standards used by Uniper Group.

The Company has adopted the Code of Corporate Governance of Unipro PJSC setting the fundamental requirements to ethical corporate behaviour and corporate governance principles: [GRI 102-16](#)

- > Accountability
- > Fairness
- > Responsibility
- > Transparency
- > Ethics
- > Sustainability
- > Reliability

Continuous improvement of corporate governance is considered by Unipro PJSC as an integral part of the large-scale work to improve the efficiency and competitiveness of the Company. The quality of governance practices is subject to ongoing monitoring by the Board of Directors and executive bodies of the Company.

In 2021, the Company continued to improve its corporate governance system in accordance with the legal requirements, recommendations set forth in the Code of Corporate Governance of the Central Bank of Russia and best corporate governance practices by promptly responding to changes in the external market conditions and corporate environment.

Measures for Improvement of the Corporate Governance System

Events organised in 2021	Plans for 2022
Relations with shareholders	
<ul style="list-style-type: none">> Creation of a "hot line"/forum for shareholders when preparing for General Meetings of Shareholders.> Performance of agitation and explanatory works with shareholders related to updating the personal data of a registered person in the register of shareholders.> Exemption of the Company's shareholders from payments charged by the registrar for updating the personal data of a registered person in the register of shareholders by concluding an additional agreement with the registrar on appropriate compensation.	<ul style="list-style-type: none">> Introducing a form on the Company's website allowing shareholders to ask questions about the items on the agenda of the Annual General Shareholders' Meeting and about materials for the Annual General Shareholders' Meeting addressed to the Board of Directors and the Company's top management.> Approval of the Regulation on the Procedure for Interaction with Shareholders.
Updating and creating internal documents	
<ul style="list-style-type: none">> The new version of the Company's Articles of Association was approved to align it with the Federal Law "On Joint Stock Companies" and to comply with the recommendations of the Central Bank of Russia Code, including the list of major corporate actions.> 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 the members of the Board of Directors was updated.> The Policy on Remuneration of Members of the Board of Directors was approved.> The Succession Policy for the Board of Directors was approved.> The Regulation on the Sustainable Development Committee of the Board of Directors of Unipro PJSC was approved.> In accordance with the current legislation of the Russian Federation, updated Articles of Association of Unipro PJSC and other internal regulatory documents, the following documents were approved in the new edition:<ul style="list-style-type: none">• Regulation on the Procedure for Preparation and Holding of the General Meeting of Shareholders;• Regulation on the Board of Directors;• Regulation on the Audit Committee of the Board of Directors;• Regulation on the Appointment and Remuneration Committee of the Board of Directors of Unipro PJSC;• Regulation on the Insider Information;• Code of Corporate Governance of Unipro PJSC;• Regulation on Compliance of Unipro PJSC (Compliance Policy of Unipro PJSC).	<ul style="list-style-type: none">> Approval of the Company's Anti-Corruption Policy> Approval of the ESG Strategy> Approval of the Environmental, Social and Governance (ESG) Risk Management Policy.> Approval of the updated version of the Regulation on the Internal Audit Department



Efficiency of management and control bodies

- > Self-evaluation of the performance of the Board of Directors of the Company and its Committees in 2020-2021 was performed, the results of which were reviewed at the in-person meeting of the Board of Directors.
- > The Sustainable Development Committee of Unipro PJSC was established.
- > The Schedule of Measures to implement the recommendations of the Central Bank of Russia Code and an Activity Plan to improve corporate governance practices were mostly implemented.
- > A compliance inquiry form has been introduced on the corporate portal for the Company's employees.
- > Increase in the number of meetings of the Board of Directors, including in-person meetings.
- > Appointment of a person in charge of sustainable development.
- > Establishment of sustainable development (ESG) KPIs for the Board of Directors of the Company from 2022.
- > Integration of sustainable development factors into the risk management and internal control system: development of an ESG Policy and implementation of assessment and control processes.
- > Introduction of a compliance inquiry form for third parties on the Company's website.

Information disclosure

- > The Corporate Governance section was updated on the Unipro's website in Russian and English.
- > Annual Report in accordance with GRI Standards was prepared.
- > Updating the Compliance section on the Unipro's website in Russian and English.
- > Increasing the volume of information disclosed on the Unipro's website in English.
- > Preparation of Annual Report in accordance with GRI and SASB Standards.

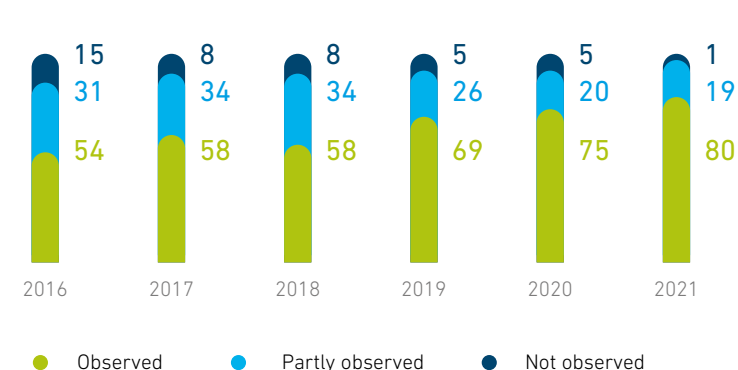
Compliance

- > Online training for 99% employees of the Company was conducted.
- > Ethics and compliance hotline was set up.
- > Conducting in-person compliance-trainings for employees of the Company.
- > Development and approval of a compliance risk map.
- > Implementation of an employee questionnaire system on compliance with the Code of Conduct.

The key performance targets for improving the Company's corporate governance system are the principles and recommendations of the Code of Corporate

Governance recommended by the Bank of Russia. In 2021, Unipro PJSC continued to align internal documents with the Code and develop new documents.

Assessment of Compliance with the Principles of the Code of Corporate Governance³³, %



Unipro PJSC fully or partially complies with

99%
of the principles of
the Code of Corporate
Governance of the Central
Bank of Russia

³³ Compliance with the corporate governance principles was assessed using the methodology developed by the Central Bank of Russia, taking into account the recommendations for the preparation of a report on compliance with the principles and recommendations of the Code of Corporate Governance (Annex to Letter No. IN-06-28/102 of the Central Bank of Russia dated 27 December 2021).

Compliance with the Principles of the Code of Corporate Governance³⁴

Section	Principles recommended by the Code	Principles fully adopted by the Company	Principles partially adopted by the Company	Principles not adopted by the Company
I. Shareholders' rights and equal treatment of shareholders in the exercise of their rights	13	10	3	0
II. The Company's Board of Directors	36	31	4	1
III. The Company's Corporate Secretary	2	2	0	0
IV. Remuneration system of the members of the Board of Directors, executive bodies and other key managerial staff of the Company	10	8	2	0
V. Risk management and internal control system	6	5	1	0
VI. Disclosure of information about the Company, the Company's Information Policy	7	3	4	0
VII. Major corporate actions	5	4	1	0
Total	79	63	15	1

Based on the audit of the corporate governance system of Unipro PJSC in 2019 by Allen & Overy, a list of recommendations for improving corporate governance was made. In 2021, Unipro PJSC continued to implement the recommendations, including:

- > Increasing the scope of information disclosed on the Unipro's website in English;
- > Including the criteria of major corporate actions in the Articles of Association;
- > Approval of the Company's Policy on Remuneration of Members of the Board of Directors;
- > Introduction of the Senior Independent Director position.

Legal Insight

Participation in the Legal Insight Contest

The Corporate & Legal Unit team of the Company, including the lawyers from the Moscow representative office and branches, has received several awards at the prestigious contest "The Best Legal Departments of Russia-2021" held by the industrial magazine Legal Insight.

The Unipro Legal Department team was ranked first in the "Best Legal Project" nomination (Recovery of Power Unit No. 3 at Berezovskaya GRES). This project lasted more than five years and ended with the successful commissioning of the power unit recovered after a large-scale accident in 2016 into commercial operation. As part of the project, the lawyers participated in the Rostekhnadzor's accident investigation committee, were engaged in contract management operations, negotiations and dispute settlement with contractors, provided legal support as part of the FAS of Russia's investigation and subsequent litigation, regulatory support and worked in other areas

In addition, lawyers of Unipro PJSC were awarded silver in the "Effective management of distressed assets" nomination for the project on restructuring the distressed receivables of Shaturskaya GRES in the heat supply sector and a special award "For Creative Courage".

³⁴ See Annex 8 for the detailed report on the Company's compliance with the principles and recommendations of the Code of Corporate Governance.

5.2 Shareholders and Investors

Unipro PJSC is one of the leading public joint stock companies in Russia by the number of its minority shareholders.

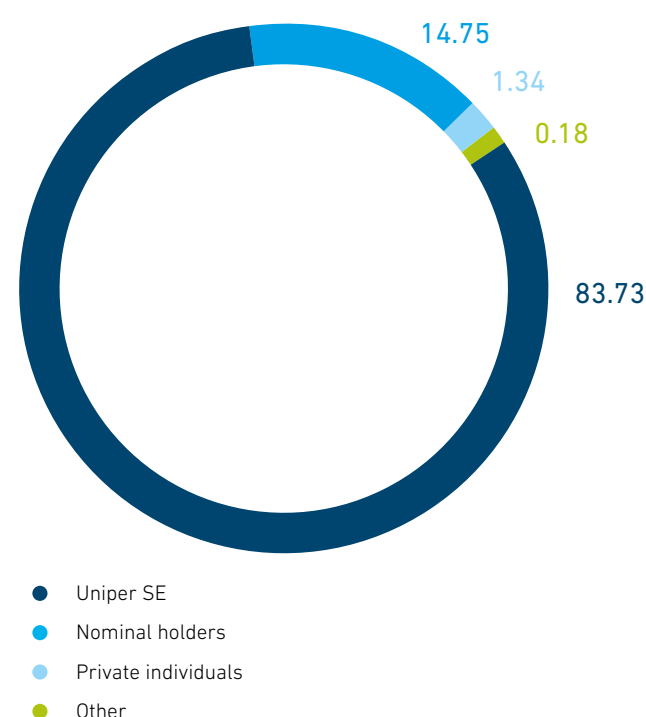
>300
thousand
shareholders

A total of 301,835 persons were registered in the shareholder register of Unipro PJSC and held securities on their personal share accounts as of 31 December 2021³⁵.

Share Capital Structure of Unipro PJSC

Types of personal accounts	2019	2020	2021	2019, %	2020, %	2021, %
Legal entities, including Uniper SE	685	693	697	83.90	83.90	83.90
federal government	3	3	3	less than 0.01	less than 0.01	less than 0.01
authorities of constituent entities of the Russian Federation	4	4	4	less than 0.01	less than 0.01	less than 0.01
local authorities	-	-	-	-	-	-
Private individuals	300,256	300,321	300,538	1.37	1.36	1.34
Nominal holders	11	11	11	14.72	14.73	14.75
Trustees	4	6	5	less than 0.01	less than 0.01	less than 0.01
Shares in shared ownership	575	574	583	0.01	0.01	0.01
Unidentified person's account	1	1	1	less than 0.01	less than 0.01	less than 0.01
Total	301,532	301,606	301,835	100	100	100

Share Capital Structure of Unipro PJSC in 2021, %



The Company did not issue any additional shares in 2021.

The authorised capital of Unipro PJSC is

25,219,482,458.37
RUB

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 nominal value of RUB 0.40.

Unipro PJSC's ordinary shares were listed in the first-tier quotation list of the Moscow Exchange PJSC on 01 September 2014.

Outstanding Shares

Number of outstanding shares, pcs	63,048,706,145
Nominal value of 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

Share Price



Total Market Capitalisation of Unipro PJSC³⁶

Date	Market price, RUB	Number of outstanding shares	Market capitalisation, RUB
31 December 2019	2.79	63,048,706,145	175,905,890,145
31 December 2020	2,797	63,048,706,145	176,347,231,088
31 December 2021	2,619	63,048,706,145	165,124,561,394

Developing its Dividend Policy, Unipro PJSC does not only comply 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.

On 01 March 2021, the Company's Board of Directors approved a new version of the Regulation on the Dividend Policy of Unipro PJSC1. 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.

³⁵ According to the data provided by VTB Registrar JSC.

³⁶ According to PJSC Moscow Exchange

³⁷ Minutes No. 299 dated 04 March 2021.

Dividend History of Unipro PJSC

Dividend period ¹	Dividends per share, RUB	Number of shares, 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 re-tained 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	08 December 2016
Based on re-tained 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	07 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	07 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	03 December 2019
2019	0.1110252759795	63,048,706,145	7,000,000 000	10 June 2020
9M 2020	0.1110252759795	63,048,706,145	7,000,000 000	07 December 2020
2020	0.126886029691	63,048,706,145	8,000,000 000	10 June 2021
9M 2021	0.190329044536	63,048,706,145	12,000,000,000	07 December 2021

³⁸ Based on resolutions of the General Meeting of Shareholders on the Company's performance in 2008-2010, the Company did not pay the dividends.

In 2021, based on a resolution of the Annual General Meeting of Shareholders, dividends for 2020 were declared in the amount of RUB 8.0 billion. The Extraordinary General Meeting of Shareholders held on 06 December 2021 resolved to pay interim dividends in the amount of RUB 12.0 billion for nine months of 2021.

As of the date of approval of the Annual Report, payments on declared dividends for 9 months of 2021 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).

The Company strives to ensure a constructive dialogue with its shareholders avoiding bias in favour of any shareholder to the detriment of others. The rights of shareholders are respected, including by allowing shareholders to participate in making important decisions, including:

- > Approving the Articles of Association and other internal documents governing the activities of the Company's Board of Directors and Management Board;
- > Distribution of profit;
- > Election of members to the Company's Board of Directors;
- > Approval of the Auditor of the Company.

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

- > Participate personally or via representatives in the General Meeting of Shareholders with the right to vote on all matters within their competence;
- > Submitting proposals to the agenda of the general meeting according to the procedure stipulated by the Russian legislation and the Articles of Association;
- > Receiving information on the Company's activities and review the Company's documents in accordance with Article 91 of the Federal Law "On Joint Stock Companies", other regulatory legal acts and the Articles of Association;
- > Receive dividends declared by the Company;
- > Enjoy the preemptive right to acquire additional shares and issued securities convertible into shares placed by subscription in the amount proportional to the number of ordinary shares they hold, subject to the legislation of the Russian Federation;
- > Receive a part of the Company's property in the event of liquidation;

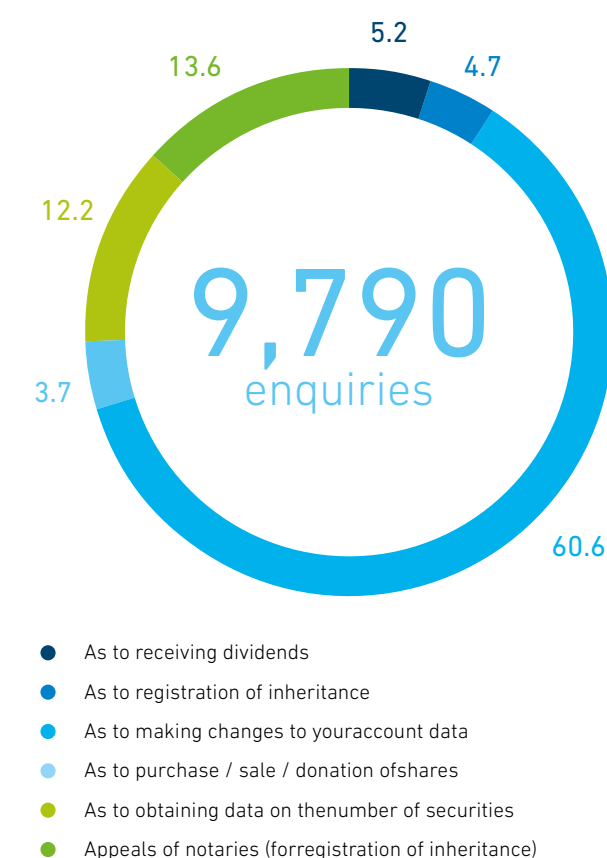
- > Exercise any other rights provided for by the legislation of the Russian Federation and the Articles of Association



In 2021, the Company held a number of communication events for shareholders and investors as part of its Information Policy:

- > A teleconference given by Unipro's top managers for IFRS analysts and investors to review business results for 2020;
- > Regular meetings of the Company's top management with analysts and investors for providing them with the information required to update investment models of Unipro PJSC;
- > Preparation of written responses and email responses to enquires from investors and shareholders.

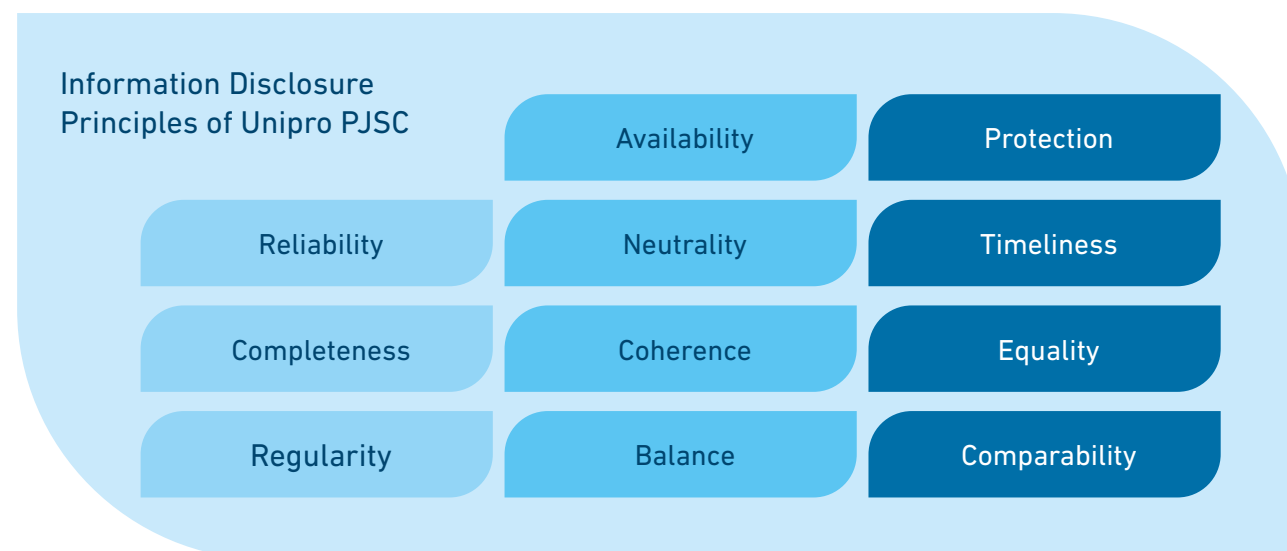
Structure of Unipro PJSC Shareholders' Enquiries to VTB Registrar JSC³⁹ in 2021, % GRI 102-44



³⁹ By the Resolution of the Board of Directors dated 10 December 2019 (Minutes No. 283 dated 12 December 2019), VTB Registrar JSC was approved as the registrar of Unipro PJSC. VTB Registrar JSC commenced its functions of the registrar on 18 February 2020. Detailed information on VTB Registrar JSC can be found in the Contacts section.

When disclosing information, the Company is guided by the legislation of the Russian Federation, the requirements of the Moscow Exchange PJSC, internal documents of the Company, other requirements and regulations.

Unipro PJSC discloses information in accordance with the Information Policy of Unipro PJSC⁴⁰, the main purpose of which is to ensure the highest possible degree of trust of the shareholders, potential investors, contractors and other stakeholders in the Company.



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 the requirements of the current legislation of the Russian Federation, regulatory legal acts of regulatory bodies, rules of the securities market operators;
- > Ensuring neutral nature of the information upon Disclosure;
- > Enhancing transparency and confidence;
- > Setting the rules and procedure for communication of the information about the Company to all the Related Parties, the Company's using various channels and methods of Disclosure being accessible for most Related Parties;
- > Ensuring information security and protection of the Company's Confidential Information.

Main communication tools for information disclosure:

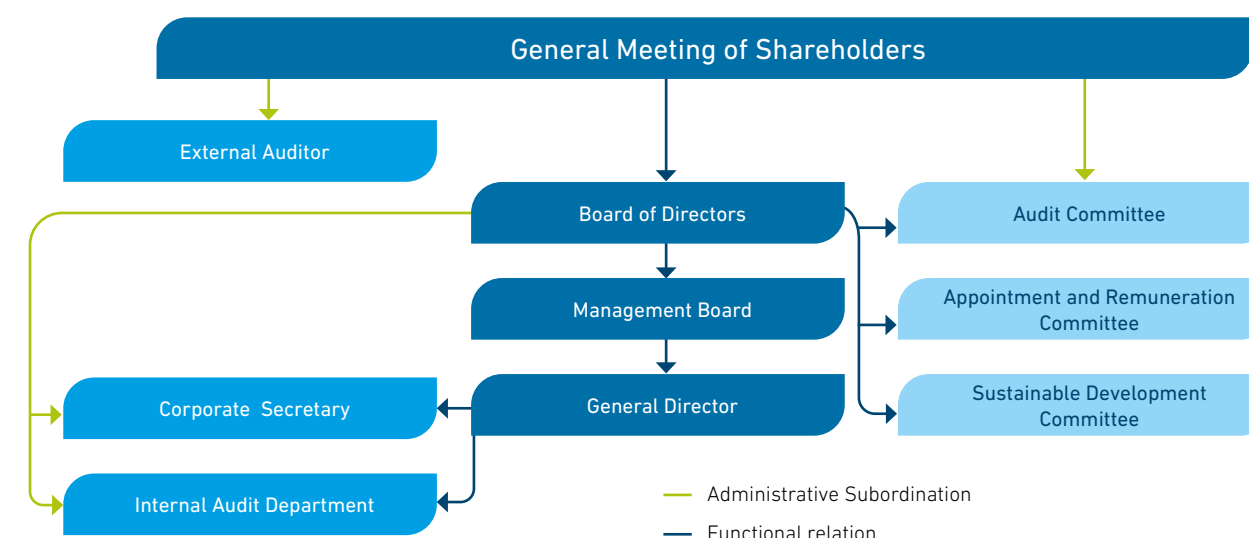
- > Information disclosure at the Company's official website (<http://www.unipro.energy>);
- > Publication of information in the News Bulletin of news agencies with notification of the securities market operators;
- > Use of a web page offered by one of the information distributors on the securities 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 the current legislation 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 the current legislation 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;
- > Organisation of meetings with representatives of the investment community, conferences and presentations;
- > Mailing of the requested information to the Related Parties;
- > Publication of information in booklets, brochures and other similar information media;
- > Participation in conferences, seminars, presentations and other public events.

⁴⁰ Approved by the Resolution of the Board of Directors of Unipro PJSC dated 06 November 2019 (Minutes No. 281 dated 08 November 2019)

5.3 Management Bodies

Corporate Governance Structure GRI 102-18; 102-22; 102-23



General Meeting of Shareholders

The General Meeting of Shareholders is the supreme management body of the Company which carries out its activities in accordance with the current legislation, the Articles of Association and the Regulation on the Procedure for Preparation and Holding of the General Meeting of Shareholders of Unipro PJSC.

Given the epidemic and in order to secure the right of shareholders to participate in the General Meeting of Shareholders, the Company actively uses electronic communication tools. All shareholders are able to participate remotely in the meetings, in particular, by electronic voting.

The Annual General Meeting of Shareholders of Unipro PJSC was held on 10 June 2021⁴¹ in the form of absentee voting. More than 76% of shareholders (of those who participated in the General Shareholders' Meeting) voted through electronic services.

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

- > Approval of the Annual Report and Annual Accounting (Financial) Statements of the Company for 2020;
- > Distribution of the Company's profit (including payment (announcement) of dividends) and loss for 2020;
- > Election of members to the Company's Board of Directors;

- > Approval of the auditor;
- > Approval of the updated versions of Articles of Association, Regulation on the Procedure for Preparation and Holding of the General Meeting of Shareholders of Unipro PJSC, Regulation on the Board of Directors;
- > Approval of the Policy on Remuneration of Members of the Board of Directors;
- > Payment of remuneration to the members of the Board of Directors for 2020.

The Extraordinary General Meeting of Shareholders of Unipro PJSC was held on 06 December 2021 in the form of absentee voting. More than 83% of shareholders voted through electronic services.

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

- > Payment of dividends based on the results of 9 months of 2021;
- > Approval of the updated version of the Policy on Remuneration of Members of the Board of Directors;
- > Payment of remuneration to the members of the Sustainable Development Committee of the Board of Directors for 2021.

⁴¹ Minutes No. 26 dated 11 June 2021.

Board of Directors

The Board of Directors is responsible for general management of the Company's activities and is accountable to the General Meeting Shareholders. One of the key elements of the Company's corporate governance system is a professional and efficient Board of Directors, which ensures its consistent and productive development.

The activities of the Board of Directors are governed by the Regulation on the Board of Directors of Unipro PJSC approved by the Annual General Meeting of Shareholders of Unipro PJSC on 10 June 2021⁴².



Key Operating Principles of the Board of Directors:



The competencies of the Board of Directors are established in the Articles of Association of Unipro PJSC, and are clearly differentiated from those of the Company's executive bodies overseeing its daily operations. The Board of Directors, among other things:

- > Provides strategic guidance 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 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.

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 of the Company. The list of potential candidates and an effective and professional composition of the Board of Directors is managed by the Ap-

pointment and Remuneration Committee in accordance with the Succession Policy for the Board of Directors, allowing to plan the succession of the members of the Board in the long term. GRI 102-24

Members of the Board of Directors are elected annually at the General Meeting of Shareholders by cumulative voting. Key criteria for the formation of the Board of Directors include the following:

- > Specific qualifications, experience, knowledge, business skills and business reputation of candidates;
- > Availability to work in the Board of Directors for at least three years;
- > Election of at least three Independent Directors of the Board;
- > Limitation of the number of Executive Directors (not more than a quarter of the members of the Board of Directors),
- > Members should have no conflicts of interest⁴³. GRI 102-25

The applicable Succession Policy for the Board of Directors of Unipro PJSC provides for the possibility of diversification of the composition of the Board of Directors in terms of skills, experience, professional area of expertise and other factors (diversification principle). A diversified composition of the Board of Directors enables to consider issues from different points of view, to avoid template and group thinking, to import new ideas to the discussion process, and to take more balanced decisions. The diversification principle includes a commitment to gender equality: upon selection of candidates, women have equal

rights and opportunities with men. For example, Anna Grigoryevna Belova is Deputy Chairman of the Board of Directors and Senior Independent Director.

The Independent Directors make an important contribution to the successful functioning of the Board of Directors, especially as regards design of the Company's growth strategy and risk management. They also protect the interests of shareholders and investors. The Company pays special attention to a practice of preliminary meetings with the Independent Directors for discussion of key issues to be submitted for consideration by the Board of Directors. During the year, the Independent Directors also arrange working calls (meetings) with the independent auditor of the Company.

The Independent Directors of Unipro PJSC make well-considered independent opinions and judgments based solely on their experience and competence. The participation and contribution of the Independent Directors to the work of the Board of Directors increase the level of trust of shareholders and a wide range of investors in the Company, improve the quality of management decisions, and promote compliance with the corporate governance principles of the Company.

Given the recommendations of the Code of Corporate Governance provided by the Central Bank of Russia and the best market practices of corporate governance at Unipro, an Independent Director was appointed Deputy Chairman of the Board of Directors on 10 December 2019.

The current Board of Directors includes three Independent Directors, meeting the requirements established by the listing rules of Moscow Exchange PJSC and the Code of the Central Bank of Russia. GRI 102-26. The Independent Directors on the Board of Directors of Unipro PJSC in 2021 were:

- > Georgiy Abdushelishvili;
- > Anna Belova;
- > Oleg Vyugin.

In March 2021, 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 candidates to the Board of Directors of the Company, and also based on the available personal data of candidates.

The Annual General Meeting of Shareholders of Unipro PJSC held on 10 June 2021⁴⁴ approved the updated version of the Regulation on the Board of Directors of the Company allowing to elect a Senior Independent Director from the Independent Directors of the Company. The Senior Independent Director:

- > Interacts with the Chairman, members of the Board of Directors of the Company, ensures effectiveness of communication channels in the Board of Directors and in relations with shareholders of the Company;
- > Coordinates interaction between the Independent Directors, and convenes meetings (sessions) of the Independent Directors as necessary, and chairs thereof;
- > If necessary, the Senior Independent Director shall have the right to receive technical and organisational assistance from the Company in holding meetings (sessions) of the Independent Directors;
- > Communicates a consolidated opinion of the Independent Directors made at their meetings (sessions) to the Board of Directors;
- > Ensures equal awareness of the Independent Directors on the issues submitted by the Senior Independent Director for discussion by them, to the extent necessary to develop a position;
- > In situations of conflict, in particular in case of significant disagreement between the members of the Board of Directors, makes efforts to resolve the conflict through interaction with the Chairman of the Board of Directors, other members of the Board of Directors, and shareholders of the Company, in order to ensure effective and stable work of the Board of Directors.

On 15 June 2021⁴⁵, the Board of Directors of Unipro PJSC elected Anna Grigoryevna Belova as the Senior Independent Director.

The current composition of the Board of Directors of Unipro PJSC is well-balanced according to the necessary competencies and professional experience. The principle of balance of the Board of Directors is implemented based on a high level of professional knowledge and competence, sufficient time to perform the duties of a member of the Board of Directors, and absence of any conflict of interests, which contributes to effective decision-making.

⁴² Minutes No. 11 dated 11 June 2021.

⁴³ As of the date of nomination and during 2021, there were no notices from the members of the Board of Directors that they have a conflict of interest (including those related to participation in the management bodies of the Company's competitors).

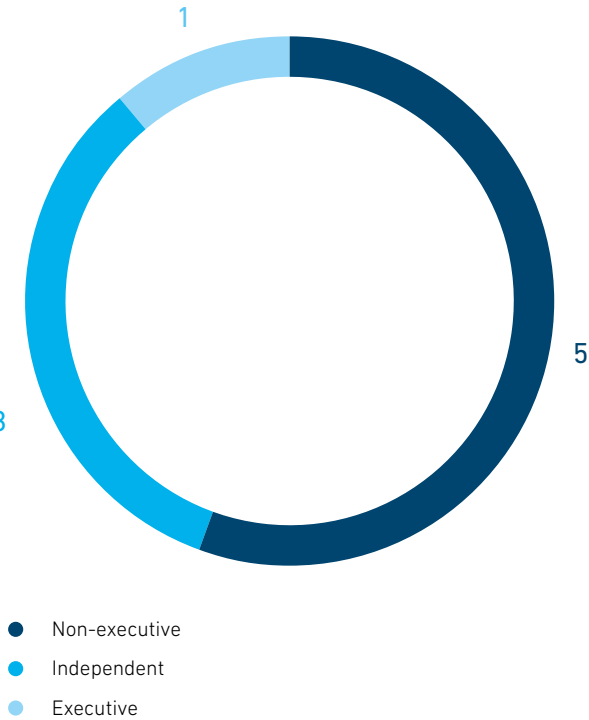
⁴⁴ Minutes No. 26 dated 11 June 2021.

⁴⁵ Minutes No. 302 dated 16 June 2021.

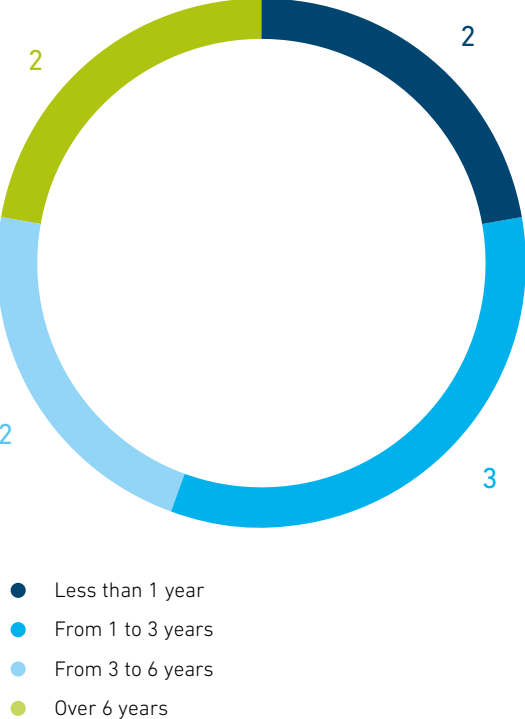
In 2021, two Boards of Directors were in place;

Elected on 10 June 2020		Elected on 10 June 2021	
A. Belova	R. Hartmann	A. Belova	R. Hartmann
G. Abdushelishvili	M. Shirokov	G. Abdushelishvili	M. Shirokov
D. Bryson	Andreas Schierenbeck	D. Bryson	Prof. Dr. Klaus-Dieter Maubach
O. Vyugin	Dr. Patrick Wolff	O. Vyugin	Dr. Sascha Fehle mann
U. Fip		U. Fip	

Status of Directors, Persons



Continuous Service on the Board of Directors, Persons



Experience and Competencies of Board Members⁴⁶

Full name	Field of work					other competencies
	energy	finance	manage-ment	produc-tion	science	
Prof. Dr. Klaus-Dieter Maubach	+		+			D.Sc. in Engineering
A. Belova		+			+	Ph.D. in Economic Sciences
G. Abdushelishvili			+			Leadership sourcing and development
D. Bryson	+		+	+		Master of Defence Technology
Dr. Sascha Fehle mann	+		+			Doctor in Law
O. Vyugin		+	+		+	Ph.D. in Physics and Mathematics, Honoured Economist of the Russian Federation
U. Fip				+		Master in Petroleum Engineering
R. Hartmann			+			Honoured Ph.D. of Marconi University (Italy)
M. Shirokov	+		+			
A. Schierenbeck	+		+			
Dr. Patrick Wolff			+			Law, Doctor’s degree in canon and civil law

⁴⁶ The relevant experience of candidates for the Board of Directors in different areas of activity, based on the data received from candidates for the Board of Directors, including education, positions held, and information in the public domain.

Curricula Vitae of the Company’s Board of Directors as of 31 December 2021



Prof. Dr. Klaus-Dieter Maubach

Chairman of the Board of Directors, Non-Executive Director
Year of birth: 1962
Nationality: Germany
Education:
1994: D. Sc. in Engineering, University of Wuppertal (Germany).
Positions held in the last five years:
Since 2021: Chief Executive Officer, Uniper SE (Düsseldorf, Germany).
2014–2021: Managing Partner, Maubach icp GmbH (Düsseldorf, Germany).
Current membership in managerial bodies of other companies:
Since 2021: Chairman of the Management Board, Uniper SE (Düsseldorf, Germany).
First elected to the Board of Directors of Unipro PJSC on 10 June 2021
He holds no shares in the Company’s authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021.



Anna Belova

Deputy Chairman of the Board of Directors, Senior Independent Director, Chairman of the Audit Committee of the Board of Directors, member of the Appointment and Remuneration Committee of the Board of Directors, member of the Sustainable Development Committee of the Board of Directors
Year of birth: 1961
Nationality: Russian Federation
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 program). 2000: Graduated from the Academy of Advanced Training for Investment Managers and Specialists (specialisation: Finance and Credit). 2002: The degree of candidate of economic science awarded.
Positions held in the last five years:
From 2012 till 2020: Professor of the Higher School of Management, Higher School of Economics.
From 2020: Lecturer (part-time), Department of Applied and Institutional Economics, Federal State Budgetary Educational Institution of Higher Education Lomonosov Moscow State University
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 2017: Member of the Board of Directors, Sistema Joint-Stock Financial Corporation.
Since 2020: Deputy Chairman of the Board of Directors, Senior Independent Director of Segezha Group PJSC
Since 2021: Member of the Supervisory Board of Federal Autonomous Research Institution Eastern State Planning Centre
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 neither acquired nor disposed of shares in Unipro PJSC in 2021.



Georgiy Abdushelishvili

Member of the Board of Directors, Independent Director, Chairman of the Appointment and Remuneration Committee of the Board of Directors, member of the Audit Committee of the Board of Directors, member of the Sustainable Development Committee of the Board of Directors
Year of birth: 1962
Nationality: Russian Federation
Education:
1985: Graduated from Leningrad State University, Economic Faculty. 1979–1981: Sports Faculty, Lesgaft Institute of Physical Training. 1992: Emory University (Atlanta, USA), management.
Positions held in the last five 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.
Current membership in managerial bodies of other companies:
Since 2015: Member of the Board of Trustees of the European University in St Petersburg.
Since 2018: Member of the Council for Europe and Africa, the Association of Executive Search and Leadership Consultants (AESC) (London, UK).
Since 2018: Chairman of the Board of Directors, Ward Howell, Russia and the CIS
Since 2021: Member of the Appointment and Remuneration Committee of the Board of Directors, RUSNANO JSC
Since 2021: Member of the Board of Directors, Promomed JSC
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 neither acquired nor disposed of shares in Unipro PJSC in 2021.



David Bryson

Member of the Board of Directors, Non-Executive Director, member of the Sustainable Development Committee of the Board of Directors

Year of birth: 1967

Nationality: United Kingdom

Education:

1989: graduated from the Commissioning Course, Sandhurst Royal Military Academy. 1993: received the degree of the Bachelor of Engineering (Honours) Information Technology, Cranfield Institute of Technology. 1999: Master of Defence Technology, University of Cranfield. 2000: graduated from the Integrated Command and Staff Course, College of the Command and Staff Service of the Defence Forces. December 2007: MBA, Open University. 2011–2012: Talent management system, planning of key staff pool, E.ON. 2014: Establishment of effective Boards of Directors (IESE/Harvard Business School). 2018: completed Integrated Management Programme, INSEAD (114).

Positions held in the last five years:

Since 2019: Director for Production, Uniper SE (Dusseldorf, Germany)
2015–2019: Executive Director for Asset Management, Uniper SE (Dusseldorf, Germany)

Current membership in managerial bodies of other companies:

Since 2019: member of the Management Board, Uniper SE (Düsseldorf, Germany).
Since 2020: Chairman of the Management Board, Uniper Kraftwerke GmbH, Germany
First elected to the Board of Directors of Unipro PJSC on 03 December 2019.
He holds no shares in the Company's authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021



Oleg Vyugin

Member of the Board of Directors, Independent Director, member of the Appointment and Remuneration Committee of the Board of Directors, member of the Audit Committee of the Board of Directors, Chairman of the Sustainable Development Committee of the Board of Directors

Year of birth: 1952

Nationality: Russian Federation

Education:

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.

Positions held in the last five years:

Since 2007: Professor of Higher School of Economics National Research University (now part time)
Since 2019: General Director's Advisor, SFI PJSC (SAFMAR Financial Investments PJSC before 03 September 2021)

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 Board of Trustees of the Forum Analytical Centre
Since 2011: Member of the Presidium of the National Council for Corporate Governance Non-Profit Partnership
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: Chairman of the Board of Directors, SFI PJSC (SAFMAR Financial



Dr. Sascha Fehleemann

Member of the Board of Directors, Non-Executive Director

Year of birth: 1978

Nationality: Germany

Education:

University of Münster (Germany), Doctor in Law

Positions held in the last five years:

Since 2018: Senior Vice President for Corporate and Legal Affairs, Uniper SE (Düsseldorf, Germany)
2017–2018: Head of Corporate Office, Uniper SE (Düsseldorf, Germany)
2015–2017: Head of Corporate and Financial Law, Uniper SE (Düsseldorf, Germany)

Current membership in managerial bodies of other companies:

First elected to the Board of Directors of Unipro PJSC on 10 June 2021
He holds no shares in the Company's authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021.

Investments PJSC before 03 September 2021)

Since 2019: Member of the Board of Directors of SF Holdings Company PLC
First elected to the Board of Directors of Unipro PJSC on 07 December 2017.
He holds no shares in the Company's authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021



Uwe Fip

Member of the Board of Directors, Non-Executive Director

Year of birth: 1960

Nationality: Germany

Education:

1987: graduated from Clausthal und Hagen Universität (Germany) with a master's degree in Petroleum Engineering and a degree in Business Administration (Economics and Sales Management)

Positions held in the last five years:

Since 2013: Senior Vice President, Gas Supply & Origination, Uniper Global Commodities SE,
Re-elected to the Board of Directors of Unipro PJSC on 10 June 2020
He holds no shares in the Company's authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021.



Reiner Hartmann

Member of the Board of Directors, Non-Executive Director

Year of birth: 1945

Nationality: Germany

Education:

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

Positions held in the last five years:

2013–2016: Head of Moscow Representative Office, E.ON Global Commodities SE (Dusseldorf, Germany)
Since 2016: Head of Moscow Representative Office, Uniper Global Commodities SE (Dusseldorf, 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 06 June 2008
He holds no shares in the Company's authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021



Maxim Shirokov

Member of the Board of Directors, Chairman of the Management Board, General Director, Executive Director, member of the Sustainable Development Committee of the Board of Directors

Year of birth: 1966

Nationality: Russian Federation

Education:

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

Positions held in the last five years:

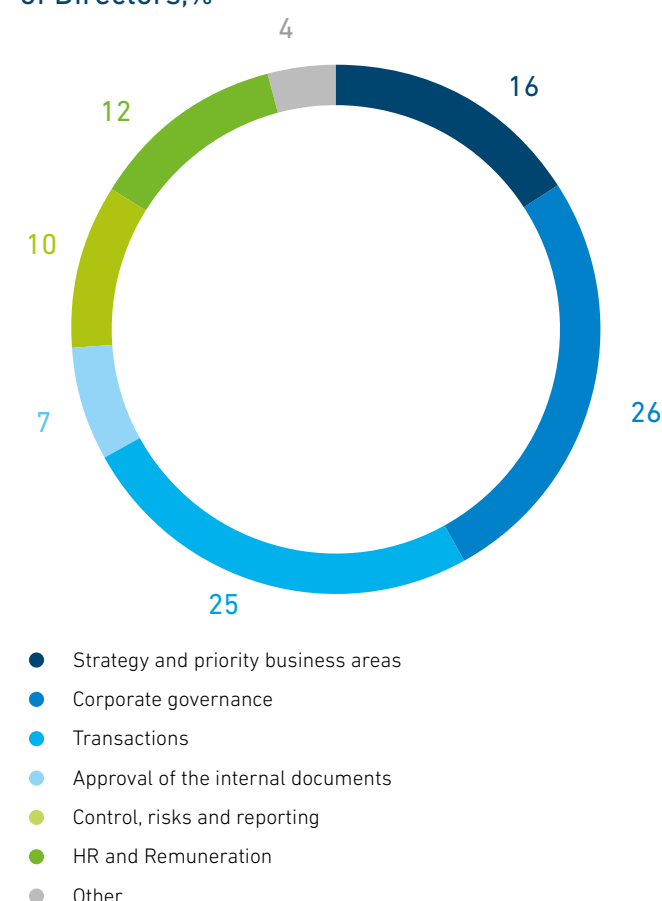
Since 2012: General Director of Unipro PJSC
2015–2016: General Director of Uniper LLC.
Since 2018: General Director of Unipro Engineering LLC
Current membership in managerial bodies of other companies:
Since 2013: Member of the Supervisory Board, Council of the Association of Power Producers

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 neither acquired nor disposed of shares in Unipro PJSC in 2021.

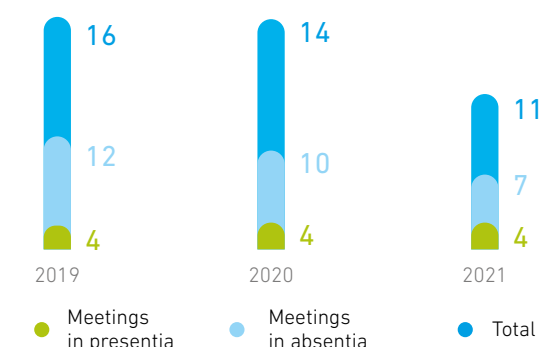
Performance Report of the Board of Directors

In 2021, 11 meetings of the Board of Directors were held (4 in person), where 68 issues were considered⁴⁷. Also, throughout 2021, additional working meetings of the Chairman of the Board of Directors with independent directors were held. The Board of Directors made a primary focus on the issues concerning Company strategy, corporate governance, financial and business operations, and HR matters.

Proportion of Issues Considered by the Board of Directors, %



Number of the Board of Directors Meetings, Pcs



⁴⁷ For details on the resolutions by the Board of Directors of Unipro PJSC made in 2021, see the Company's website.

All the issues submitted for consideration by the Board of Directors are previously considered at a meeting of the Management Board. The issues referred to the competence of the Committees (the Audit Committee and the Appointment and Remuneration Committee) are previously considered by the Committees, which, in accordance with the Listing Rules, consist entirely of Independent Directors.

Independent directors make up the majority of the Sustainable Development Committee of the Board of Directors.

As regards the most complex issues included in the agenda of the Board of Directors meeting, the members of the Board of Directors are allowed to ask all the questions of interest to the initiators of the relevant issues both through the Corporate Secretary and through the meetings.

Personal Attendance at Meetings of the Board of Directors in 2021

Full name	Attendance w at meetings/total number of meetings	Participation in meetings, %
Members of the Board of Directors During the Entire Reporting Year		
Anna Belova	11/11	100
Uwe Fip	11/11	100
Oleg Vyugin	11/11	100
Georgiy Abdushelishvili	11/11	100
Reiner Hartmann	11/11	100
Maxim Shirokov	11/11	100
David Bryson	11/11	100
Persons Appointed to the Board of Directors at the Annual General Meeting of Shareholders on 10 June 2021		
Prof. Dr. Klaus-Dieter Maubach	7/7	100
Dr. Sascha Fehleemann	7/7	100
Persons Who Left the Board of Directors at the Annual General Meeting of Shareholders on 10 June 2021		
Andreas Schierenbeck	2/4	50
Patrick Wolff	2/4	50

The most material issues considered by the Board of Directors in the reporting period:

1. Strategy and priority business areas:
 - > Was repeatedly considered;
 - > In 2021, the members of the Board of Directors approved the investment project to participate in the tender for modernisation of Power Unit No. 3 at Surgutskaya GRES-2.
2. Corporate governance:
 - > In 2021, the Company took a number of important steps to improve the Corporate Governance system. For example, the Company continues to effectively develop ESG agenda and strengthen communications with the investment community and as such approved the Regulation on the Sustainable Development Committee of the Board of Directors of Unipro PJSC and elected members of the Sustainable Development Committee;
3. Control, risks and reporting:
 - > In 2021, the Board of Directors approved a new Compliance Policy of Unipro PJSC, appointed a new Compliance Officer responsible for compliance in Unipro PJSC and updated the Code of Corporate Conduct of Unipro PJSC.

Evaluation of the Board of Directors Performance GRI 102-28

The most recent independent evaluation of the activities of the Board of Directors was performed by an external independent advisor, Pricewaterhouse-Coopers Consulting LLC.

The independent evaluation findings were reviewed at the meeting of the Board of Directors⁴⁸ and showed positive performance changes in the Board of Directors over the past few years, namely:

- > Improving the composition of the Board of Directors;
- > Improvements in the working procedures of the Board of Directors, including the coverage of topics discussed at the Board of Directors, the culture of discussion, planning its work, frequency of in-person meetings, procedure for providing materials for the meetings;
- > More effective interaction of the Board of Directors with Internal Audit, deeper focus of the Board of Directors on the issues of risk management and compliance.

In March 2021, a self-evaluation of performance of the Board of Directors in 2020-2021 was performed. The evaluation was performed using a questionnaire survey of the Board of Directors members, as well as an analysis of internal documents on the Board of Directors and its Committees, minutes of meetings of the Board of Directors and committees, and other relevant materials.

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 2020-2021, and made recommendations for further operational improvement of the Board and its Committees.

This report was reviewed at the meeting of the Board of Directors on 01 April 2021.⁴⁹ The evaluation con-

firmed that the Board of Directors and its committees had performed efficiently in 2020-2021 corporate year.

Based on the self-evaluation results, the following recommendations to further improve and develop the activities of the Company's Board of Directors, its Committees and the Company's Corporate Secretary were given:

- > To streamline the Company's strategy management efforts;
- > To engage in deliberations on the next decade's strategic and technological challenges and possibilities of adapting / transforming business elements;
- > To implement digital transformation of business components;
- > To structure the business model modification in the context of telework (work from a remote location);
- > To hold physical (face-to-face) meetings of the members of the Board of Directors when restrictions imposed due to the pandemic are lifted.

The above recommendations have been taken into account and the Company is making every effort for their consistent implementation. Some recommendations were implemented in 2021 subject to restrictions remaining due to the pandemic. The Company will continue to further improve and develop the operations of the Company's Board of Directors, its Committees and Corporate Secretary.

⁴⁸ Minutes No. 287 dated 03 April 2020.

⁴⁹ Minutes No. 300 dated 01 April 2021.

Committees of the Board of Directors

To improve the efficiency of the resolutions made by the Board of Directors, provide a more detailed preliminary review of the most important issues and prepare relevant recommendations, the Board of Directors had three Committees in 2021:

- > Audit Committee;
- > Appointment and Remuneration Committee;
- > Sustainable Development Committee⁵⁰.

The Committees are fully accountable to the Board of Directors. The Chairmen of the Committees submit reports on the work done by the Committees, the issues considered and the resolutions made to the Board of Directors.

The Committees are set up taking account of recommendations of the Code of Corporate Governance of the Central Bank of Russia, as well as the professional experience and knowledge of the members of the Board of Directors in the relevant field, which enables them to carry out their tasks efficiently. According to the requirements of the Listing Rules of Moscow Exchange PJSC, the Audit Committee and the Appointment and Remuneration Committee only comprise Independent Directors. This helps to ensure that the recommendations of the Committee are objective and well-grounded.

Meetings of the Committees are usually held in person (physical meeting or video conference).

Audit Committee

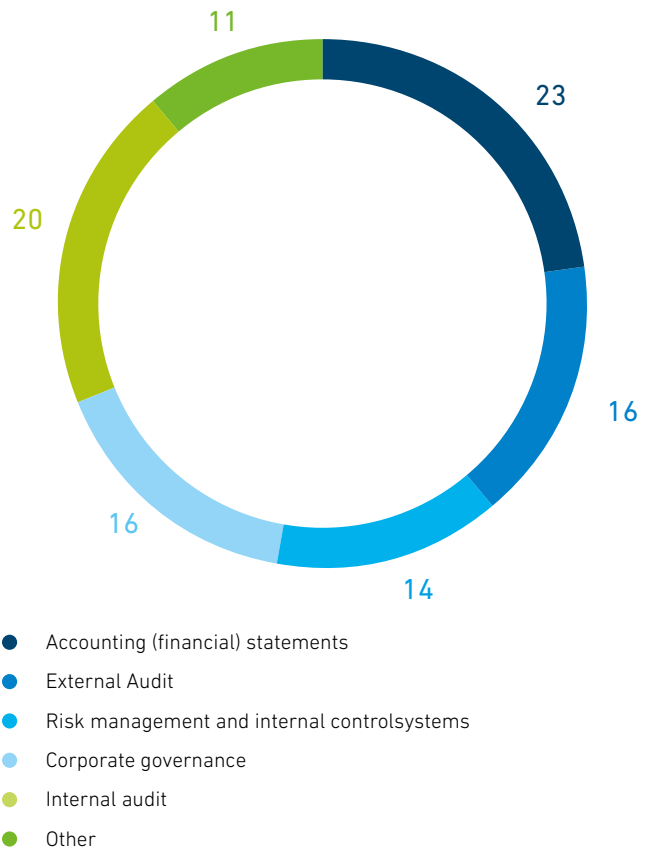
The Audit Committee⁵¹ is a collegial advisory body established to assist in the effective performance of the functions of the Board of Directors in terms of control over the financial and business operations of the Company. The main purpose of the Audit Committee is preparation and development of recommendations for the Board of Directors for making resolutions on the reserved matters of the Committee.

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.⁵²

In 2021, 7 meetings of the Audit Committee were held. All meetings were held in person using telecommunication technologies.



Proportion of Issues Considered by the Audit Committee, %



Report on the Audit Committee Performance in 2021

Full name	Attendance	Most important issues considered by the Audit Committee
Anna Belova (Chairman of the Committee)	7/7	Considerable attention is paid to ensuring transparency in decision-making on the payment (announcement) of dividends, determining the amount of dividends and the payment procedure. The Audit Committee considered the updated version of the Dividend Policy of Unipro PJSC.
Georgiy Abdushelishvili	7/7	The Audit Committee continued to consider Issues related to the introduction and operation of the internal control system in the Company. The issues considered by the Committee included the assessment of the internal control system of Unipro PJSC conducted by an independent appraiser in 2021.
Oleg Vyugin	7/7	Members of the Audit Committee considered the report of the Compliance Officer and the Programme of implementation of the recommendations following the audit of the Compliance Management System in 2019. The review found that most of the recommendations were successfully implemented. To improve the internal audit efficiency, members of the Committee reviewed the report of the Internal Audit Department of Unipro PJSC on a quarterly basis and paid close attention to monitoring the reliability and efficiency of the risk management system.

50. Since September 2021, the Board of Directors has the Sustainable Development Committee. Its main objectives are to prepare recommendations for the Board of Directors on strategic goals aimed at the long-term development of the Company, including environmental, social and governance (ESG) matters of the Company.

51. Established on 30 November 2006.

52. Takes into account all requirements set out by the Listing Rules of the Moscow Exchange PJSC for inclusion and maintenance of the shares of an issuer in the first-tier quotation list.

Appointment and Remuneration Committee

The Appointment and Remuneration Committee⁵³ is a collegial advisory 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 more efficient and transparent remuneration practices for the members of the Board of Directors, Executive Bodies, and other key executives of the Company.

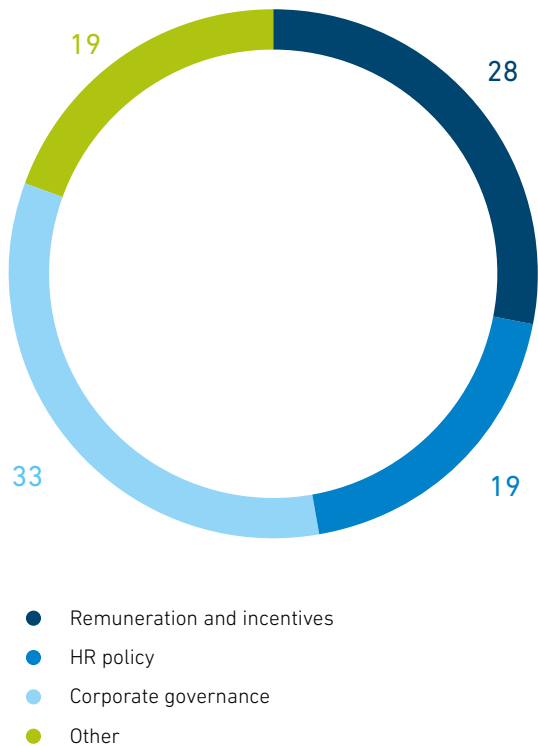
The main purpose of the activities carried out by the Appointment and Remuneration Committee is preparation and development of recommendations to the Board of Directors for making resolutions on the issues falling within the competence of the Committee.

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 PJSC1.

In 2021, the Appointment and Remuneration Committee held 10 meetings (9 in person using telecommunication technologies, 1 in absentia).⁵⁴.



Proportion of Issues Considered by the Audit Committee,%



Sustainable Development Committee GRI 102-27

The Sustainable Development Committee⁵⁵ is a collegial advisory body established to provide effective support to the Board of Directors in relation to sustainable development and ensure the development of this area in the Company, including developing a long-term development strategy of the Company in the field of sustainable development, environmental, social and governance issues.

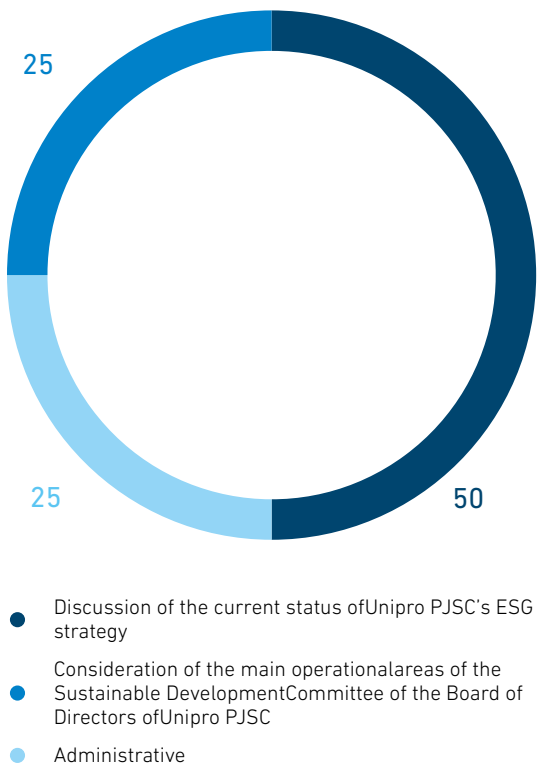
The main objective of the Sustainable Development Committee is to prepare recommendations for the Board of Directors on strategic goals aimed at the long-term development of the Company, including environmental, social and governance (ESG) matters of the Company, preparation of recommendations to the Board of Directors for decision-making on reserved matters of the Committee.

The Committee acts by virtue of the Articles of Association and the Regulation on the Sustainable Development Committee of the Board of Directors of Unipro PJSC.

In 2021, two meetings of the Sustainable Development Committee were held in person using telecommunication technologies.



Proportion of Issues Considered by the Sustainable Development Committee,%



Report on the Appointment and Remuneration Committee Performance in 2021

Full name	Attendance	Most important issues considered by the Audit Committee
Georgiy Abdushelishvili (Chairman of the Committee)	10/10	The arrangement of remote operations of Unipro PJSC and employee engagement amidst the COVID-19 pandemic were repeatedly reviewed and assessed.
Anna Belova	10/10	The issue on composition of the Sustainable Development Committee of the Board of Directors of Unipro PJSC was considered.
Oleg Vyugin	10/10	Members of the Appointment and Remuneration Committee considered the issue of creating a talent pool for senior positions at Unipro PJSC, succession planning cycle for 2021. The Committee reviewed the Succession Policy for the Board of Directors of Unipro PJSC and the Policy on Remuneration of Members of the Board of Directors of Unipro PJSC. The policies were approved at the General Meeting of Shareholders of Unipro PJSC and put into effect.

Report on the Sustainable Development Committee Performance in 2021

Full name	Attendance	Most important issues considered by the Audit Committee
Oleg Vyugin (Chairman of the Committee)	2/2	Discussion of the current status of Unipro PJSC's ESG strategy.
Anna Belova	2/2	Discussion of the Company's values with a view to ESG factors.
Georgiy Abdushelishvili	2/2	Consideration of the main operational areas of the Sustainable Development Committee of the Board of Directors of Unipro PJSC.
David Bryson	2/2	
Maxim Shirokov	1*/2	

* Due to inclusion in the Committee as of 08 October 2021.

53 Operates since 14 April 2008.

54 Takes into account all requirements set out by the Listing Rules of the Moscow Exchange PJSC for inclusion and maintenance of the shares of an issuer in the first-tier quotation list.

55 Established on 22 September 2021.

Corporate Secretary

The Corporate Secretary of the Company supports the effective operations of the Board of Directors, including coordinating the work of the Board of Directors (organisational, information and documentation support) in connection with the preparation to and holding meetings of the Board of Directors, as well as between the meetings.

In accordance with the Resolution of the Board of Directors of Unipro PJSC, 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 operates under the Russian legislation, 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 internal documents of the Company and resolutions of the General Meeting of Shareholders 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 General Director upon approval of the Company's Board of Directors.

In March 2019, the Board of Directors of Unipro PJSC approved⁵⁶ the appointment of Ekaterina Alekseyevna Giganova as the Head of the Corporate Policy Department of Unipro PJSC.

No conflicts of interest in the work of the Corporate Secretary were identified in 2021.



Ekaterina Giganova

Year of birth: 1982

Nationality: Russian Federation

Education:

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

Positions held in the last five 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 neither acquired nor disposed of shares in Unipro PJSC in 2021.

Executive Bodies



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. The Management Board reports to the Board of Directors and the General Meeting of Shareholders.

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;
- > determination of the Company's position on a number of most critical issues in the business of its subsidiaries;

⁵⁶ Minutes No. 274 dated 29 March 2019.

- > 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 and number at least three persons. The Board of Directors may decide on a greater number of members of the Management Board.

No changes to the Management Board took place in 2021.

Curricula Vitae of the Management Board's Members as of 31 December 2021



Maxim Shirokov

General Director, Chairman of the Management Board, member of the Board of Directors, member of the Sustainable Development Committee of the Board of Directors

Year of birth: 1966

Nationality: Russian Federation

Education:

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

Positions held in the last five years:

Since 2012: General Director of Unipro PJSC

2015–2016: General Director of Uniper LLC.

Since 2018: General Director of 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

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

He holds no shares in the Company's authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021.



Ulf Backmeyer

Deputy General Director for Finance and Economics, Deputy Chairman of the Management Board

Year of birth: 1970

Nationality: Germany

Education:

In 1996, he graduated from Universität Passau (Germany), majoring in economics of culture. In 2019, he studied at the Harvard Business School under the Advanced Management Programme, Executive Master of Business Administration.

Positions held in the last five years:

Since 2011: Deputy General Director 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 neither acquired nor disposed of shares in Unipro PJSC in 2021.



Igor Popov

Deputy General Director for Production, Member of the Management Board

Year of birth: 1965

Nationality: Russian Federation

Education:

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

Positions held in the last five years:

Since 2009: Deputy General Director of Unipro PJSC for Production.

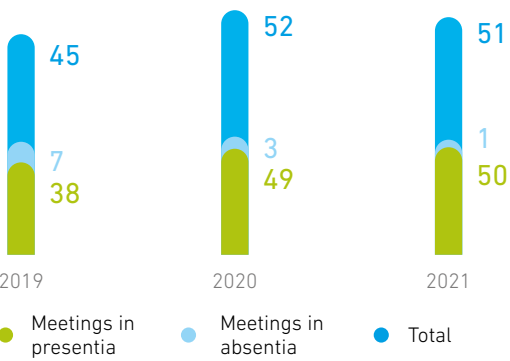
Elected to the Management Board of the Company on 30 August 2012.

He holds no shares in the Company's authorised capital and neither acquired nor disposed of shares in Unipro PJSC in 2021.

Report on the Management Board Performance

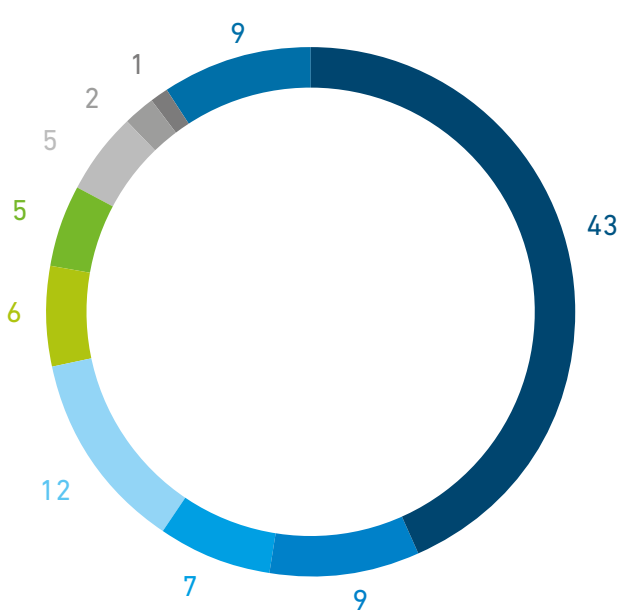
In 2021, 51 meetings of the Management Board were held, one was held in absentia and the rest were held in person, including using telecommunication technologies. At these meetings, 281 issues were considered in all areas of the Company's operations.

Number of Management Board's Meetings, Pcs



In 2021, the Management Board of the Company paid considerable attention to the development of Corporate Governance standards, including the implementation of the ESG principles. In addition, given the challenges associated with the spread of COVID-19, the Management Board continued to deal with issues of social investment, in particular, charitable donations to provide medical institutions in the regions where Unipro operates. The collegial executive body was also focused on the issues of digital transformation of the Company's operations.

Proportion of Issues Considered by the Management Board, %



- Procurement and contracts
- HR issues
- Financial and economic activities
- Priority areas and investments
- Social investments
- Subsidiaries
- Corporate governance
- Risk management
- IT matters
- Other

Most Material Issues Considered by the Board of Directors in the Reporting Period

Categories	Most important issues
Strategy and priority areas	<p>Modernisation of the project to connect NATEC Invest-Energo JSC to power grids of the UES of Russia.</p> <p>The investment programme of Unipro PJSC for 2022 was approved.</p>
IT matters	<p>Digital audit transformation was completed to improve the internal audit system and ensure the transparency of the Company's operations.</p>
Corporate governance	<p>The updated version of the Delegation of Authority Policy of Unipro PJSC was reviewed. It establishes the procedure for employees to make management decisions on the Company's behalf pursuant to the four-eyes principle and procedure for delegating authority to implement and approve management decisions.</p> <p>The report "ESG: Environmental, Social and Corporate Governance" was reviewed. The Company's objectives in this area were determined.</p>
Procurement and contracts	<p>The Management Board of Unipro PJSC reviews the analysis of all purchases made by the Company on a quarterly basis.</p> <p>Reports on "improper purchases" were reviewed to additionally control deals with unreliable suppliers and mitigate the risks of selecting unreliable suppliers.</p> <p>Procurement procedures required for core operations were approved.</p>

5.4 Audit and Control

In accordance with Federal Law No. 208-FZ "On Joint Stock Companies", Unipro PJSC operates a system of control over the financial and business operations of the Company, which is a set of organisational structures, procedures, regulations and methods.

Key participants include:

- > Audit Committee of the Board of Directors;
- > Internal Audit Department;
- > International Financial Reporting and Internal Control Department;
- > Compliance Officer;
- > External Auditor.

The main principles, goals, objectives, methods and processes of the control system are defined by the General Meeting of Shareholders and the Board of Directors of Unipro PJSC in the documents:



- > Code of Corporate Governance;
- > Code of Corporate Conduct;
- > Compliance Policy of Unipro PJSC;
- > Regulation on the Audit Committee of the Board of Directors;
- > Regulation on the Internal Audit Department.

Internal Control System

The Unipro Internal Control System (the "ICS") is a system of corporate culture, organisational measures, policies, instructions, control procedures and actions taken by the Company's management and employees aimed at providing sufficient confidence in the achievement of its objectives in the following categories:

- > Business efficiency and performance;
- > Reliability and timeliness of financial statements;
- > Compliance with the applicable legal requirements and local regulations;
- > Ensuring safety of the assets;
- > Anti-fraud activities.

The Company's internal control system is organised based on a risk-oriented approach. It implies close integration of the internal control system with the risk management processes ensuring timely and effective application of risk management methods using effective ICS mechanisms. In addition, efforts to improve

the internal control system are mainly focused on those areas of activity that are characterised by the highest risk level.

Unipro assesses the performance of its ICS based on the internal control system methodology entitled "Internal Control. Integrated Model" developed by the Committee of Sponsoring Organisations ("COSO") of the Treadway Commission.

Unipro PJSC uses the applicable Regulation on the Internal Control System to ensure the effective operation of the ICS that complies with generally accepted practices and standards and contributes to the achievement of the Company's objectives. It defines the goals, operational principles and components of the ICS, the main functions and responsibilities of the ICS participants and the ICS performance assessment procedure.

The internal control system of Unipro operates according to "four lines of defence" model.

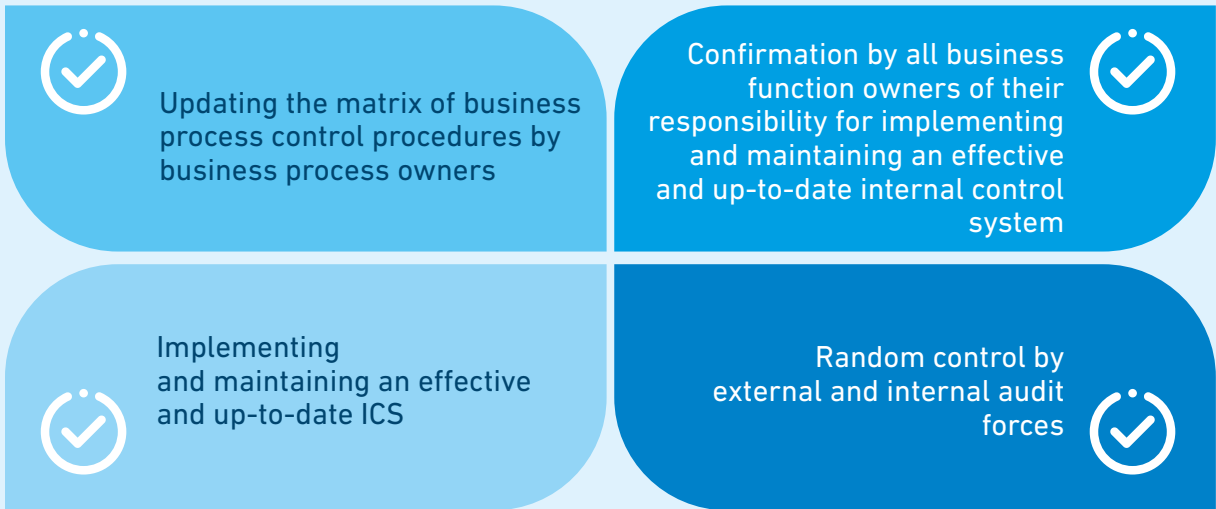
Four Lines of Defence ICS Model of Unipro

Line	Management level	Goals
First	Operational management (owners of business processes, governing bodies, units and functions performing control procedures due to their job functions and duties)	<ul style="list-style-type: none">> Ensuring efficient internal control and risk management system
Second	Control functions (compliance, financial control, risk management, security, due diligence)	<ul style="list-style-type: none">> Supervision over compliance with internal and external requirements> Monitoring of the internal control and risk management process carried out by the first line of defence> Auxiliary advice, support, monitoring, verification related to risk management
Third	Internal Audit	<ul style="list-style-type: none">> Provision of independent and objective assurance and recommendations on the adequacy and efficiency of corporate governance and risk management> Independent assessment of internal control, risk management and corporate governance systems> Monitoring of rectification of the faults
Fourth	External Auditor, regulatory bodies	<ul style="list-style-type: none">> Satisfying legislative and regulatory expectations to protect the interests of stakeholders;> Responding to requests of shareholders and management in addition to internal sources of guarantees

Unipro conducts an annual performance assessment of control procedures and the internal control of business processes. The Company's management signs the Sign-Off form to confirm the efficiency of the in-

ternal control system. This statement is based on the results of the internal control system self-evaluation by the process and controls owners, who are responsible for updating their state and status.

The internal control system efficiency is assessed based on:



Key events related to the internal control system in 2021:

- > The ICS audit by the Internal Audit Department and KPMG rated the ICS as "Regulated" and recommendations to improve the existing system were made;
- > ICS training for key and new employees was developed and arranged;
- > Analysis of the core activity and management processes for the effectiveness and sufficiency of control procedures used in them was continued;
- > Measures for improvement of the ICS performance in 2022 were approved;
- > ICS development roadmap for 2022-2024 was developed.

To ensure further ICS development, the Company's management implements best practices, regulatory recommendations and requirements.

ICS improvement plans for 2022:

- > Updating of the Regulation on the Internal Control System, guidelines and other local regulations and job descriptions of the Company's employees;

- > Improvement of the internal control system of the priority functional activities of Unipro PJSC;
- > Updating the business process map;
- > Updating the design of key business process controls;
- > Strengthening controls in business processes during the transition to the cloud-based enterprise resource planning system D365 and further automation of manual controls;
- > Updating the design of automated control procedures;
- > Updating the evaluation and self-evaluation of control design;
- > Further detailed analysis of the level of ICS structure according to the criteria set by the Federal Tax Service of the Russian Federation and drafting of a roadmap for transition to tax monitoring;
- > Improving the awareness of key personnel and employees (training and consultations for employees, business process owners on risk management and internal controls).

Internal Audit Department



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

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.

The main tasks of the Department are:

- > Preparing the annual plan of internal audits according to the risk-based approach for the Company's core business processes;
- > Setting up and carrying out the internal audits according to the approved annual plan;
- > Setting up and carrying out the unscheduled internal audits, internal investigations, and fraud investigations.

To ensure the principle of independence and objectivity, the Internal Audit Department reports to the Board of Directors of Unipro PJSC, and is administratively subordinated to the General Director. The Head of the Internal Audit Department is appointed and dismissed by the Company's General Director upon approval of the Board of Directors of Unipro PJSC.

On 04 April 2019⁵⁷, the Board of Directors of Unipro PJSC approved the appointment of Veronika Semenova as the Head of the Internal Audit Department of Unipro PJSC».

57 Minutes No. 272 dated 05 April 2019.



Veronika Semenova

Year of birth: 1985

Education: higher education.

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

Nationality: Russian Federation

Positions held in the last five 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 2021.

No conflicts of interest in the work of the Head of the Internal Audit Department were identified in 2021.

In total, the Internal Audit Department has five employees: the Head, the Deputy Head of the Department and three chief specialists responsible for individual areas of work.

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. During 2021, while reviewing the reports of the Internal Audit Department, members of the Audit Committee of the Board of Directors of Unipro PJSC provided a number of recommendations that were taken into account in a timely manner by the Internal Audit Department when preparing the subsequent reports.

Audit procedures are based on the annual audit plan, which was prepared for 2021 using a risk-based approach to identify key areas for audit, taking account of the requests and recommendations of management and shareholders.

The audit plan for 2021 is fulfilled by 100 %. In total, the employees of the Internal Audit Department conducted 13 audits, namely:

- > Audit of random processes in energy markets;
- > Audit of supervisory control and data acquisition (SCADA);
- > Audit of the information security process as part of remote operations;
- > Audit of the procurement process;
- > Internal control system audit;
- > Re-audit of the license management process;
- > Audit of the contractor management process at Unit No. 3 of Berezovskaya GRES;
- > Audit of the time keeping process;
- > Audit of the stocktaking process;
- > Audit of the Industrial safety management system;
- > Audit of Health and Safety Management System;
- > Field verification of the Project for Reconstruction of Municipal Wastewater Treatment Facilities at Berezovskaya GRES;

- > Audit of repair and maintenance processes at Surgutskaya GRES.

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 2021, employees of the Internal Audit Department continued their professional development, including training and ongoing preparation for CIA (Certified Internal Auditor) and CFE (Certified Fraud Examiner) professional certifications.

The work plan for the Internal Audit Department of Unipro PJSC for 2022 includes the following areas:

- Audit of sustainable development management;
- Audit of the implementation of the new accounting system D365;
- Cybersecurity audit;
- Re-audit of the industrial safety management system;
- Audit of non-production purchases;
- Re-audit of the boiler house construction at Smolenskaya GRES;
- Audit of repair and maintenance processes at Shaturskaya GRES.

The Company has developed channels to report on violations of applicable regulations and the operation of the risk management and internal control system. Any employee may refer these issues to the Internal Audit Department and the Audit Committee of the Board of Directors of Unipro PJSC.

Plan of Internal Audit Department for 2022 includes:

- > Audits according to the plan, as well as unscheduled inspections (internal investigations);
- > Support of remote operations;
- > Building relationships with the departments to increase the transparency of information disclosure, consulting, and promoting the Trusted Advisor approach;
- > Engaging employees of the Company's functions to participate in the Guest Auditor programme;

- > Further development and implementation of a digital tool for automated analytical procedures based on the Qlik View platform;
- > Obtaining international professional diplomas / certificates by the Department's employees;
- > Participation in internal trainings, including "Key Indicators of Fraud", "Improvement of Efficiency and Transparency of Procurement Procedures",

"Risk-oriented Approach of the Internal Audit Department", etc.;

- > Public speaking of the Department's employees at conferences, forums, seminars, trainings, round tables, etc. on the issues of internal audit, internal control, risk management, corporate governance in order to exchange professional experience and learn the best business practices.

External Auditor

Unipro PJSC annually conducts an independent external audit of the accounting (financial) statements in accordance with the Russian and international standards.

Following the results of the tender procedures, PricewaterhouseCoopers Audit Joint Stock Company (PwC Audit JSC, 125047, Moscow, 10 Butyrsky Val St.) approved by the Resolution of the Annual General Meeting of Shareholders of Unipro PJSC dated 10 June 2021 was declared the winner in 2021.

PwC Audit JSC is a member of Sodruzhestvo Self-Regulatory Organisation of Auditors. Primary registration number of the entry in the register of auditors and audit companies: 12006020338

PwC Audit JSC, the auditor, has not provided any other advisory services to the Company. Information on the independent auditor's remuneration is provided in the section "Report on Remuneration of Management and Control Bodies.



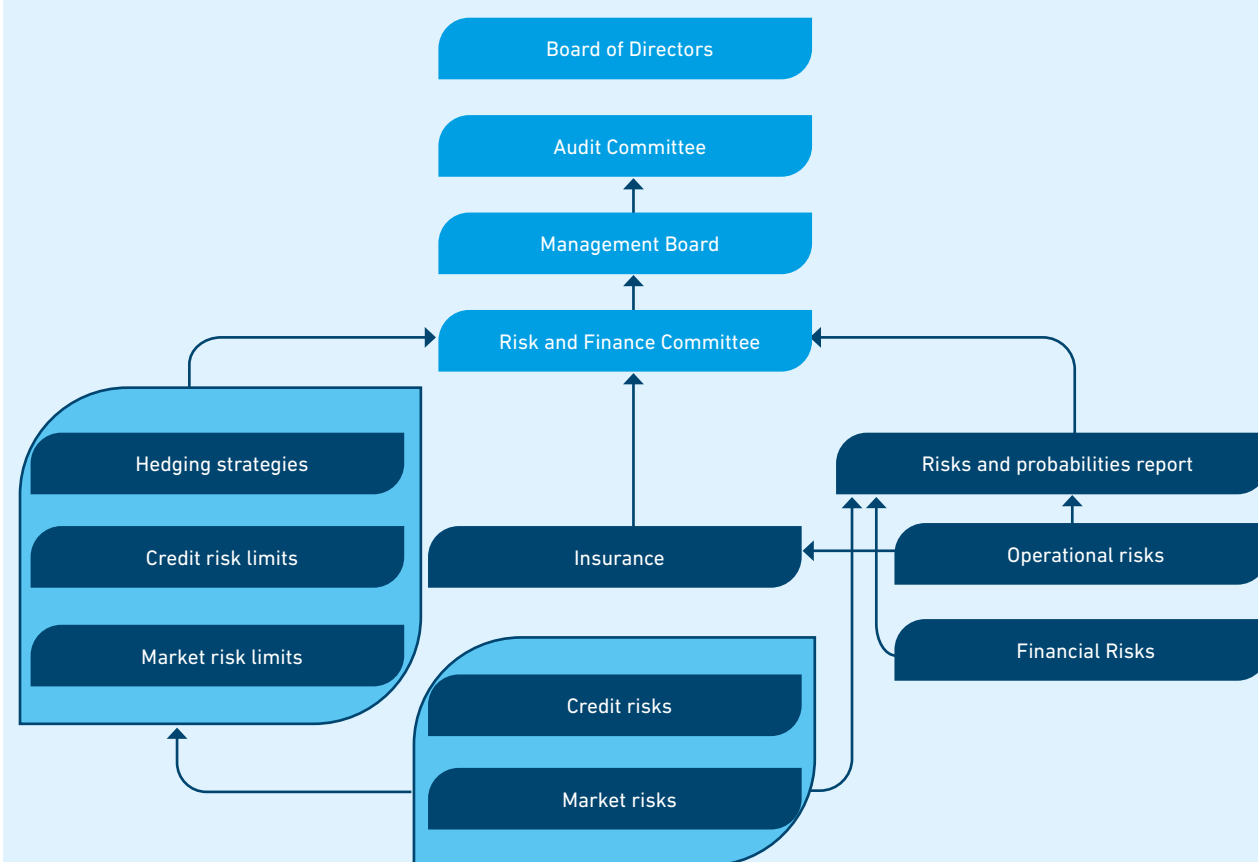
5.5 Risk Management

Effective risk management is one of the most important prerequisites for sustainability of Unipro PJSC business. GRI 102-30

The applicable integrated risk management system is aimed at the timely risk identification and management. The Company regularly reviews the planning, controlling and reporting processes in order to improve the efficiency and predictability of its financial

position. In order to reduce the negative impact of potential hazards and to use favourable opportunities, the Corporate Risk Management System (CRMS) operates at Unipro PJSC.

CRMS Organisational Structure



The key elements of the risk management system are the Company's strategy, internal regulatory documents, controlling, planning, internal control and audit system, risks and opportunities reports, as well as operation of the Risk and Finance Committee.

The list of CRMS key regulatory instruments includes:

- > Regulation on the Corporate Risk Management System;
- > Regulation on Market Risk Management;
- > Regulation on Credit Risk Management;
- > Regulation on Project Risk Management;
- > Insurance Policy;
- > Financial Policy.

Key risk management principles of Unipro:

- 1 All employees of the Company take part in the risk management process
- 2 The Company has a system of limits, preventive measures, documentation and reporting in place allowing to ensure the permissible risk limit. Executives monitor the efficiency of preventive measures on a regular basis
- 3 Risk management is based on the best available information.
- 4 Continuous upgrading of the Risk Management System

The Company Management (Deputy General Directors, Directors, Assistant General Directors and Branch Directors) are the risk portfolio owners and are responsible for risk identification and management within the area of their competence.

The Company's structure includes the Risk and Finance Committee whose competence includes consideration of the issues and development of recommendations in the area of risk and finance management for executive bodies of the Company. The Committee includes heads and representatives of the key business units in charge of operational, legal, procurement 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 opportunities reports.

The Treasury Operations and Risk Management Department is directly responsible for the performance of CRMS, including the insurance system. The Department has 6 employees.

Key risk management objectives of the Department include:

- > Providing CRMS participants with assistance related to risk identification, analysis and assessment, developing and implementing preventive measures;
- > Monitoring the reports on risks and opportunities, checking completeness, correctness and reliability of the submitted reports;
- > Delivering annual trainings for CRMS participants aimed at raising awareness of CRMS operation, followed by improved quality of the submitted reports;

- > Developing the methods for risk identification, assessment and management, devising the key policies and requirements with regard to risk management and CRMS operation;
- > Coordinating operations of the Company's units aimed at implementing CRMS and updating the Consolidated Risk Register on a regular basis;
- > Monitoring execution of resolutions on risk management made at the Committee meetings;
- > Ensuring preparation of efficient and timely reports on risks, including submission of reports on risks to the Company management bodies.

Scheduled Risks and Opportunities Reports are provided on a quarterly basis. Moreover, the Company has a procedure for compiling and reviewing urgent reports in case of emerging new material risks or material changes in previously identified risks. Risks and opportunities are mainly quantified and the preventive measures designed to manage identified and assessed risks and opportunities are transparent. In addition, sufficient documentation is provided and the performance of preventive measures is assessed.

Reports on the most material risks and opportunities are laid before Unipro PJSC Audit Committee and the Board of Directors for consideration. At specific requests, materials are proposed for close scrutiny by the Audit Committee of the Board of Directors of the Company that provide detailed understanding of assessment procedures and methods of managing the most material risks.

At Unipro PJSC, the effectiveness of CRMS is assessed as follows:



the management informs annually the Board of Directors on the 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



In 2021, the Risk and Finance Committee paid special attention to the monitoring of Berezovskaya GRES Power Unit No. 3 recovery project risks and to the progress of fire hazard reduction recommendations issued during (Uni)performance inspections (previously Safe.on).

At a separate request, a detailed retrospective analysis of assessments and actualisation factors of material risks, such as the risk of delayed completion of the emergency repairs at Berezovskaya GRES Power Unit No. 3 and the risk of bad debt, were put before the Audit Committee of Unipro PJSC's Board of Directors for in-depth consideration in 2021. The analysis showed a high-quality assessment of the bad debt risk, as well as the effectiveness of preventive measures aimed at the risk mitigation. As for the risk of delayed completion of the emergency repairs at Berezovskaya GRES Power Unit No. 3, causes and factors that had resulted in the power unit commissioning postponement, as well as performance of preventive

measures and lessons learned that could be used in other projects of the Company, were analysed.

In addition, the Company's ICS was audited in 2021. The CRMS was assessed as an element of the overall System (for the details see Section 5.4. Audit and Controls).

The Treasury Operations and Risk Management Department also focused on supporting the processes to identify and assess risks as well as 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 BGRES Power Unit No. 3 Recovery Project.

The insurance coverage against the damage to property and losses caused by business interruption was resumed for 2022. The insurance coverage with respect to contracted works during the repairs and upgrade was extended for contracted works under the modernisation projects.

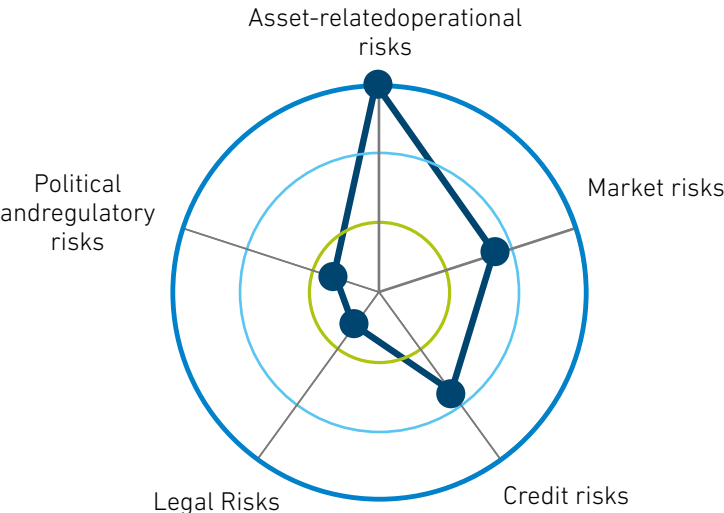
Most Material Net Risks as of Year-End 2021 GRI 102-15

Risk materiality level⁵⁸ as of year-end 2021

- Assessment of risk materiality
- Major risks
- Significant risks
- Material risks

Dynamics of risk materiality in 2021

- No changes
- Increase
- Decrease



MARKET RISKS

Commodity risks

The primary sector exposed to the commodity/market risk is the day-ahead market (DAM), where pricing is based on an arm's length principle. Due to significant excess capacities in the market as a result of stagnated power consumption and large-scale commissioning of capacities by generators under investment programmes, the competition of generating companies puts pressure on the free price. In

addition, domestic and international economy growth trends affect energy consumption and, as a result, on free prices in the Russian DAM market. In the context of the COVID-19 pandemic and global economic recession, commodity / market risks of the Company may increase.

FX risks

The Company mitigates the foreign exchange risk by hedging future FX liabilities.

CREDIT RISKS

Unipro PJSC manages credit risks by assessing fair practices of contractors by setting and controlling limits on transactions with financial institutions. The majority of the Company's counterparties under energy and capacity wholesale contracts are regional energy retail companies that do not consume electricity but resell it to end consumers and, therefore, depend on the ability or willing of such end consumers to pay for the power supplied to them.

The economic downturn that hit Russia in the context of COVID-19 pandemic did not affect the amount of payments the Company's overdue receivables in 2021. However, Unipro PJSC does not rule out a possible deterioration of payment discipline and decline in payment for power and heat supply services in retail markets, including at housing and utility facilities and in budget-funded entities. The non-payment situation may become more complex in many industries, including in the power industry, in the near future. Failures to pay or delays of payment for the supplied power and capacity may affect the Company's revenue level and performance.

⁵⁸ Risk materiality is a combination of the cumulative expected value and the cumulative worst-case value of the consequences for the Company in monetary terms exceeding the specified threshold.

OPERATIONAL RISKS

Asset-related operational risks



Business interruption risks

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.

The main factors when assessing potential losses include turbine oil catching fire, turbine wheelspace damage, boiler exploding at start-up, fuel oil spill fire in the boiler room, explosion in the chemical water treatment ammonia storage, washout of the water gathering pond dam, etc.

The measures taken by the Company to reduce the probability of any adverse effects of negative events are as follows:

1. Establishing a four-tier system of industrial control and industrial safety management;
2. Equipment repairs in line with a strict schedule;
3. Ongoing monitoring of the condition of waterworks;
4. Ensuring high-quality training of personnel (in particular, employees operating hazardous production facilities), assessment of their knowledge, special training (technical training, simulator training), advanced training, and analysis of their reliability based on investigations of incidents and near misses;
5. Ensuring consistent 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;
6. Thorough technical investigations of accidents, process incidents and significant defects with the identification of system-level (root) causes and development of accident prevention measures using various tools, including the Cause Tree and BSCAT methodology;
7. Implementing a system to monitor the implementation of the accident prevention measures developed based on the investigation results, integrating them in corporate procedures, maintenance and repair documentation, including them, if necessary, in the financial programmes of the Company, and ensuring their use with the similar equipment at all power plants of the Company;
8. Implementing a risk-oriented approach to planning targeted measures intended to improve equipment

reliability as part of repair and modernisation operations by generating risk maps for each equipment group, analysing forced unavailability rates in the past, and forecasting such rates in the future;

9. Estimating and analysing the reliability indicators for equipment groups to forecast forced unavailability rates for equipment and ensure that investments are used specifically to minimise these rates;
10. 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;
11. Identifying and evaluating hazards and threats using the BowTie methodology, developing safeguards;
12. Ensuring thorough supervision over the repair personnel in terms of their strict compliance with the procedures for the repair and technical acceptance of repaired equipment by the customer's representatives;
13. Using a system to assess the technical condition of equipment on a regular basis, calculating the technical condition index in accordance with the industry-specific procedure, and taking it into account when planning technical interventions;
14. Involving special contractors to assist with technical condition diagnostics and assessment;
15. Conducting on-site inspections to assess equipment repair readiness and assess the completed repairs;
16. Analysing changes in the equipment performance indicators and cost/performance ratios;
17. implementation of a comprehensive programme for the equipment replacement and per-unit reconditioning;
18. Implementing a comprehensive advanced training programme for production personnel;
19. Standardising repair operations, including by developing repair data sheets and repair workflow specifications;
20. Providing employees with financial incentives intended to reduce the equipment damage and forced unavailability rates (involving targeted reduction of the bonus rate depending on the contribution of specific employees to the forced unavailability rate);
21. Insuring business interruptions and property damage.

Risk of business interruption due to the spread of coronavirus infection COVID-19

One of the major risks in the Russian electric power industry associated with the spread of coronavirus infection is force majeure related to hindered supply of equipment and components, as well as the work of personnel against the restrictive measures. These facts impede both repair works and implementation of investment projects, which, along with the likely deterioration of the financial situation, may lead to a cut of investment programs by energy companies.

The production risks related to the pandemic can be attributed to the following areas:

1. Constraints as to available capacity due to the risk of quitting by a critical number of operating staff who directly operate the equipment due to a disease or quarantine;
2. Constraints as to available capacity when reaching the ultimate life, an individual resource due to a delay in the supply of components and spare parts for maintenance, repairs, of extension of the resource and keeping the equipment operational due to the shutdown of manufacturers, lack of domestic substitutes (for foreign

equipment), closure of borders, and other logistic issues;

3. Constraints as to available capacity when reaching the ultimate life, an individual resource due to the fact that it is impossible to perform technical diagnostics, industrial safety expert examinations, repairs and maintenance due to unavailability of experts, work restrictions, and financial difficulties of special-purpose organisations, as well as without foreign domain experts for equipment diagnostics and repairs;
4. Limitation of available capacity in case of failures in the supply of operational goods (chemicals, ion-exchange resins, chemical reagents, components of devices for ongoing analytical control of the flow process, etc.).

The steps taken in these areas are as follows:

1. To ensure the protection of the operating staff, all branches have taken steps to prevent the spread of the COVID-19 coronavirus infection that include:
 - > Arranging for remote work of the maximum possible number of employees not involved in the equipment control;
 - > Additional public health measures aimed at lowering contacts among employees of various shifts and the same shift;
 - > Monitoring the health condition of the staff when they access the plant;
 - > Infection testing of employees arriving after vacations and business trips, seconded personnel of the Company and contractors;
 - > Special procedure for access of repair crews, including contractors;
 - > More frequent cleaning and disinfection of workplaces by both single purpose companies and the plant staff;
 - > Use of special personal protective equipment;

- > Arranging for the places for staff meals and the manner in which the staff can take a shower that ensure the required social distance;
- > Arranging of regular testing of the employees who do not work remotely, as well as contact persons;
- > Vaccinating the employees;

When a significant number of personnel is absent on sick leave or in connection with confinement, a three-shift work is organised instead of the four-shift mode.

2. As regards a delay in the supply of components for repairs, potentially problem-plagued nodes are being identified for their replacement. The possibility of agreeing upon the extension of operation with the manufacturers and regime restrictions is being studied. No critical positions have been identified as of year-end 2021.
3. As regards arrangements for foreign experts arriving in the Russian Federation to make the repairs, the issue is being monitored whether or not the contractual obligations of the contractors engaging foreign experts may be performed. No critical positions have been identified as of year-end 2021. As regards the industrial safety expert examination and technical diagnostics services rendered by special-purpose organisations, there is preventive control of delay risks in place at each stage of the service rendering, the results of which are used to decide on the need for the contractors to mobilise extra personnel. No risks in this area were identified in Q4 2021.
4. As regards the operational goods, their domestic substitutes are being studied, the sufficiency of emergency stock is being checked, the consumption of materials in the period of logistic and other restrictions caused by the pandemic is being streamlined.


Asset-related project risks




Risks associated with Berezovskaya GRES Power Unit No. 3 recovery

On 1 February 2016, a fire broke out in the boiler house of Power Unit No. 3 at Berezovskaya GRES that damaged the boiler. The fire was extinguished. After a lengthy repair, the unit was certified by the regulator from 1 May 2021, then the Company started to receive payments for capacity under the CSA.

With the commissioning of Unit 3 of the Berezovskaya GRES, the Company no longer has material project risks associated with assets.

Tax risks 	
<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>

Asset impairment risk 	
<p>Due to a slight excess of the recoverable value of assets over their book value, there is a risk of asset impairment due to a variety of factors.</p>	<p>Asset impairment will not affect cash flows, but it may reduce the Company's reported retained earnings and subsequently limit the Company's ability to pay dividends.</p>

LEGAL RISKS 	
<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 was agreed upon or such managerial decision was 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 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 electric power and capacity 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</p>	<p>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. Enforcement of judgments may prove problematic in practice.</p> <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 incertitude 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 district arbitration courts; the Company also examines the legal position of the Constitutional Court of the Russian Federation on certain law-enforcement matters.</p>

POLITICAL AND REGULATORY RISKS 	
<p>The Company's activities are exposed to risks associated with geopolitical tension, political instability in the relevant country, possible conflicts among federal, regional and local government bodies due to different controversial issues, including taxes, municipalism, and allocation of responsibility to regulatory authorities.</p> <p>Any significant disagreements related to future reform areas, deterioration of the geopolitical situation, tougher sanctions of the European Union and the USA, political instability or conflicts among powerful economic groups may have an adverse impact on the Company's activities, its financial performance, and development prospects, as well as on the cost of investments in Russia and the prices of shares.</p>	<p>The Russian wholesale electricity market regularly undergoes changes, which affects 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>

<p>Significant geopolitical and macroeconomic changes occurred during the preparation of the report and resulted in increased uncertainty in the assessment of current risks.</p>	
<p>In 2022, Unipro PJSC will continue to enhance and improve the CRMS. The important ongoing task is to strengthen the risk management function in terms of risk owners' influence on the quality of risk management processes. The Company shall further introduce effective formal risk management procedures and tools at the business process level. This includes priority processes as part of the implementation of</p>	<p>recommendations based on the results of the ICS audit. After the task is completed, risks will be identified, formalised and self-evaluated at the level of the described business processes.</p> <p>In addition, the Company will focus on the implementation of the Environmental, Social and Governance (ESG) Risk Management Policy</p>
<p>Risks Insurance Management</p> <p>In Russia, Unipro PJSC has the reputation of a leading insurer, whose experience is exemplary for the market. The risk insurance function of Uniper SE is responsible for insurance at the Uniper Group level. As such, the Company maintains insurance coverage under the corporate Insurance Policy of Uniper SE supervised by the corporate insurance broker Uniper Risk Consulting GmbH (URC).</p> <p>Together with the risk owners and the responsible functions of the group, the insurance function determines whether it is necessary to use Uniper Group's insurance contracts, coordinated programmes, regional or individual insurance contracts to cover the risks considered. Insurance is provided based on business, legal and regional aspects.</p>	
<p>The insurance function is responsible for the following:</p> <ul style="list-style-type: none"> > Provision of centralised access to the insurance markets for Uniper group 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. 	

5.6 Compliance and Anti-Corruption

Compliance is an integral part of the corporate governance system at Unipro PJSC. The Company pays special attention to its business reputation and corporate culture, which have been built for many years, and operates exclusively under the applicable legislation, in accordance with the principles of good business practices and high standards of business ethics and professional conduct.

The performance of the compliance system is based on personal responsibility of each employee. In 2021, all employees of Unipro PJSC were trained as part of the updated regular (biannual) Basics of Compliance course. This course will be mandatory for all new employees of the Company.

All employees of Unipro PJSC follow the Code of Corporate Conduct, a basic document setting the binding requirements.

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 where we operate

Our activity

- > We avoid conflicts between personal and professional interests
- > We only offer or accept gifts and hospitality when appropriate
- > We comply with the legislation against money laundering and terrorist financing and with all applicable sanctions' regimes
- > We do not trade on inside information
- > We compete fairly
- > We protect our assets and use them wisely
- > We keep and provide accurate and clear business records
- > We act on behalf of the Company only with the appropriate authority



In 2021, the Board of Directors of the Company approved the updated Compliance Policy of Unipro PJSC⁵⁹, covering the following areas:

- > Anti-corruption compliance (including corruption prevention);
- > Anti-theft and anti-fraud compliance;
- > Compliance in the field of managing conflicts of interest;
- > Corporate conduct compliance;
- > Procurement compliance;
- > Compliance in the field of the Information Policy, processing of personal data;
- > Employment relations compliance;
- > Compliance in the field of countering the illegal use of insider information;
- > Antimonopoly compliance.

The main compliance tools of the Compliance Policy of Unipro PJSC include:

- > Internal compliance regulations;
- > Employees' declarations of conflicts of interest;
- > Informing and training employees on compliance issues;
- > Using the Company's internal corporate portal on compliance issues;
- > Opportunity for employees and other persons to report, on a confidential and (as an option) anonymous basis, compliance violations via the Hotline;
- > Audit of internal regulatory documents on various issues of activities in order to identify inconsistencies with the adopted compliance internal documents, elimination of identified inconsistencies, and introduction of the required standards therein;
- > Imposition of disciplinary sanctions to employees who committed violations of the compliance requirements, including the requirements of the Code of Corporate

Conduct, in accordance with the applicable legislation of the Russian Federation and the Company's internal documents;

- > Compliance Officer's reporting to the Board of Directors in accordance with the Articles of Association of Unipro PJSC;
- > If necessary, conducting internal checks and investigations of Compliance Incidents by the Compliance Officer himself/herself or jointly with the Company's Internal Audit Department and/or Security Service.

Antimonopoly risks are regularly assessed in accordance with the Antimonopoly Policy adopted by the Company.

Unipro PJSC believes combating corruption to be one of the key principles of responsible business practices. The Company carries out its activities in strict compliance with the requirements of the anti-corruption legislation of the Russian Federation, recognises the importance of anti-corruption procedures and controls compliance therewith. For this purpose, Unipro 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.

The Company approved the position of Compliance Officer appointed by the resolution of the Board of Directors.⁶⁰ The Compliance Officer is accountable to the Board of Directors and regularly submits a Compliance Environment Report for the Company.

To avoid the situations that may jeopardise the interests of the Company and its employees, the Compliance Officer pays particular attention to reports on potential conflicts of interests. Given that the Company encourages the continuity of generations and the preservation of the dynasty of power engineers, Unipro individually considers each case of a potential conflict of interest and, if necessary, takes additional control measures.

In addition to the existing hotline, in 2021, Unipro implemented anonymous reports to the Compliance Officer through the corporate portal and the Company's website to notify of any matters or prerequisites for a corruption situation involving the Company's employees and its partners.

GRI 102-17; 205-2

In 2021, the Compliance Officer received eight enquiries from the Company's employees:

- > 5 reports of potential conflict of interest:

following the review of these reports, 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 action plan.

- > 3 reports on labor discrimination, theft and fraud:

In one incident related to potential theft, an internal audit was completed and allowed to return all inventory shortage, identify the perpetrators and prosecute them. The other two incidents are under internal investigation.

GRI 205-3

In 2021, an independent appraiser (KPMG) assessed the internal control system, including the audit of the Company's compliance system. Based on the results of the assessment, a high level of development of the system was noted and recommendations were prepared. The Company intends to implement them over the course of several years, including regular review of compliance issues by the Board of Directors and the Audit Committee and the approval of the Anti-Corruption Policy.

The following is scheduled for 2022:

- > Development of new regulations on anti-corruption processes;
- > Updating the training course (e-learning) and separate trainings for the Company's employees on compliance with anti-corruption requirements;
- > Updating the Code of Corporate Conduct;
- > Implementing the Company's Anti-Corruption Policy;
- > Promotion of compliance topics;
- > Regular compliance surveys of employees;
- > Development of a full-scale risk compliance map for 2022-2025;
- > Integration of sustainable development factors into the risk management and internal control system: development of an ESG Policy and implementation of assessment and control processes.

⁵⁹ Minutes No. 308 dated 07 December 2021.

⁶⁰ Anton Vasin, Director for Corporate Governance, Legal and Asset Management of Unipro PJSC, is the Compliance Officer from 20 August 2021.

5.7 Report on Remuneration of Management and Control Bodies



The remuneration system for the members of the Board of Directors of Unipro PJSC and its Committees, including the remuneration and compensation payment amount, procedure and period, is determined by the Policy on Remuneration of Members of the Board of Directors of Unipro PJSC approved by the General Meeting of Shareholders of the Company in 2021⁶¹.

The remuneration consists of a fixed remuneration, remuneration for chairing the Committees and remuneration for membership in and attendance of meetings

of the Committees of the Board of Directors. Remuneration is paid, if a member of the Board of Directors attended at least 75% of the meetings held during the quarter. GRI 102-35; 102-36

The Regulation also provides for the reimbursement of all expenses to the members of the Board of Directors incurred by them as the members of the Board of Directors. Remuneration is only paid to those members of the Board of Directors who do not hold paid positions, and are not members of the Company's Management Board and of its affiliates.

In 2021, the remuneration was paid only to the independent members of the Board of Directors.

Remuneration of Members of the Board of Directors and Committees, '000 RUB⁶²

Type of remuneration	2019	2020	2021
Quarterly	5,047	6,853	4,874
Annual (for previous year)	11,121	9,627	13,556
Fixed remuneration ⁶¹	-	-	5,964
Remuneration for members of Committees ⁶²	-	-	954
Reimbursement of expenses	987	-	-
Social security contributions	3,079	2,918	4,355
Total for Unipro PJSC	20,234	19,398	29,703

Remuneration and compensation to Company employees who are members of the Management Board are paid under employment contracts. The terms and conditions of employment contracts 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. The employment contracts of the Company's Management Board members set bonuses to be paid based on the performance for the reporting year (annual bonuses). The amount of the bonus of Unipro PJSC Management Board members depends, among other things, on the results of implementation of the individual goals set for them. Based on the specific terms and conditions of the employment contracts of the Unipro PJSC Management Board members, the Appointment and Remuneration Committee of the Board of Directors approves the indi-

vidual achievements (KPIs) of the Management Board members based on the results of the relative year and also preliminary reviews individual targets (KPIs) of the members of the Board for the next year. The individual achievements (KPIs) of Unipro PJSC Management Board members for the relative year are one of the basic components used in annual bonus calculations.

In accordance with Article 12 of the Articles of Association of the Company, the competence of the Board of Directors includes the issue of awarding bonuses to the General Director. Pursuant to Clause 5.2.10. of the Regulation on the Appointment and Remuneration Committee of the Company's Board of Directors, the Committee is responsible for preliminary consideration and drafting of the Board resolutions on the issue of establishing the terms and conditions of the employment contract with the General Director of the Company, including on bonuses and other payments.

According to the employment contracts made with Mr U. Bakkmayr, the Deputy General Director for Finance and Economics of Unipro PJSC, and Mr I. Popov, the Deputy General Director for Production of Unipro PJSC, employees are paid a variable part of payment (bonus), the amount of which is determined by the General Director, taking into account the recommendation of the Appointment and Remuneration Committee for the previous financial year. The amount of the bonus is determined based on the

achievement of the goals agreed with the employee and recorded in writing for the current financial year at the beginning of the period.

The KPI achievements by Unipro PJSC Management Board members based on 2020 performance were reviewed and approved at the meeting of the Appointment and Remuneration Committee (Minutes No. 154 of 16 February 2021).

Remuneration of Members of the Management Board, '000 RUB⁶⁵

Type of remuneration	2019	2020	2021
Salary	178,358	179,082	187,988
Bonuses and other benefits	140,411	266,625	156,116
Social security contributions	49,279	68,769	48,820
Total for Unipro PJSC	368,048	514,476	392,924

The auditor's remuneration is determined by the resolution of the Company's Board of Directors, taking into account the results of the competitive procedures

and after preliminary consideration of this issue by the Audit Committee under the Board of Directors of Unipro PJSC.

Auditor's Remuneration, RUB mln⁶⁶

Type of remuneration	2019	2020	2021
Audit of annual RAS accounting (financial) statements and IFRS consolidated financial statements.	25.0	25.0	28.1
Non-audit remuneration	No	No	No
Total for Unipro PJSC	25.0	25.0	28.1

⁶¹ Minutes No. 26 dated 11 June 2021 and No. 27 dated 07 December 2021.

⁶² Including personal income tax.

⁶³ Introduced in 2021

⁶⁴ Introduced in 2021

⁶⁵ Including personal income tax.

⁶⁶ Including VAT.

180
1
INFORMATION
ON THE REPORT

182
4
GRI
CONTENT
INDEX

187
6
PARTICIPATION OF THE
COMPANY
IN PROFIT-MAKING AND
NON-PROFIT
ORGANISATIONS

182
3
ACCOUNTING
(FINANCIAL)
STATEMENTS FOR 2021

185
5
SASB CONTENT
INDEX

189
7
REPORT ON THE CONCLUDED
RELATED PARTY TRANSACTIONS

182
2
INDEPENDENT
AUDITOR'S
REPORT

191
8
REPORT ON COMPLIANCE
WITH THE PRINCIPLES AND
RECOMMENDATIONS OF THE CODE
OF CORPORATE GOVERNANCE

226
9
GLOSSARY AND
ABBREVIATIONS

228
10
CONTACT
INFORMATION



ANNEXES

Annex 1. Information on the Report

The PJSC's Annual Report for 2021 (hereinafter referred to as the Report) is the sixth annual report for a wide range of stakeholders. The Report contains the key results of the Company for 2021, including financial and operational results, and information on approaches to strategic planning, corporate governance and contribution to sustainable development.

GRI 102-50; 102-51; 102-52

The Report was prepared in accordance with federal and international documents:

- > Federal Law No. 208-FZ dated 26 December 1995 "On Joint Stock Companies" (as it reads now);
- > Regulation on the Information Disclosure by Issuers of Equity Securities (approved by the Bank of Russia under No. 714-P on 27 March 2020);
- > Bank of Russia Letter No. 06-52/2463 dated 10 April 2014 "On the Code of Corporate Governance";
- > Bank of Russia Letter No. IN-06-28/102 dated 27 December 2021 "On Disclosure in an Annual Report of a Public Joint Stock Company of a

Report on Compliance with Principles and Recommendations of the Corporate Governance Code";

- > UN Global Compact;
- > The UN 2030 Agenda for Sustainable Development (Resolution of the UN General Assembly dated 25 September 2015, Transforming our World: the 2030 Agenda for Sustainable Development);
- > Global Reporting Initiative Sustainability Reporting Standards (the "GRI");
- > Sustainability Accounting Standards Board (the "SASB Standards");
- > International Integrated Reporting Framework, 2021 January;
- > International Accountability Standards, including AA1000 Accountability Principles (AA1000AP) and AA1000 Stakeholders Engagement Standard (AA1000SES);
- > Internal regulatory documents of Unipro PJSC.

The Report was prepared in accordance with the "basic" application level of GRI Standards. GRI 102-54

When preparing the Report, SASB standards were used for the first time allowing to disclose information on the impact of ESG aspects on the financial position and results of the Company. In addition, the Company's business model and developed based on recommendations of the IIRC's International Integrated Reporting Framework.

In the reporting year, there were no material changes in the scale and structure of Unipro's activities. There were no material changes in the wording and methods for calculating indicators that could affect the assessments and decisions of the users of the Report as compared to the previous annual report. However, financial indicators are presented in this Report on the basis of IFRS financial statements for the first time. GRI 102-48; 102-49

The content of this Report was determined in accordance with the applicable regulations and standards. GRI 102-46

In addition to disclosure of issues under the applicable standards and other regulations, the previous Report contained a list of material aspects relevant to the activities of Unipro PJSC in view of corporate and industry contexts and aspects relevant to the global agenda. Based on the questionnaire survey, a Materiality Map was made to visualise the focus of material issues disclosure in the Report for 2020.

To update the Materiality Map, an internal expert discussion was held and the map was recognised as relevant. GRI 102-21

All operational aspects (issues) included in the map are disclosed in this Report based on their significance level; the issues in red quadrants are those of key priority in the Report.

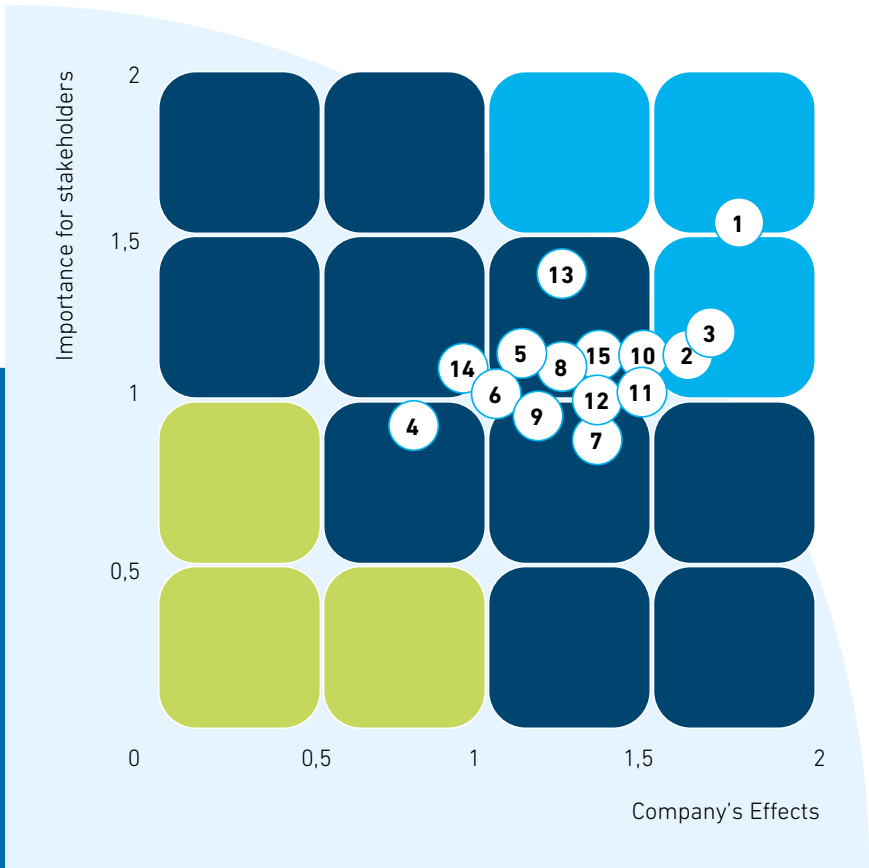
Materiality Map

GRI 102-47

The top management representative in charge of preparing the Report is the Director for Corporate Governance, Legal and Asset Management of Unipro PJSC⁶⁷.

GRI 102-32; 102-53

- | | |
|---|---|
| 1. Financial and economic performance results | 8. Global Greenhouse Gas Emissions |
| 2. Provision of reliable, accessible and safe energy supply | 9. Waste management |
| 3. Modernization of production assets, performance improvement | 10. Compliance with environmental laws |
| 4. Supply chain management, interaction with suppliers, contractors | 11. Occupational health and safety |
| 5. Anti-Corruption Efforts | 12. HR management and provision of proper labour conditions |
| 6. Compliance with the anti-trust laws | 13. Staff training |
| 7. Environmental sustainability | 14. HR engagement and motivation of employees |
| | 15. Social and charity projects in the regions of presence |



⁶⁷ If you have questions related to the preparation of the Report, please contact the Head of the Corporate Policy Department of Unipro PJSC Ekaterina Giganova, e-mail: IR@unipro.energy, telephone: 8 (495) 545 38 38.

Annex 2. Independent Auditor's Report

Annex 3. Accounting (Financial) Statements for 2021

Annex 4. GRI Content Index

GRI Content Index⁶⁹

GRI 102-55

Indicator	Value	Page number, omissions, explanation
GENERAL DISCLOSURES		
GRI 102: Standard Elements (2016)		
Organisational profile		
102-1	Name of the organisation	
102-2	Activities, brands, products, and services	
102-3	Location of headquarters	
102-4	Location of operations	
102-5	Ownership and legal form	
102-6	Markets served	
102-7	Scale of the organisation	
102-8	Information on employees and other workers	
102-9	Supply chain	
102-10	Significant changes to the organisation and its supply chain	
102-11	Precautionary Principle or approach	The Company uses the precautionary principle, especially in health, safety and environmental areas. This principle is applied in the risk management process.
102-12	External economic, environmental, and social charters, principles, or other initiatives that the Company has joined or supports	
102-13	Membership of associations	
Strategy		
102-14	Statement from senior decision-maker	
102-15	Key impacts, risks, and opportunities	
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	
102-17	Mechanisms for advice and concerns about ethics	
Corporate governance		
102-18	Governance structure	
102-19	Delegation of authority to solve economic, environmental and social problems from the highest corporate governance body to top-ranking executive managers and other employees	
102-20	Executive-level responsibility for economic, environmental, and social topics	
102-21	Consulting stakeholders on economic, environmental, and social topics	
102-22	Composition of the highest governance body and its Committees	
102-23	Chair of the highest governance body	



102-24	Nominating and selecting the highest governance body and its Committees	
102-26	Role of highest governance body in setting purpose, values, and strategy	
102-28	Evaluating the highest governance body's performance	
102-29	Identifying and managing economic, environmental, and social impacts	
102-30	Risk management	
102-31	Review of economic, environmental, and social topics	The annual report of Unipro PJSC including sustainability data is approved by the resolution of the Annual General Meeting of Shareholders (previously approved by the Board of Directors)
102-32	Highest governance body's role in sustainability reporting	
102-35	Remuneration policies	
102-36	Process for determining remuneration	
Stakeholder engagement		
102-40	List of stakeholder groups	
102-41	Collective bargaining agreements	
102-42	Identifying and selecting stakeholders	
102-43	Approach to stakeholder engagement	
Reporting practice		
102-45	Entities included in the consolidated financial statements	
102-46	Defining report content and topic boundaries	
102-47	List of material topics	
102-48	Restatements of information	
102-49	Changes in reporting	
102-50	Reporting period	Financial year from 01 January 2021 to 31 December 2021
102-51	Date of most recent report	20 May 2021
102-52	Reporting cycle	
102-53	Contact point for questions regarding the report	
102-54	Claims of reporting in accordance with the GRI Standards	
102-55	GRI content index	
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its boundary	Disclosed in relevant sections
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
MATERIAL TOPICS		
GRI 201: Economic Performance (2016)		
201-3	Defined benefit plan obligations and other retirement plans	
GRI 202: Market Presence (2016)		
202-1	Ratio of standard entry level wage by gender compared to local minimum wage	
GRI 203: Indirect Economic Impacts (2016)		
203-1	Significant indirect economic impacts	
203-2	Infrastructure investments and services supported	
GRI 205: Anti-Corruption (2016)		
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
GRI 302: Energy (2016)		
302-1	Energy consumption	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
GRI 303: Water and Effluents (2018)		
303-2	Management of water discharge-related impacts	
303-5	Water consumption	

⁶⁸ The Report was prepared in accordance with the "basic" version of GRI Standards.

GRI 304: Biodiversity (2016)		
304-2	Significant impacts of activities, products, and services on biodiversity within protected natural areas and areas with high biodiversity value outside the boundaries of protected natural areas	
GRI 305: Emissions (2016)		
305-1	Direct GHG emissions	
305-2	Indirect GHG emissions	The Company does not keep records of indirect GHG emissions.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 306: Effluents and Waste (2016)		
306-2	Waste by type and disposal method	
306-4	Weight of transported, imported, exported or recycled waste that is “hazardous” wastes under Annexes I, II, III and VIII of the Basel Convention, and the proportion of waste transported between countries	The Company does not transport, import, export or process hazardous waste in accordance with Annexes I, II, III and VIII of the Basel Convention
GRI 401: Employment (2016)		
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees	
GRI 403: Occupational Health and Safety (2018)		
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment, and incident investigation	
403-3	Occupational health services	
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	
403-9	Work-related injuries	
403-10	Work-related ill health	
GRI 404: Training and Education (2016)		
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programmes	
404-3	Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity (2016)		
405-1	Breakdown of employees by categories, gender and age groups	
GRI 407: Freedom of Association and Collective Bargaining (2016)		
407-1	Freedom of association and collective bargaining	
Standard elements of an industrial application for the electric power industry		
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	
EU2	Net energy output, broken down by primary energy source and by regulatory regime	
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	
EU25	Number of injuries and fatalities to the public involving the Company assets, including legal judgments, settlements and pending legal cases of diseases	None

Annex 5. SASB Content Index

Metric	Result	Page number, omissions, explanation
Network Resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cyber-security standards or regulations	
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI) and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days.	Currently, no such records are kept.
Activity Metrics		
IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	N/A: The Company uses WMEP
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, (5) wholesale customers	
IF-EU-000.C	Length of transmission and distribution lines	N/A: Transmission lines are operated by grid companies
IF-EU-000.D	Total electricity generated, and percentage by main energy sources and percentage in regulated markets	
IF-EU-000.E	Total purchased wholesale power	
End Use Efficiency & Demand		
IF-EU-420a.1.	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM).	N/A: the Company operates on the Russian wholesale market for electricity and power
IF-EU-420a.2.	Percentage of electric load served by smart grid technology	N/A: the Company operates on the Russian wholesale market for electricity and power
IF-EU-420a.3.	Customer electricity savings from efficiency measures, by market	N/A: the Company operates on the Russian wholesale market for electricity and power
Energy Affordability		
IF-EU-240a.1.	Average retail electric rate for residential, commercial, and industrial customers	
IF-EU-240a.2.	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	
IF-EU-240a.3.	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	
IF-EU-240a.4.	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	
Global Greenhouse Gas Emissions		
IF-EU-110a.1	(1) Gross global Scope 1 emissions (2) Percentage under emissions limiting regulations, and (3) Percentage under emissions reporting regulations	
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Currently, no records are kept.

Metric	Result	Page number, omissions, explanation
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and analysis of performance against the above targets	
IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS), and (2) percentage fulfilment of RPS target.	The Company operates in the Russian Federation
Air Quality		
IF-EU-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOX (excluding N2O), (3) SOx, (4) Particulate matter (PM10), (5) Lead (Hg), (6) Mercury (Pb), (7) volatile organic compounds (VOCs) and (8) hazardous air pollutants (HAPs)	
Water Management		
IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, Percentage of each in regions with High or Extremely High Baseline Water Stress	
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	
Coal Ash Management		
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated and percentage recycled	
IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	
Workforce Health & Safety		
IF-EU-320a.1	(1) Total recordable incident rate (TRIR) (2) Fatality rate for (a) direct employees and (b) contract employees	

Annex 6. Participation of the Company in Profit-Making and Non-Profit Organisations

Participation of Unipro PJSC in Profit-Making Organisations⁶⁹ GRI 102-45

Company name	E.ON Connecting Energies LLC
Location address	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%
State registration date / Date of share acquisition	16 November 2012
Company name	Unipro Engineering LLC
Location address	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%
State registration date / Date of share acquisition	6 October 2015
Company name	Siberia AIP LLC
Location address	662327, Kholmogorskoe Settlement, Sharypovo District, Krasnoyarsk Territory, Russian Federation
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%
State registration date / Date of share acquisition	5 May 2016
Company name	Uniper NefteGaz LLC
Location address	Building B, 10 Presnenskaya Embankment, Moscow, 123112, Russia
Core business	Business support services
Participatory interest	100%
State registration date / Date of share acquisition	7 October 2021

⁶⁹ Information is provided for entities in which Unipro has 5% participatory interest or more.

Company name	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 keep a fair balance of interests between society, government and business
Russian-German Chamber of Commerce	Resolution of the Board of Directors dated 09 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 04 April 2016	Stating the Company's position on matters of legislation and law enforcement, and representing the Company's interests in public authorities
Self-Regulatory Organisation Union of Yugra Constructors	Resolution of the Management Board dated 06 June 2017	The necessary prerequisite to perform the work on construction, reconstruction, overhaul of permanent facilities, including auxiliary facilities.
Self-Regulatory Organisation Union of Yugra Designers	Resolution of the Management Board dated 29 July 2019	The necessary prerequisite for the developer to perform the technical customer's functions listed in Clause 22, Article 1 of the Urban Development Code of the Russian Federation.
Renewable Energy Development Association	Resolution of the Management Board dated 03 August 2021	The opportunity to participate in implementing a reliable institutional environment and an effective infrastructure for investment inflow to the renewable energy sector and the promotion of using renewable energy sources in the Russian Federation.

Annex 7. Report on the Concluded Related Party Transactions⁷⁰

Additional Agreement No. 6 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; Uniper Technologies GmbH as the Contractor. Subject of the transaction: Amendment of Contract No. IA-16-0597 dated 30 June 2016. Value of the services under the Agreement: The amount of the remuneration payable to the Contractor for the services rendered during the performance of this Contract remains the same and is limited to Seven million eight hundred thousand Euro (EUR 7,800,000) exclusive of VAT. If the maximum amount of the remuneration payable to the Contractor is not sufficient to continue the services, it may be adjusted by agreement of the Parties. The location of the services under the Contract shall be the Russian Federation.	Contract period: This Contract shall remain in force, and the Parties' obligations under the Contract shall continue until: a) Contract termination date in case of termination at either Party's initiative; b) Contract expiration date, i.e., 30 September 2021, but not earlier than the Customer repays its debt to the Contractor. Related party (parties) as of the transaction date: Uniper SE, a related party, is a controlled party under the transaction. Management body authorising the transaction by its resolution: The transaction has been approved by Company's Board of Directors (Minutes No. 300 dated 01 April 2021).
--	---

Additional Agreement No. 7 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; Uniper Technologies GmbH as the Contractor. Subject of the transaction: Amendment of Contract No. IA-16-0597 dated 30 June 2016. Value of the services under the Agreement: The amount of the remuneration payable to the Contractor for the services rendered during the performance of this Contract remains the same and is limited to Seven million eight hundred thousand Euro (EUR 7,800,000) exclusive of VAT. If the maximum amount of the remuneration payable to the Contractor is not sufficient to continue the services, it may be adjusted by agreement of the Parties. The Contractor shall render additional services related to the provision of access to the online archive at the following rates:
--

⁷⁰ Approved by the Audit Committee of Unipro PJSC (Minutes No. 67 dated 8 February 2022) and by the Board of Directors of Unipro PJSC (Minutes No. 309 dated 21 February 2022).

Rates for the Contractor’s Services

Cost of additional services	
ThinkProject archive hosting (online remote archive support) to enable work in the single-license document management system “Company-User”	EUR 1,550
Subscriber fee for access to and use of ThinkProject archive hosting (online archive)	EUR 100 per month

Contract period:

This Contract shall remain in force, and the Parties’ obligations under the Contract shall continue until:

- a) Contract termination date in case of termination at either Party’s initiative;
- b) Contract expiration date, i.e., 31 December 2021, but not earlier than the Customer repays its debt to the Contractor.

Related party (parties) as of the transaction date:

Uniper SE, a related party, is a controlled party under the transaction.

Management body authorising the transaction by its resolution:

The transaction has been approved by the Company’s Board of Directors (Minutes No. 306 dated 08 October 2021).

Agreement No. 2 to Amending the Loan Agreement Dated 23 June 2020 Between Unipro PJSC and Uniper SE

Parties to the transaction:

Unipro PJSC as the Borrower;
Uniper SE as the Lender.

Subject of the transaction:

Amendment of the Loan Agreement between Unipro PJSC and Uniper SE dated 23 June 2020.

Loan interest rate:

The interest rate on each Loan for every Interest Period shall be calculated on the Quotation Day, and shall represent the annual interest rate and a combination of the following:

- (a) Applicable margin; and
- (b) Applicable base rate.

The interest rate shall never exceed double Key Rate of the Central Bank of Russia effective at the given moment of time.

Related party (parties) as of the transaction date:

Uniper SE is a related party controlling Unipro PJSC and a party to the Transaction;

Prof. Dr. Klaus-Dieter Maubach is a related party, as he holds a position in the management body of a legal entity that is a party to the transaction;

David Bryson is a related party, as he holds a position in the management body of a legal entity that is a party to the transaction.

Management body authorising the transaction by its resolution:

The transaction has been approved by the Company’s Board of Directors (Minutes No. 308 dated 07 December 2021).

Annex 8. 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 05 May 2022 (Minutes No. 312 dated 06 May 2022) as part of the preliminary approval of the Company’s 2021 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 2021.

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 2022 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 2021 was 301,835, including:

- > Individuals – 300,538;
- > Total number of the issuer’s nominee shareholders – 11;
- > Federal authorities – 3;
- > 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), the issuer is managed by the following bodies:

- > General Meeting of Shareholders⁷¹;
- > Board of Directors⁷²;
- > Management Board⁷³;
- > General Director⁷⁴.

The General Meeting of Shareholders 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 Meeting of Shareholders 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 General Directors 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 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 General Director or the Management Board. The Company’s Board of Directors includes three Independent Directors⁷⁵.

Pursuant to the resolution of the Board of Directors, the Company has created the Committees of the Board of Directors⁷⁶. The Committees of the Board of Directors shall be established to elaborate matters that fall within the competence of the Board of Directors or are reviewed by the Board of Directors in order to monitor performance of the Company’s executive body, and/or to develop recommendations for the Board of Directors and executive bodies of the Company.

71 The responsibilities of the General Meeting of Shareholders are specified in Clause 10.2, Article 10 of the Company’s Articles of Association.
72 The responsibilities of the Board of Directors are specified in Clause 12.1, Article 12 of the Company’s Articles of Association.
73 The responsibilities of the Management Board are specified in Clause 18.2, Article 18 of the Company’s Articles of Association.
74 The responsibilities of the General Director are specified in Clauses 19.2-19.3, Article 19 of the Company’s Articles of Association.
75 For more details on the Independent Directors of the Board of Directors, see Section 5.3 of the Annual Report.
76 For more details on responsibilities and members of the Committees of the Board of Directors, see Section 5.3 of the Annual Report.

The Company's day-to-day activities are managed by the General Director as the sole executive body and by the Management Board as a collective executive body.

The General Director and the Management Board report to the General Meeting of Shareholders and the Board of Directors.

If a matter falls within the competence of the Management Board, the General Director 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.

General Director is responsible for managing the Company's day-to-day activities in accordance with the resolutions of the General Meeting of Shareholders, 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 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 Meeting of Shareholders shall be passed by a three-quarter majority vote of the holders of the Company's voting shares that take part in the General Meeting of Shareholders on the following matters:

- > Private placement of shares (the Company's convertible issue-grade securities) pursuant to a resolution of the General Meeting of Shareholders 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 the elected members of the Board of Directors, not including votes of the retired members of the Board of Directors:

- > Approval of major transactions (Paragraph 29 of Clause 12.1. of Article 12 hereof);
- > Resolutions on the increase of the Company's authorised capital through additional share offering (Sub-Clause 6, Clause 12.1, Article 12 of the Articles of Association);
- > Resolutions on the placement of the Company's convertible bonds and other securities convertible into shares (Sub-Clause 7, Clause 12.1, Article 12 of the Articles of Association).
- 4. **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 documents, 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 Meeting of Shareholders 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 operations in compliance with the requirements of the legislation 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 the internal audit unit to assess the reliability and performance of the Company's risk management and internal control system.

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 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 Meeting of Shareholders 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 provisions of the current legislation of the Russian Federation, the Articles of Association and the Regulation on the Revision Commission.

In accordance with Sub-Clause 10, Clause 10.2., Article 10 of the Articles of Association, election of Revision Commission members and early termination of their powers are reserved matters of the General Meeting of Shareholders. The Annual General Meeting of Shareholders 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 Compliance with the Corporate Governance Principles Enshrined in the Code of Corporate Governance

The methodology used by Unipro PJSC to assess 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 Recommendations for Reporting Compliance with the Principles and Recommendations of the Code of Corporate Governance (Letter of the Central Bank of Russia No. IN-06-28/102 dated 27 December 2021).

The assessment findings are provided in the table below.

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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 favourable environment for shareholders to take part in the General Meetings of Shareholders, develop a reasoned position on the meeting agenda, coordinate their steps and express their opinion on the issues under consideration.	<p>1. The Company offers available means of communication, including a hotline, email and an online forum that can be used by shareholders to express their opinion and ask questions regarding the agenda when preparing for the General Meeting of Shareholders.</p> <p>These communication methods were arranged by the Company and provided to shareholders in the course of preparation for each general meeting held during the reporting period.</p>	Observed	
1.1.2	The procedure involving notification of an upcoming General Meeting of Shareholders and distribution of the relevant materials enables the shareholders to duly prepare for the meeting.	<p>1. In the reporting period, the notice of a General Meeting of Shareholders was posted (published) on the Company's website no later than 30 days before the date of the general meeting, unless a longer period is provided by the legislation.</p> <p>2. The notice of meeting contains the documents required for admission to the premises.</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 the Revision Commission (if it is provided by the Articles of Association of the Company).</p>	Observed	
1.1.3	At the stages of both preparation for and holding of the meeting, the shareholders were able to get the relevant meeting information and materials in a free and timely manner, address their questions to the 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 the members of the executive bodies and the Board of Directors during preparation for and during the Annual General Meeting of Shareholders.</p> <p>2. The position of the Board of Directors (including dissenting opinions (if any) recorded in the minutes) on each of the agenda items covered during the reporting period has been reflected in the materials of the General Meeting.</p> <p>3. The Company provided authorised shareholders with access to the list of persons eligible to attend the General Meeting of Shareholders. Such access was given from the date when the list became available to the Company in all cases when the General Meeting of Shareholders was held in the reporting period.</p>	Observed	
1.1.4	The exercise of the shareholder's right to call for a General Meeting of Shareholders, nominate candidates to the management bodies and propose agenda items was not made unreasonably complex.	<p>1. The Articles of Association of the Company sets a period for shareholders to submit proposals to be included in the agenda of the annual general meeting, which is at least 60 days after the end of the corresponding 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 was able to freely exercise his/her voting rights in a simple and convenient way.	1. The Company's Articles of Association provide for the completion of an electronic ballot form on the website at the URL indicated in the notice of the General Meeting of Shareholders.	Observed	
1.1.6	The procedure of holding the General Meeting of Shareholders established by the Company ensures equal rights for all participants to express their opinions and ask questions.	<p>1. The physical General 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. The shareholders were able to express their opinion and ask questions on the agenda.</p> <p>2. The Company invited candidates to the management and control bodies of the Company and took all necessary steps to ensure their participation in the General Meeting of Shareholders, where their candidacies were put to a vote. The nominees to the Company's management and supervisory bodies attending the General Meeting of Shareholders were available to answer the shareholders' questions.</p> <p>3. The sole executive body, the person responsible for accounting, the Chairman or other members of the Audit Committee of the Board of Directors were available to answer questions from shareholders at General Meeting of Shareholders held in the reporting period.</p> <p>4. In the reporting period, the Company used telecommunication means to provide shareholders with remote access to the General Meetings, or the Board of Directors made a reasonable resolution that there was no need (possibility) to use such means 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>Until 2020, most General Shareholders' Meetings were held in person (physical meetings).</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>Partial non-compliance with this principle was caused by holding the AGSM on 10 June 2021 in the form of absentee voting (under Federal Law No. 17-FZ On Amendments to the Federal Law "On International Companies and International Funds" and on Suspension of Individual Provisions of the Federal Law "On Joint-Stock Companies" and the Federal Law "On Limited Liability Companies" dated 24 February 2021). When the AGSM is held in the form of absentee voting, one cannot submit reports on the agenda items and ask questions of the candidates for the Company's management and control bodies.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>As an option, Unipro PJSC provides detailed and comprehensive materials on each item on the agenda, including explanatory notes justifying the need for decisions and explaining the consequences for the Company and its shareholders if such decisions are taken, biographical data on candidates to the management and control bodies, and other documents.</p> <p>The Company also allows shareholders to ask any questions before the meeting by sending inquiries to the Corporate Secretary of the Company, the General Director, or members of the Board of Directors.</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>This noncompliance with the Code is temporary, and the Company is committed to recover compliance with the above Code standards once the epidemiological situation has return to normal.</p> <p>3. Observed.</p> <p>4. Observed.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1.2	The shareholders are provided with equal and fair profit-sharing opportunities through dividends.			<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 legal requirements of the Russian Federation.</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 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 applicable Dividend Policy provides for fixed amounts of dividend payments in 2021 and 2022.</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>If economic expediency and the interests of Company shareholders require that the consolidated data of financial statements be used, this will be enshrined in the Company's Dividend Policy.</p>
1.2.1	The Company developed and introduced a transparent and clear mechanism for the calculation of the amount and payment of dividends.	<p>1. The Regulation on the Company's Dividend Policy was approved by the Board of Directors and disclosed on the Company's website.</p> <p>2. If the Dividend Policy of the Company preparing consolidated financial statements draws upon financial statements in the calculation of dividends, the corresponding provisions of the Dividend Policy consider consolidated financial data.</p> <p>3. The rationale for the proposed distribution of net profit, including for the payment of dividends and the Company's own needs and an assessment of its compliance with the Dividend Policy adopted by the Company, with explanations and an economic justification for the need to allocate a certain part of net profit for own needs in the reporting period, were included in the materials for the General Meeting of Shareholders, when the agenda included the issue of distribution of profits (including the payment (announcement) of dividends).</p>	Partly observed	<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 procedure for making a resolution on the distribution of net profit, including for the payment of dividends and the Company's own needs, is completed in strict accordance with the Company's Dividend Policy and the legal requirements.</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>Discussions of recommendations to the General Meeting of Shareholders of the Company regarding the amount of dividends and assessment of its compliance with the Dividend Policy adopted by the Company are held by the Audit Committee and the Board of Directors orally, a written opinion on the compliance of the resolution with the Dividend Policy is not made.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>Preliminary recommendations on the distribution of net profit, including for the payment of dividends and the Company's own needs, are approved by the Audit Committee. Shareholders are provided with all information on the financial condition of the Company, including the Annual Financial Statements, the opinion of the Audit Committee and the Annual Report.</p> <p>Resolutions on allocation of a certain part of the net profit to the Company's own needs were not made at the General Meeting.</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>Further on, the Company plans to include an assessment of compliance of the resolution to pay dividends with the Dividend Policy adopted by the Company.</p>
1.2.2	The Company does not pay dividends if such payment, while formally compliant with the statutory restrictions, is unreasonable and may create a misperception of the Company's activities.	1. In addition to legal restrictions, the Regulation on the Company's Dividend Policy define financial/economic events, when the Company shall not make a resolution to pay dividends.	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 Dividend Policy does not expressly refer to financial/economic circumstances when the Company should not pay dividends.</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>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 Regulation on dividend policy, the dividend amounts for the coming few years may be calculated with adequate accuracy.</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 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 revising the Dividend Policy once every two years, the Company will take all reasonable efforts to incorporate the provisions clearly referring to the financial/economic circumstances when the Company should not pay dividends in the Dividend Policy. The Company plans a revision in 2023.</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. In the reporting period, other ways to receive profit (income) at the expense of the Company by persons controlling the Company in addition to dividends (e.g., through transfer pricing, unreasonable provision of services to the Company by the controlling person at inflated prices, internal loans replacing dividends to the controlling person and/or its controlled persons) were not used.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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.			
1.3.1	The Company 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.	1. In the reporting period, the persons controlling the Company did not abuse rights of the Company's shareholders, there were no conflicts of the controlling persons of the Company and the shareholders of the Company, and if there were any, the Board of Directors paid due attention to them.	Observed	
1.3.2	The Company does not take any steps that cause or may cause artificial redistribution of corporate control.	1. In the reporting period, quasi-treasury shares did not exist or participate in voting.	Observed	
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.			
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.	1. The technologies used by the registrar of the Company and the conditions of the services provided correspond to the needs of the Company and its shareholders, ensure that the title to shares is recorded and the rights of shareholders are exercised in the most efficient way.	Observed	
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 the 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 the members of the Company's executive bodies, as well as determine the terms and conditions of the agreements in respect of such members. 2. In the reporting period, the Committee on Nominations (Appointments, HR) <4> considered the issue of the compliance of the professional qualifications, skills and experience of members of the executive bodies with the existing and expected needs of the Company under the approved strategy of the Company. 3. In the reporting period, the Board of Directors reviewed the strategy implementation report (reports) of the Company's sole executive body (if any) and the collegial executive body.	Partly observed	1. Observed
				2. Not observed
				Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.
				Nominees to the Management Board are thoroughly selected based on their experience and are approved by the Board of Directors based on the initial recommendation of the Appointment and Remuneration Committee.
				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.
				The performance of the members of the Management Board is evaluated by the Appointment and Remuneration Committee through reviewing the KPIs achieved by the members of the Management Board based on the results of the reporting year. Additional matters of professional qualifications are not considered.
				Description of the measures used by the Company to reduce the possible additional risks.
				Members of the Management Board are appointed by the Board of Directors based on the initial recommendation of the Appointment and Remuneration Committee to ensure a high level of expertise of existing members of the Management Board.
				The existing members of the Management Board has proven its credibility as effective and reliable managers over the years.
				The Board of Directors of the Company regularly reviews the Report of the General Director of Unipro PJSC on the financial and economic activities of Unipro PJSC for the reporting year, including the report on the implementation of the approved budget.
2.1.2	The Board of Directors determines the main strategic guidelines of the Company's activities with a long-term outlook, evaluates 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	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.
				If it is necessary to improve the performance of members of the Management Board of the Company, the issue of introducing the relevant practice will be considered.
				3. Observed
2.1.3	The Board of Directors establishes the principles of and approaches to the organisation of the Company's risk management and internal control system.	1. The principles of and approaches to the risk management and internal control system of the Company are determined by the Board of Directors and provided in the Company's internal documents defining the Risk Management and Internal Control Policy. 2. In the reporting period, the Board of Directors approved (revised) the acceptable level of risks (risk appetite) of the Company or the Audit Committee and/or the Risk Committee (if any) considered the advisability of submitting the issue of revising the risk appetite of the Company to the Board of Directors.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.1.4	The Board of Directors defines the Company's policy on remunerating and/or reimbursing the members of the Board of Directors, executive bodies and other key executives of the Company.	1. The Company developed and implemented a policy (policies) on remunerating and/or reimbursing the members of the Board of Directors, executive bodies and other key executives of the Company approved by the Board of Directors. 2. In the reporting period, the Board of Directors addressed issues related to the above-mentioned policy (policies).	Observed	
2.1.5	The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts between the Company 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 for identification of transactions involving conflicts of interest and a system of measures aimed to settle 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 internal documents of the Company define the persons responsible for 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 actions.	1. In the reporting period, the Board of Directors considered the results of self-evaluation and/or external evaluation of corporate governance practices of 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 the 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 each member of the Board of Directors. 2. The Annual Report contains information on key findings of the evaluation (self-evaluation) of performance of the Board of Directors for 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 has a transparent procedure allowing shareholders to communicate with the Chairman of the Board of Directors (and, if applicable, Senior Independent Director) and receive feedback.	Observed	
2.3	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.			
2.3.1	Only those with flawless business and personal reputation, as well as the knowledge, skills and experience required to resolve on the matters within the competence of the Board of Directors and perform the Board functions effectively are elected to the Board of Directors.	1. 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.	Observed	
2.3.2	The members of the Board of Directors are elected according to a transparent procedure that allows the shareholders to obtain enough information about the nominees to get an idea of their personal and professional qualities.	1. In all cases of holding the General Meetings of Shareholders in the reporting period where the agenda included items on the election of the members of the Board of Directors, the Company provided shareholders with the biographies of all nominees to the Board of Directors, the findings of the assessment of the conformity of the expertise, experience and skills of nominees with the existing and expected needs of the Company performed 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 under Recommendations 102 to 107 of the Code and the information on the nominees' consent to be elected to the Board of Directors.	Observed	
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. In the reporting period, the Board of Directors reviewed its own requirements for the expertise, experience and skills and identified the competencies required by the Board of Directors in the short and long term.	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. In the reporting period, the Board of Directors considered the issue of compliance of the number of the members of the Board of Directors to the requirements of the Company and the interests of shareholders.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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 the 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 resolution of the Board of Directors.	Observed	
2.4.2	The Company assesses compliance of the nominees to the Board of Directors with the independence criteria and performs regular review of the 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 issue of independence of the existing members of the Board of Directors (after they had been elected).</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 up at least one third of the 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. In the reporting period, the Independent Directors (with no conflicts of interest) made a preliminary assessment of major corporate actions potentially exposed to a conflict of interest, and the findings of such assessment were 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 the Independent Directors to coordinate the work of the 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 the 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>	Observed	
2.5.2	The Chairman of the Board of Directors creates a workable environment at the meetings, ensures free discussion of the agenda items and follows up on the resolutions passed by the Board of Directors.	1. In the reporting period, performance of the Chairman of the Board of Directors was evaluated as part of the Board performance evaluation (self-evaluation) procedure.	Observed	
2.5.3	The Chairman of the Board of Directors takes all necessary steps to provide the members of the Board of Directors with the information required to make informed decisions on the agenda items in a timely manner.	1. The Chairman of the Board of Directors duty to take steps to ensure that the members of the Board of Directors are provided with all reliable information on the Board meeting agenda in a timely manner is provided in the Company's internal documents.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.6		The 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		1. Observed.
				2. Observed.
				3. Not observed.
2.6.1	The members of the Board of Directors make resolutions 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 item 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 the matters that fall within its competence at the expense of the Company.</p>	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 has no dedicated procedure enabling the Board of Directors to get professional advice on the matters that fall within its competence at the expense of the Company.</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>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 on a paid basis.</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 the matters of interest from the Corporate Secretary.</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>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 the 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	The members of the Board of Directors have enough time to fulfil their responsibilities.	<p>1. In the reporting period, individual attendance at meetings of the Board and Committees and the availability to work for the Board of Directors, including its Committees, was analysed as part of the procedure for evaluation (self-evaluation) of performance of the Board of Directors.</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 member of the management bodies in other entities (other than those controlled by the Company or its affiliates), as well as on their official appointment.</p>	Observed	
2.6.4	All the members of the Board of Directors have equal access to the Company's documents and information. New members of the Board of Directors are provided with sufficient information on the Company and the work of the Board of Directors within the shortest possible time.	<p>1. According to the Company's internal documents, the members of the Board of Directors may receive information and documents required to the members of the Board of Directors of the Company to perform their duties to the Company and entities controlled by it, and the executive bodies of the Company shall ensure the provision of relevant information and documents.</p> <p>2. The Company has a formal induction programme for the newly elected members of the Board of Directors.</p>	Observed	
2.7		The meetings of the Board of Directors, preparation for and participation in such meetings by the members of the Board of Directors ensure strong performance of the Board of Directors		
2.7.1	The meetings of the Board of Directors are held as required with due regard for the scale of the Company's operations and the 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 the meetings of the Board of Directors, which makes it possible for the members of the Board of Directors to prepare for the meeting appropriately.	<p>1. The Company approved an internal document that defines the procedure for preparing and hold the meetings of the Board of Directors. This document, inter alia, establishes that a notice of the meeting shall normally be given at least five days prior to the meeting date.</p> <p>2. In the reporting period, the members of the Board of Directors who were not present at the place of the meeting of the Board of Directors were allowed to participate in the discussion of agenda and vote remotely via conference calls and video conferencing.</p>	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.7.3	The format of the meeting of the Board of Directors depends on importance of the 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 (including listed in Recommendation 168 of the Code) must be addressed at physical meetings of the Board.	Not observed	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 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.
				However, in fact, the most important issues, including those provided for in recommendation 168 of the Code, are reviewed by the Board of Directors of the Company at in-person meetings.
				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.
				The form of the meetings of the Board of Directors is determined when preparing the action plan of the Company's Board of Directors, which is subject to approval 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 the items to be included in the agenda of the relevant meeting of the Board of Directors. The need for an in-person 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).
				Description of the measures used by the Company to reduce the possible additional risks.
2.7.4	Resolutions on the most important matters concerning the Company's activities are passed at the Board meetings by a qualified majority or a majority of votes of all the 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 the votes, or a majority of votes of all the elected members of the Board of Directors.	Partly observed	Notice and materials for the meeting of the Board of Directors, whether in person or in absentia, are sent out to the members of the Board of Directors at least 7 calendar days prior to the date of the meeting (Sub-Clauses 7.6, 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 investigate the agenda items, request additional information on the agenda items through the Corporate Secretary (Clause 3.1.(4) of the Regulation on the Board of Directors of Unipro PJSC), and suggest the format of the meeting of the Board of Directors (in person or in absentia, Clause 6.2 of the Regulation on the Board of Directors of the Company).
				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.
				At the moment, the Company does not consider it necessary to stipulate in the Articles of Association the list of issues that require review at in-person meetings of the Board of Directors.
				Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.
				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 the elected members of the Board of Directors or unanimously by all the elected members of the Board of Directors. This list does not include all matters recommended in Item 170 of the Code of Corporate Governance.
				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.
2.8	The Board of Directors sets up Committees for preliminary review of the most important issues concerning the Company's activities	1. The Board of Directors set up an Audit Committee composed of Independent Directors only.	Observed	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.
				Description of the measures used by the Company to reduce the possible additional risks.
				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.
				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.
				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 the elected members of the Board of Directors in the Articles of Association.
				To ensure a preliminary review of the matters concerning control of the Company's financial and business operations, the Company set up an Audit Committee composed of Independent Directors.
2.8.1	To ensure a preliminary review of the matters concerning control of the Company's financial and business operations, the Company set up an Audit Committee composed of Independent Directors.	2. The Company's internal documents define the responsibilities of the Audit Committee, including those specified in Recommendation 172 of the Code.	Observed	
		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 the accounting (financial) statements.		
		4. The meetings of the Audit Committee were held at least once a quarter during the reporting period.		

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<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>The Company approved the Regulation on the Appointment and Remuneration Committee of the Board of Directors of Unipro PJSC. Chapter 5 of the Regulation defines the goals and responsibilities of the Committee, including in accordance with Recommendations 180 of the Code.</p> <p>The Company approved the Policy on Remuneration of Members of the Board of Directors.</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 procedure for establishing and paying remuneration to members of executive bodies and other key executives of the Company is provided by employment contracts with such persons. The terms and conditions and early termination provisions of the employment contracts are approved by the resolution of the Board of Directors of the Company as recommended by the Appointment and Remuneration Committee.</p> <p>The Company's separate Policy on Remuneration of Executive Bodies is not provided for.</p> <p>Any amendments to the Policy on Remuneration of Members of the Board of Directors may be made by the resolution of the General Meeting of Shareholders.</p> <p>A specific list of conditions (events) when the Remuneration Committee shall consider the issue of revising the Company's Policy on Remuneration of Members of the Board of Directors is not determined.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>Regular updates of the Policy on Remuneration of Members of the Board of Directors and the terms of employment contracts with executive bodies and other key executives.</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>The Company regularly updates the Policy on Remuneration of Members of the Board of Directors and the terms of employment contracts with executive bodies and other key executives.</p>
2.8.2	For the purpose of preliminary review of the matters concerning the implementation of an effective and transparent remuneration policy, the Company 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 the responsibilities of the Remuneration Committee, including those specified in Recommendation 180 of the Code and the conditions (events) when the Remuneration Committee considers the issue of revising the Company's Policy on Remuneration of Members of the Board of Directors, Executive Bodies and Other Key Executives.</p>	Partly observed	
2.8.3	For the purpose of preliminary review of the matters concerning human resource planning (succession planning), professional composition and efficiency of the Board of Directors, the Company 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 the responsibilities of the Nomination Committee (or another Committee which combines the relevant functions), including those specified in Recommendation 186 of the Code.</p> <p>3. In the reporting period, to elect a Board of Directors that best meets the goals and objectives of the Company, the Nomination Committee independently or jointly with other Committees of the Board of Directors or the Company's authorised shareholder communication department arranged communications with shareholders, including minor shareholders, related to selection of nominees to the Company's Board of Directors.</p>	Observed	
2.8.4	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>1. In the reporting period, the Board of Directors of the Company considered the issue of whether the structure of the Board of Directors corresponds to the scale and nature, business objectives and needs and the risk profile of the Company. Additional Committees were either created or deemed unnecessary.</p>	Observed	
2.8.5	Members of the Committees were selected so that to ensure that the items subject to preliminary review are discussed comprehensively, considering a variety of opinions.	<p>1. In the reporting period, the Audit Committee, the Remuneration Committee, the Nomination Committee (or the relevant Committee with combined functions) were chaired by Independent Directors.</p> <p>2. The Company's internal documents (policies) contain provisions under which persons other than the members of the Audit Committee, the Nomination Committee (or the relevant Committee with combined functions) and the Remuneration Committee may not attend the meetings of the Committees without an invitation by the Chairman of the relevant Committee.</p>	Observed	
2.8.6	The Chairmen of the Committees report on the performance of their respective Committees to the Board of Directors and Chairman of the Board on a regular basis.	<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
2.9	The Board of Directors ensures the evaluation of the performance of the Board of Directors, its Committees and members			
2.9.1	The evaluation of the performance of the Board of Directors is aimed at evaluating the performance of the Board of Directors, its Committees and members, evaluating their adequacy for the requirements of corporate development, intensifying the efforts of the Board of Directors and identifying the areas for improvement.	<p>1. The internal documents of the Company define the procedures for evaluating (self-evaluating) the performance of the Board of Directors.</p> <p>2. The evaluation (self-evaluation) of the performance of the Board of Directors for the reporting period included the performance evaluation of the Committees, individual evaluation of each member of the Board of Directors and the Board of Directors in general.</p> <p>3. The findings of the evaluation (self-evaluation) of the performance of the Board of Directors for the reporting period were reviewed at a physical meeting of the Board of Directors.</p>	Observed	
2.9.2	The evaluation of the performance of the Board of Directors, its Committees and members is conducted on a regular basis at least once a year. The independent evaluation of the performance of the Board of Directors is conducted at least once every three years by an external contractor (advisor).	<p>1. Within the past three reporting periods, the Company engaged an external contractor (advisor) to carry out an independent evaluation of the Board of Directors performance at least once.</p>	Observed	
3.1	The Corporate Secretary ensures effective day-to-day interaction with the shareholders, coordination of the Company's actions undertaken to protect the rights and interests of the 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 the shareholders.	<p>1. The corporate website and the Annual Report provide information on the Corporate Secretary's background (including age, education, expertise, experience) and positions in the management bodies of other legal entities held by the Corporate Secretary in at least previous five years.</p>	Observed	
3.1.2	The Corporate Secretary is independent enough from the Company's executive bodies and has the required authority and resources to fulfil the duties assigned.	<p>1. The Company approved and disclosed an internal document (Regulation on the Corporate Secretary).</p> <p>2. The Board of Directors approves a nominee to the position of Corporate Secretary and terminates his or her powers, considers the issue of paying additional remuneration to him or her.</p> <p>3. The Company's internal documents provide for the right of the Corporate Secretary to request and receive the Company's documents and information from the management bodies, departments and officials of the Company.</p>	Observed	
4.1	The level of remuneration payable by the Company is sufficient to recruit, motivate and retain the employees who possess the competence and qualifications necessary for the Company. The remuneration is paid to the members of the Board of Directors, executive bodies and other key executives 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 the members of the Board of Directors, executive bodies and other key executives creates sufficient motivation to ensure their strong performance and enables the Company to recruit and retain competent and qualified professionals. However, 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.	<p>1. The remuneration of the members of the Board of Directors, executive bodies and other key executives of the Company is determined based on the results of a comparative analysis of the remuneration in comparable companies.</p>	Observed	
4.1.2	The Company's Remuneration Policy was 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.	<p>1. In the reporting period, the Remuneration Committee reviewed the Remuneration Policy (Policies) and/or the implementation practice thereof, evaluate their performance and transparency and made relevant recommendations on the revision of such Policy (Policies) to the Board of Directors as necessary.</p>	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<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 2021, the General Meeting of Shareholders of the Company approved the Policy on Remuneration of Members of the Board of Directors providing for transparent procedures for determining the amount of remuneration for the members of the Board of Directors.</p> <p>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 failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The amount of payments and benefits to members of the executive bodies and other key executives of the Company is provided by employment contracts with them.</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, General Director 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 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 regularly updates the Policy on Remuneration of Members of the Board of Directors and the terms of employment contracts with executive bodies and other key executives.</p>
4.1.3	The Company's Remuneration Policy contains transparent mechanisms for determining the amount of remuneration payable to the members of the Board of Directors, executive bodies and other key executives 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 executives of the Company, and regulates (regulate) all kinds of payments, benefits and privileges granted to the said persons.	Partly observed	
4.1.4	The Company establishes a Reimbursement (Compensation) Policy with an itemisation of expenses subject to reimbursement and the level of service that the members of the Board of Directors, executive bodies and other key executives of the Company are entitled to. This Policy may be integrated in 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 executives of the Company.	Observed	
4.2	The remuneration system applicable to the members of the Board of Directors ensures approximation of the directors' financial interests and the shareholders' long-term financial interests			
				<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>Prior to approval of the Policy on Remuneration of Members of the Board of Directors by the General Meeting of Shareholders of the Company on 10 June 2021, the remuneration system for the members of the Board of Directors of the Company had provided for annual and quarterly remuneration for the members of the Board of Directors.</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 annual remuneration payable to the members of the Board of Directors depended 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 depended on the extent of participation of the members of the Board of Directors in the physical meetings and absentee votes held in the relevant quarter.</p> <p>On 10 June 2021, the General Meeting of Shareholders of the Company approved the Policy on Remuneration of Members of the Board of Directors providing for a fixed remuneration.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>In the reporting period, the General Meeting of Shareholders approved the Policy on Remuneration of Members of the Board of Directors providing for a fixed remuneration.</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 2021, the General Meeting of Shareholders of the Company approved the Policy on Remuneration of Members of the Board of Directors providing for a fixed remuneration for the members of the Board of Directors.</p>
4.2.1	<p>The Company pays a fixed annual remuneration to the members of the Board of Directors. The Company does not pay remuneration for participation in individual meetings of the Board of Directors or Committees of the Board of Directors.</p> <p>The Company does not apply short-term incentives or additional financial incentives in respect of the members of the Board of Directors.</p>	<p>1. In the reporting period, the Company paid remuneration to the members of the Board of Directors in accordance with the Company's Remuneration Policy.</p> <p>2. In the reporting period, the company did not apply any short-term incentives or additional financial incentives based on the performance (indicators) of the Company to the members of the Board of Directors. The Company did not pay remuneration for participation in individual meetings of the Board of Directors or Committees of the Board of Directors.</p>	Partly observed	
4.2.2	The long-term holding of the Company's shares facilitates approximation of financial interests of the members of the Board of Directors and the long-term interests of the 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 the 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, provides (provide) for a share-based compensation for the members of the Board of Directors, the rules for holding of shares by the members of the Board of Directors aimed at long-term holding of such shares shall be clearly defined and disclosed.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
4.2.3	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.	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 executives 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 executives 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 result.	<p>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 executives of the Company.</p> <p>2. During the latest review of the remuneration system applicable to members of the executive bodies and other key executives 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.</p> <p>3. When determining the amount of remuneration paid to members of the executive bodies and other key executives of the Company, the risks borne by the Company are considered to avoid management decisions with excessive exposures.</p>	Observed	
4.3.2	The Company implemented a programme for long-term motivation of the members of the executive bodies and other key executives of the Company by using the Company's shares (options or other derivative financial instruments for which the Company's shares constitute the underlying assets).	1. If the Company implemented a long-term incentive programme for members of the executive bodies and other key executives of the Company using the Company's shares (financial instruments based on the Company's shares), the programme provides that the right to sell such shares and other financial instruments shall be provided at least in three years from the date of their provision. However, the Company made the right to sell them contingent on the achievement of certain performance indicators by the Company.	Observed	
4.3.3	The amount of a severance pay (a golden parachute) payable by the Company to the members of the executive bodies or other key executives in 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.	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 executives 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.	Observed	
5.1	The Company 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 the 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 internal documents/relevant policy of the Company approved by the Board of Directors.	Observed	
5.1.2	The 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 duties, powers and responsibilities 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.	<p>1. The Company has adopted an Anti-Corruption Policy.</p> <p>2. The Company has a secure, confidential and affordable way (hotline) to report of any instances of failure to observe the legislation, the Company's internal procedures or the Code of Ethics to the Board of Directors or the Audit Committee of the Board of Directors.</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 has approved the following internal documents: the Compliance Policy, Code of Corporate Conduct and the Regulation on Economic Security of the Company aimed at identifying and preventing fraud, corruption and other abuses of the economic interests of the Company; inspections and official investigations on the facts of damage to the interests of the Company or participation in relevant inspections and investigations; reliability and business reputation checks of suppliers, applicants to positions in the Company; preventing theft of materials and equipment; ensuring compliance of the Company's activities with the applicable legislation, internal and other statutory regulations, etc.</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 Anti-Corruption Policy is not approved by the Company as a separate document, because its scope is governed by other internal documents of the Company.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company has a number of internal documents in place aimed at eliminating and preventing corruption risks.</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 2022 the Company intends to develop and approve the Anti-Corruption Policy as a separate document.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<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 has no direct means to report any violations of the legislation, 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 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 Compliance officer of any potential instances of failure to observe the legislation, 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 Corporate 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 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 legislation, the Company's internal procedures or Code of Ethics.</p>
5.1.4	The Company's Board of Directors takes the necessary measures to make sure that the risk management and internal control system existing in the Company complies with the principles for and approaches towards its organisation, as determined by the Board of Directors, and is functioning effectively.	<p>1. In the reporting period, the Board of Directors (Audit Committee and/or Risk Committee (if any)) assessed the reliability and performance of the risk management and internal control system.</p> <p>2. In the reporting period, the Board of Directors reviewed the reliability and performance assessment of the Company's risk management and internal control system and included information on the review in the Company's Annual Report.</p>	Observed	
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 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 division assesses the reliability and performance of the risk management and internal control system and corporate governance, and applies generally accepted standards of internal audit.	<p>1. In the reporting period, reliability and performance of the risk management and internal control system were assessed as part of the internal audit.</p> <p>2. In the reporting period, the practice (individual practices) of corporate governance, including communication procedures (including related to internal control and risk management) at all levels of the Company's management and communications with stakeholders were assessed as part of the internal audit.</p>	Observed	
6.1	The Company and its activities are transparent for shareholders, investors and stakeholders			
6.1.1	The Company 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. In the reporting period, the Board of Directors (or one of its Committees) reviewed the performance of communications of the Company with shareholders, investors and other stakeholders and the advisability (need) to revise the Information Policy of the Company.</p>	Partly observed	<p>1. Observed.</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 Board of Directors approved the Information Policy of the Company on 8 November 2019.</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 Company's applicable Information Policy effectively reflects the efficiency of communications of the Company with its shareholders, investors and other stakeholders.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>The Company regularly improves the communications with shareholders, investors and other stakeholders.</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 2022, the Company plans to review the performance of communications of the Company with shareholders, investors and other stakeholders and the advisability (need) to revise the Information Policy of the Company as part of its Board of Directors (or one of its Committees).</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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 in the Internet.</p> <p>2. The Company discloses the 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 (according to the definition given in 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 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 legislation.</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 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 the disclosed data.	<p>1. The Company has a procedure to ensure the operational coordination of all departments and employees of the Company involved in the disclosure of information or activities leading to the need to disclose information.</p> <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 hold 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>	Observed	
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 the legislation.	<p>1. The Company's Information Policy defines approaches to disclosing information on other events (actions) materially affecting the value or quotations of its securities, if their disclosure is not provided by the legislation.</p> <p>2. The Company discloses 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>3. The Company discloses information on controlled entities material for its activities, including on core activities, mechanisms ensuring the accountability of controlled entities, powers of the Board of Directors of the Company to determine the strategy and evaluate the performance of controlled entities.</p> <p>4. The Company discloses a non-financial report, a sustainability report, an environmental report, a corporate social responsibility report or other report containing non-financial information, including on environmental factors (including environmental factors and climate change factors), society (social factors) and corporate governance, excluding the report of the issuer of equity securities and the annual report of the Joint Stock 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 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 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> <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>At the moment, the Company does not see the need to disclose full information on the capital structure of the company in accordance with Recommendation 290 of the Code in the annual report and on the company's website on the Internet.</p> <p>3. Observed</p> <p>4. 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 a non-financial report, a sustainability report, an environmental report, a corporate social responsibility report or other report containing non-financial information, including on environmental factors (including environmental factors and climate change factors), society (social factors) and corporate governance, as it discloses the specified information as part of the report of the issuer of equity securities and the annual report of the Joint Stock Company.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<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 Company discloses sustainable development, environmental and corporate social responsibility data as part of the report of the issuer of equity securities and the annual report of the Joint Stock Company.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>In 2022, the Company plans to continue its efforts to expand the scope of sustainable development, environmental and corporate social responsibility disclosures as part of the annual report of the Company.</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 evaluate the performance of the Company in the reporting period.	<p>1. The Company's Annual Report contains information on the Audit Committee's performance evaluation of external and internal audit processes.</p> <p>2. The Company's Annual Report discloses the Company's environmental protection and social responsibility policies.</p>	Observed	
6.3	Information and documents are provided by the Company at the shareholders' requests in accordance with the principles of fairness and easiness.			
6.3.1	The exercise of the right to access documents and information of the Company by shareholders is not associated with unreasonable difficulties.	<p>1. The Information Policy (internal documents determining the Information Policy) of the Company defines an easy procedure for providing access to information and documents of the Company at the request of shareholders.</p> <p>2. The Information Policy (internal documents determining the Information Policy) envisages that if a shareholder requests to provide information on entities controlled by the Company, the Company takes the necessary steps to obtain such information from the relevant entities controlled by the Company.</p>	Partly observed	<p>1. Observed.</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 Information Policy (internal documents determining the Information Policy) does not have separate provisions stipulating that if a shareholder requests to provide information on entities controlled by the Company, the Company takes the necessary steps to obtain such information from the relevant entities controlled by the Company.</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 Company adheres to the general principles of the Information Policy (reliability, accessibility, security, neutrality, efficiency, etc.) and if a shareholder requests to provide information on entities controlled by the Company, the Company takes all necessary steps to obtain such information from the relevant entities controlled by the Company.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>If a shareholder requests to provide information on entities controlled by the Company, the Company takes all necessary steps to obtain such information from the relevant entities controlled by the Company under the applicable current legislation and the Information Policy of the Company.</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 2022, the Company plans to add a separate provision to the Information Policy that if a shareholder requests to provide information on entities controlled by the Company, the Company takes the necessary steps to obtain such information from the relevant entities controlled by the Company.</p>
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	
7.1	The actions that significantly affect or may affect the structure of the authorised 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	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.	1. The Company's Articles of Association define a list (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 Meeting of Shareholders, the Board of Directors shall issue the necessary recommendations the shareholders.	Observed	
7.1.2	The Board of Directors plays the key role in making resolutions 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 the Independent Directors express their opinions on major corporate actions prior to approval thereof.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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. In the context of its operations, the Articles of Association of the Company provide that the reserved matters of the Board of Directors include the approval of other transactions material for the Company in addition to those provided by the legislation.</p> <p>2. In the reporting period, all major corporate actions were subjected to an approval procedure before they were taken.</p>	Observed	
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 and 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 the reasons, conditions and consequences of such actions.	1. If the Company took major corporate actions in the reporting period, the Company promptly and in detail disclosed such actions, including the reasons, conditions and the consequences of such actions for shareholders.	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 define the cases and procedure for engaging an appraiser to determine the value of assets sold or acquired under a major transaction or a related party transaction.</p> <p>2. The Company's internal documents provide for a procedure for engaging an appraiser to assess the cost of acquiring and redeeming the Company's shares.</p> <p>3. If a member of the Board of Directors, the sole executive body, a member of the collegial executive body of the Company or the controlling person of the Company, or a person entitled to give mandatory instructions to the Company is not a formal related party to transactions of the Company, but there is a conflict of interest or other actual relations, the internal documents of the Company provide that such persons shall not vote on the approval of such transactions.</p>	Partly observed	1. Observed.
				<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'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 legislation as related parties interested in the Company's transactions.</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 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".</p> <p>When determining related parties, the Company is guided by the legal requirements of the Russian Federation.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p> <p>Approval of all related-party transactions in due course.</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>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:

- > Further developing the internal control and risk management system;
- > Expanding the scope of disclosed information on the Company's sustainable development; environmental and corporate social responsibility;

- > 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;
- > Revising the Company's Information Policy;
- > Development and approval of the Company's Anti-Corruption Policy;
- > Increasing the amount of information disclosed in foreign languages;
- > Implementing high standards of corporate conduct.

Annex 9. Glossary and Abbreviations

Ash-Disposal Area	Place for the collection and natural disposal of ash and slag generated by the operation of a heat power plant
Cold Reserve	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)
Corporate volunteering	Voluntary involvement of employees in various social programmes supported by their companies
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 volume at every hour of the next day
Free Bilateral Contracts	Electricity purchase contracts between a supplier and a purchaser when prices are set by agreement between the parties
Installed capacity	Total nominal operational capacity of generator units at the Company's power plants
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
Net Output	Electricity and heat that has been generated and paid for by consumers
Regulated Contracts	Electricity and/or capacity purchase contracts between the supplier and the purchaser when prices are set in accordance with the electricity and/or capacity tariffs of the Federal Tariff Service (FTS)
Stakeholders	Individuals, entities, or communities that may affect the Company's activities or may be affected by the Company's activities, products or services
Sustainable development/ sustainability	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
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 Unified Energy System
TOP-5+	Five work spheres with the highest risk of severe injury or fatality: <ul style="list-style-type: none">• hoisting operations;• work inside electrical installations;• work in confined spaces;• work at heights;• work involving fire hazards.
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 ten universally recognised principles in the spheres of human rights, employment relations, environmental protection and combatting corruption
Wholesale Electricity (Capacity) Market	A market for specific goods – electricity and electric generating capacity – as part of Russia's Unified 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

ACPP	Annual Comprehensive Procurement Programme
APCS	Automated Process Control System
BAT	Best available technologies
CCGT	Combined cycle gas turbine plant
CP	Centrifugal pump
CRMS	Corporate risk management system
CSA	Capacity supply agreement
CSR	Corporate social responsibility
ECP	Electric condensate pump
FPD	Fish protection device
FRS	Fuel receiving station
FA	Forced unavailability
GDP	Gross Domestic Product
GE	General Electric Company
GOELRO	State Commission for the Electrification of Russia
GRES	State district power plant
GRS	Gas reducing station
HD	Hoisting device
HOSMS	Health and Safety Management System
HPC	High-pressure cylinder
HPF	Hazardous production facility
ICUF	Installed capacity utilisation factor
IEC	Industrial environmental control
IES	Integrated Energy System
IFRS	International Financial Reporting Standards
IPC	Intermediate pressure cylinder
ISMS	Industrial safety management system
IMF	International Monetary Fund
KPI	Key performance indicators
Materials and Equipment	Materials and equipment
MPD	Maximum permissible discharge
OPEC	Organisation of Petroleum Exporting Countries
P2P	Procure-to-pay
PDCA	Plan-Do-Check-Act
RAS	Russian Accounting Standards
Retooling and modernisation	Retooling and modernisation
RLA	Regulatory legal act
RPFC	Rated primary frequency control
RRW	Repair and recovery works
OHSD	Occupational Health and Safety Department
PPE	Personal protective equipment
SAWE	Special assessment of work environment
SME	Small and medium enterprises
SPU	Steam-power unit
UES	Unified Energy System
URC	Uniper Risk Consulting GmbH

Annex 10. Contact Information

Unipro Public Joint Stock Company (Unipro PJSC)

GRI 102-1; 102-5

Location address: Building 34, 23 Energostroiteley Street, Surgut, Khanty-Mansi Autonomous District-Yugra, Tyumen Region, Russian Federation

GRI 102-3

Postal address: Floor 23, Building B, 10 Presnenskaya Embankment, Moscow, 123112

Telephone: +7 (495) 545-38-38

Fax: +7 (495) 545-38-39

<http://www.unipro.energy/>

E-mail: info@unipro.energy

Details of Persons in Charge of Dealing with Shareholders

Ekaterina Giganova, Head of the Corporate Policy Department

Phone: +7 (495) 545 38 38

Fax: +7 (495) 545-38-39

E-mail: ir@unipro.energy

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 of the Registrar: VTB Registrar Joint Stock Company

Abbreviated legal 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 address: 23, Pravdy Street, Moscow 127015

Postal address: P.O. Box 54, Moscow 127137

Telephones: +7 (495) 787-44-83 (multichannel)

<https://www.vtbreg.ru/>

E-mail: info@vtbreg.ru

Auditor

Full legal 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

www.pwc.com

Disclaimer

This 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 a general and specific nature, and there is a risk that the estimates, assumptions, and forecasts, which they contain, will prove mistaken. Given such risks, the Company notes that actual results may differ materially from those indicated in the 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 the 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 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 the applicable legislation, the Company shall not undertake any obligations to publish updates and changes in the forward-looking statements based on both new information and subsequent events.

