

# ЮН ПРО

Annual Report  
for 2020



Pre-approved by  
the Board of Directors  
of Unipro PJSC  
on 05 May 2021  
(Minutes No. 301)

Approved by  
the Annual General Shareholders'  
Meeting of Unipro PJSC  
on 10 June 2021  
(Minutes No. 26)

Chairman of the Annual General  
Shareholders' Meeting

A. Belova

# Unipro PJSC

## Annual Report for 2020

Chief Executive Officer

**M. Shirokov**

2021

# Information on the Report

The Annual Report of Unipro Public Joint Stock Company (hereinafter Unipro PJSC, Unipro, the Company) for 2020 is the fifth annual report prepared by the Company and intended for a wide range of stakeholders. The Report contains the key results of Unipro PJSC for 2020 in the field of strategic and corporate governance, the operational and financial performance and information on sustainability. [102-50](#)

In preparing the Report, the following documents were used:

- Federal Law On Joint Stock Companies No. 208-FZ dated 26 December 1995 (as it reads now);
- Regulation on the Information Disclosure by Issuers of Equity Securities (as approved by the Bank of Russia under No. 454-P on 30 December 2014);
- Letter of the Central Bank of Russia On the Corporate Governance Code No. 06-52/2463 dated 10 April 2014;
- Letter of the Central Bank of Russia 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 No. IN-06-52/8 dated 17 February 2017;
- UN Global Compact Principles;
- Global Reporting Initiative Sustainability Reporting Standards (hereinafter the GRI SRS);
- GRI Sector Supplement for Energy Companies (hereinafter the GRI G4—EU);
- International AA1000 Stakeholders Engagement Standard (AA1000SES);
- In-house regulations of Unipro PJSC.

The report was prepared for the first time and complies with the Basic level of application of the Sustainability Reporting Standards GRI SRS. [102-54](#)

The content of this Report was determined in accordance with the requirements of applicable rules and standards, among other things, with the involvement of Unipro stakeholders. For details of the process for determining the content and assessing material subjects please see the Sustainability chapter. [102-46](#)

In 2020, there were no major changes in the extent, structure of Unipro activities, changes in the wording and fundamental changes in the calculation of indicators that could affect the comparative assessments of the key performance indicators of the Company as compared to the previous annual report. If there are any additional comments to the calculation of indicators, they are set forth in the text of the report as a footnote. [102-49](#) [102-10](#)

The top management representative in charge of preparing the Report is the Director for Corporate Governance, Legal and Property of Unipro PJSC. [102-32](#)

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Annual reports



Interactive Annual Report 2020





# Address of the Chairman of the Board of Directors 102-14

## Dear Shareholders, Investors and Colleagues!

2020 faced new challenge: COVID-19, which influenced Unipro, our employees and energy market. Our assets continued operating during the pandemic. Unipro responded rapidly by arranging distance work for as many workers as possible, we have also established social distancing and created new protocols for the operating personnel at our power plants, a lot was done to provide employees with individual protective gear. I feel very proud of our team, and I would like to ensure everyone that we will continue making efforts to keep efficiency of our company.

Despite difficult market conditions caused by COVID-19 coronavirus pandemic and OPEC+ deal Unipro has managed to achieve stable results. The company remains the industry leader in operating efficiency. According to the accounting statements prepared in compliance with Russian Accounting Standards, the EBITDA amounted to RUB 25.7 bn for 2020. The demand for Unipro production capacity in 2020 exceeded the market average and amounted to 42.3%. The total output of the Company's plants amounted to 41.7 bln KWh.

One more unit of Surgutskaya GRES-2 was selected to take part in the electric power

industry modernization programme. During the reporting year preliminary works were accomplished to prepare the power plant for the modernization.

Unipro is aware of its responsibility to society, stakeholders and the environment. Following Uniper's new strategy the company intends to set on a new course for sustainability. As carbon emissions<sup>1</sup> should be reduced, the company becomes climate-friendlier and improves carbon footprint by implementing innovative technologies and refurbishing its equipment. We are also considering our participation in further modernization auctions including deep and light modernization projects and developing renewables projects.

In 2020, 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. For the first time, in order to prevent the spread of COVID-19 we introduced the practice of electronic voting at the general meeting of shareholders.

<sup>1</sup> Russia has 80 GW of zero-carbon generating capacity, more than most countries in Europe. This carbon content of Russia's electricity is roughly equal to Denmark's, lower than that of Germany and the United States, and around half that of Australia and Poland. Also, Russia ratified the Paris climate agreement in October 2019 and probably will meet its targets for 2030.  
Carbon content definition:  
[https://www.researchgate.net/profile/Iain-Staffell/publication/329973432\\_Energy\\_Revolution\\_A\\_Global\\_Outlook/links/5c26b07fa6fdccfc706f3221/Energy-Revolution-A-Global-Outlook.pdf](https://www.researchgate.net/profile/Iain-Staffell/publication/329973432_Energy_Revolution_A_Global_Outlook/links/5c26b07fa6fdccfc706f3221/Energy-Revolution-A-Global-Outlook.pdf)

**Positive events for the Company: repair work at power unit № 3 of Berezovskaya GRES have been completed and we expect CSA payments from spring 2021. This will allow us to increase dividends in 2021-2022**



**Andreas Schierenbeck**  
Chairman of the Board of Directors, Unipro PJSC<sup>2</sup>

Our company continues to pay great attention to issues of health and safety of its employees as well as staff from contracting organizations. I have to mention that there were no serious accidents in 2020, which is a great achievement for us. This is the result of the systematic work being carried out at Unipro PJSC, for sure, we will continue developing our safety programmes in 2021.

Unipro places its greatest value in its employees, and we pay great attention to employees' growth and development. Considering COVID-19 pandemic, Unipro implemented online programs for educating

its employees. We will further continue creating new projects.

We are expecting new challenges in the energy market, such as overcapacity and old generation assets replacement. We believe that our company has significant potential for the long-term development, and together we will take on the challenges.

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 2020.

<sup>2</sup> On 30 March 2021, A. Schierenbeck resigned as CEO of Uniper SE.



# Address of the Chief Executive Officer

## Dear Shareholders, Investors and Colleagues!

The past year was unusual for both the business and each of us. In 2020, the world was faced with a challenge beyond comparison, i. e. the new COVID-19 coronavirus infection. I would like to acknowledge the contribution of each employee to how our Company overcame this crisis. The 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 is exceptional!

Despite the unusual format of work, we maintained our leading positions in the Russian thermal power industry.

The Company is successfully handling the task of ensuring reliable and efficient operation of generating equipment. In 2020, we performed all of our obligations to electric power consumers. During the year, Unipro PJSC carried out significant retooling and modernization of the operating capacities. So, in 2020, the control system was completely updated at power unit No. 5 of Surgutskaya GRES-2, new engines of the main exhaust fan and the flue gas recirculation fan were installed. During the overhaul of power unit No. 2 at Yaivinskaya GRES, the steam collection chambers and boiler gas ducts were replaced. At unit No. 1 of Berezovskaya GRES, a quarter of the heating surface of the boiler convection reheater was replaced.

The repair and refurbishment of Power Unit No. 3 at Berezovskaya GRES reached its final stage: the unit was put into operation in the spring of 2021.

Power unit No. 2 of Surgutskaya GRES-2 was selected to take part in the electric power industry modernization programme in 2020. Let me remind you that as a result of the modernization of the SPU units, the installed capacity of the plant will reach 5,747 MW.

Health and safety issues of our employees and the staff of our contractors are the priority of Unipro PJSC. I would like to emphasize that in 2020 there was no serious industry incidents and the TRIF (Total

Recordable Incident Frequency) decreased by 36% from 0.39 to 0.25. In 2020, Unipro PJSC confirmed the compliance of its health and occupational safety management system with the requirements of International Standard for Occupational Health and Safety ISO 45 001:2018. This proves once again that we all treat occupational safety issues with great responsibility.

The Company pays special attention to the issues of environment protection and improving the environmental friendliness of the power equipment of Unipro PJSC. Fish protection structures were put into trial operation at Yaivinskaya GRES and Surgutskaya GRES-2. An important step in reducing the negative impact on the environment was the receipt of a positive opinion of the state expert review for the reconstruction of slime dumps of Surgutskaya GRES-2 in July 2020. In addition, Unipro PJSC is planning to switch over to process rationing at Adverse Impact Class I facilities, which is among the Environmental policy priorities. In particular, such indicators have already been achieved at the units of Surgutskaya GRES-2 that were overhauled in 2019-2020. It is significant that the Company has successfully passed the first audit of the certified environmental management system for compliance with ISO 14 001:2015 standard in respect of electric and heat power generation and heat power transportation.

Unipro PJSC pays paramount attention to staff relations. This year, we have created and are successfully using an online platform for training our employees. I would like to emphasize that many human resources management processes, such as recruitment, adaptation and assessment of staff, became online ones. New formats in dealing with universities allowed us to significantly promote the employer's brand. The coronavirus pandemic did not prevent us from conducting an engagement survey the results of which allow the Company's management to see the things unbiasedly and to take joint efforts with the employees in order to increase the employee engagement.

## Address of the Chief Executive Officer



**Maxim Shirokov**  
Chief Executive Officer  
of Unipro PJSC



Improving the quality of living of people in the regions of the Company's presence 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 organizations. In 2020, Unipro donated additional funds for fighting the coronavirus infection to the medical facilities of Sharypov (the Krasnoyarsk Territory), Surgut (the Khanty-Mansiysk Autonomous District) and Berezniki (the Perm Territory). E. g., antiviral drugs, masks, protective anti-epidemic suits were purchased at the expense of Unipro, and the Sharypov Regional Hospital received a new ambulance from the Company in November 2020. Despite the difficulties caused by the pandemic, we continued to support cultural events. In 2020, Smolensk hosted the Golden Mask Theatre Festival for the first time with the support of Unipro. For the first time, Moscow hosted the I International Music Festival Energy of Discovery arranged for by our Company and Radio Orpheus.

In 2020, Shaturskaya GRES, the oldest power plant, the first-born of the GOERLO (State Commission for Electrification of Russia) Plan, celebrated its centenary. For a hundred years, the plant has been reliably providing the consumers with electric power and heat and has been developing charitable and environmental projects.

Unipro PJSC intends to continuously improve its approaches to information disclosure, in this regard, the GRI SRS Global Reporting Initiative Sustainability Reporting Standards are applied in this Annual Report for the first time.

**In accordance with the transparent dividend policy approved by Unipro PJSC, the company has made guaranteed dividend payments during 2020 and intends to make them in the future**

2021 is going to be a very challenging year. The Company is faced with important and challenging tasks. First of all, we put into operation the third power unit of Berezovskaya GRES. We are commencing an active stage of modernization of the SPU units at Surgutskaya GRES-2. To improve the reliability of energy supply to consumers and to reduce the carbon footprint, Unipro is going to further modernize the operating efficient steam power equipment.

Unipro is adjusting its strategy in order to diversify its business, to improve the environmental friendliness and to maintain its leading position in the energy market. In particular, we are going to develop renewable energy projects and to build up hydrogen technologies competencies.

I believe that thanks to the supreme 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 in us. Your active support will enable us to succeed in meeting the Company's targets.



# Unipro Profile



In September, the environmental team of Berezovskaya GRES stocked the Yenisei River with valuable species of fish: they released over 6 thous. sturgeon fingerlings in their natural habitat



## Berezovskaya GRES

is the most powerful thermal power plant of the Krasnoyarsk Territory



# About Us

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

The Company is registered in the Khanty-Mansiysk Autonomous District-Yugra, headquartered in Moscow and operates within the Unified Energy System (UES) of Russia. [102-3](#)

The Company produces and sells electric power and capacity, as well as heat power. Unipro PJSC is also present in the Russian markets for distributed generation and engineering. [102-2](#)

2005



2007



- Establishment of OGK-4 JSC based on five power plants with a capacity of

8,630 MW

- Acquisition of OGK-4 JSC by E.ON International Energy Group (OGK-4 JSC was later renamed as E.ON Russia JSC)

2016



2020

- Demerger from E.ON created a new international company called Uniper, which included E.ON Russia JSC (later renamed as Unipro PJSC)

- Unipro PJSC is an efficient company in the electric power industry with a foreign majority shareholder, five power plants with a capacity of

11,245 MW

- and a number of service, engineering and manufacturing companies under its control

The Company's efficient operation in the wholesale market for electricity and power is explained by the state of the network infrastructure and specifics of energy balances within the power zones. The drivers of demand for Unipro PJSC power plants are as follows:

- Smolenskaya GRES contribution to ensuring reliable electric power transit between Russia and Belarus;
- location of Shaturskaya GRES in the Moscow Region representing an under-served market;
- participation of Yaivinskaya GRES in supporting a power balance in the Bereznikovsko-Solikamsky hub.

Unipro PJSC 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 among gas and coal power units using steam power technologies, and as part of the investment program, the Company put the most efficient and sought-after steam gas equipment into operation.



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



# Geographical Reach 102-4

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

Headquarters  
in Moscow  
Unipro  
Engineering

## Smolenskaya GRES (gas, coal)

Years of Commissioning  
(Connection to the Grid)  
**1978–1985**

Installed Capacity, MW  
**630**

CUF, %  
**26.2**

Electric Power Generation, mln kW-h  
**1,450**

## Shaturskaya GRES (gas, coal)

Years of Commissioning  
(Connection to the Grid)  
**1971–2010**

Installed Capacity, MW  
**1,500**

CUF, %  
**34.1**

Electric Power Generation, mln kW-h  
**4,499**

## Yaivinskaya GRES (gas, coal)

Years of Commissioning  
(Connection to the Grid)  
**1963–2011**

Installed Capacity, MW  
**1,048**

CUF, %  
**47.3**

Electric Power Generation, mln kW-h  
**4,362**

## Unipro Profile Geographical Reach

# Unipro PJSC

Installed Capacity,  
MW

**11,245.1**

CUF,  
%

**42.3**

Electric Power Generation,  
mln kW-h

**41,746**

## Surgutskaya GRES-2 (gas)

Years of Commissioning  
(Connection to the Grid)  
**1985–2011**

Installed Capacity, MW  
**5,667**

CUF, %  
**54.4**

Electric Power Generation, mln kW-h  
**27,097**

## Siberia AIP LLC, Krasnoyarsk

## Berezovskaya GRES (coal)

Years of Commissioning  
(Connection to the Grid)  
**1987–2015**

Installed Capacity, MW  
**2,400**

CUF, %  
**20.6**

Electric Power Generation, mln kW-h  
**4,339**







Net electric power output is	Net heat output is	The headcount is
3,971	384	1,134
mIn kWh	thousand Gcal	

## BEREZOVSKAYA GRES

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

The power plant is operated as part of the unified energy system of Siberia. The branch power units take part in providing SO UES JSC with the services aimed at ensuring the overall reliability of the national energy system in terms of the Rated Primary Frequency Control (RPFC).

Since its launch in December 1987, the power plant has generated 213,514.8 million kWh of electric power and 26,810 thousand Gcal of heat.

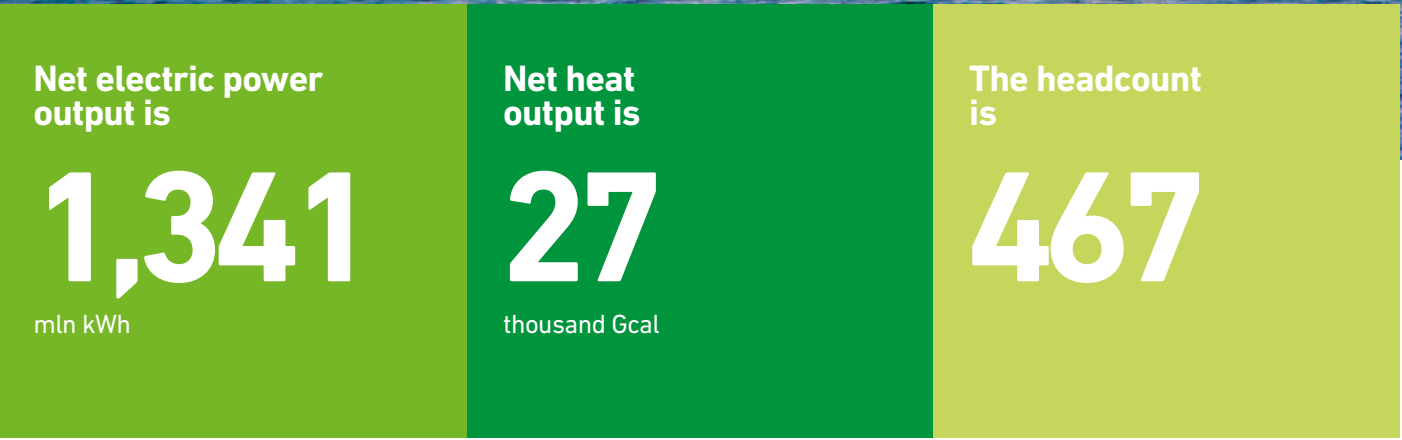
In 2020, the plant staff was awarded by the Golden Heart of the Philanthropist Badge of Honour for their long-term contribution to the development of the social sphere of Sharypovsky district. In 2020, Unipro PJSC was awarded by the Ministry of Energy of the Russian Federation with a special Diploma of the Competition for the Best Socially-Oriented Company for its charitable project to help rural disabled persons being implemented at Berezovskaya GRES.



**Dmitry Kazarin**  
Director of Berezovskaya GRES Branch,  
Unipro PJSC

"We note that the key achievements of 2020 at Berezovskaya GRES are the timely completion of intermediate maintenance at power unit No. 1 with the replacement of the fourth part of the low-pressure convection superheater. In combination with the commissioning of the acoustic cleaning system of the convective shaft, this will allow the boiler unit of power unit No. 1 to operate more efficiently. By the replacement of one thousand two hundred combined welds of the platen superheater and the implementation of a system for draining fuel oil leaks at the operating power units, we increased the reliability and the safety of all our equipment as well. It was extremely important to prepare for putting into operation of power unit No. 3, to introduce Smart Helmets, an interesting digital project, to develop a modernization design for sewage treatment facilities in the town of Sharypovo. Completing these intricate production tasks in the context of COVID-19 constraints is a great achievement. And we can only thank our employees".





## SMOLENSKAYA GRES

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

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

With the power plant commissioning, the Dukhovshchinsky district (located in the north of the Smolensk region) received a powerful impetus for social and economic development. The railway to Smolensk running through three districts of the Region was restored. A modern motor road and a settlement for power engineers were constructed.



**Evgeniy Inozemtsev**  
Director of Smolenskaya GRES Branch,  
Unipro PJSC

“Smolenskaya GRES has successfully completed the 2020 repair campaign. Current repairs were carried out at three power units. The main work on the technical refurbishment of boiler unit No. 1 of building 1B has been completed. In the course of the repair, 62 panels-pipelines of the secondary convective superheater were replaced, their total weight is 26 tons.

In summer, the heating networks were repaired in Ozernensky urban settlement.

The works aimed at replacing the surface major pipeline from Smolenskaya GRES to Ozerny settlement were completed. 467 meters of pipeline with a diameter of 530 mm were replaced, polyurethane foam insulation and metal coating were installed on the pipeline.

Unipro PJSC is socially responsible Company in the region of its presence. As usual, in 2020 Smolenskaya GRES provided charitable assistance to the hospital, school, kindergartens, ship modelling club, taekwondo section of the Dukhovshchinsky district, veterans of the Great Patriotic War, the Combat search party and libraries. The total amount of charitable assistance was RUB 3 mln.

Thanks to Unipro PJSC, the Golden Mask Theatre Festival was held in Smolensk for the first time. The spectators saw the Pygmalion and Do not Part with your Loved Ones performances”.



## SURGUTSKAYA GRES-2

Surgutskaya GRES is the largest electric power producer in Russia and the world's most powerful thermal power plant that uses gas as its fuel.

The plant supplies the districts of West Siberia and the Urals with electric power. Surgutskaya GRES-2 accounts for about 40% of the total electric power output in the Khanty-Mansi Autonomous Area — Yugra. Surgutskaya GRES-2 supplies electric power to ensure uninterrupted operation of the oil and gas fields in the Khanty-Mansi Autonomous District, supplies heat to the eastern district of Surgut with a population exceeding 130 thousand.

In 2020, Surgutskaya GRES-2 was busy with preparing for the upcoming modernization in 2021–2026 which will cover four SPU-810 MW power units (No. 1, 6, 4, 2) and will last for 6 years. Upon completion of modernization, the capacity of each power unit out of these four will increase by 20 MW.



**Nikolay Derkach**  
Director of Surgutskaya GRES-2 Branch,  
Unipro PJSC

"In 2020, we completed the technical refurbishment of power unit No. 5 which has an automated process control system that meets all modern requirements. We have carried out all preparatory work for implementing the first stage of the modernization programme which will start at power unit No. 1 in 2021.

I would like to particularly note that there was no serious occupational health incidents. In no case should we be satisfied with what has already been achieved, but it is important to continue to fulfil our employment duties responsibly.

The work to reduce environmental risks continued at the plant. We developed the slime dumps reclamation project that was appraised by experts and constructed fish protection structures. The steps taken to improve our environmental efficiency will enable us to reduce the content of harmful substances in air emissions.

I would like to note as well that in the course of our production activities we prevented the occurrence of hotspots of the spread of COVID-19 as a whole.

Thanks to all this, we confidently begin the next year without setting less stringent requirements for ourselves and for our professional activities".

Net electric power  
output is

26,383

mIn kWh

Net heat  
output is

799

thousand Gcal

The headcount  
is

1,195



On 25 July 2020, Shaturskaya  
GRES celebrated its

# 100<sup>th</sup> anniversary



Net electric power  
output is

4,213

mIn kWh

Net heat  
output is

257

thousand Gcal

The headcount  
is

856

Unipro Profile

Branches

## SHATURSKAYA GRES

Shaturskaya GRES is one of Russia's oldest power plants and one of the first power plants built under the GOELRO plan (Russian State Electrification Program) back in 1920.

Today, Shaturskaya GRES accounts for 6% of the total electric power generation in Moscow and Moscow region that is sold in the wholesale market. Besides, Shaturskaya GRES 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 400 MW CCGT at Shaturskaya GRES became the first Russian project approved by the United Nations Organization under the Kyoto Protocol.



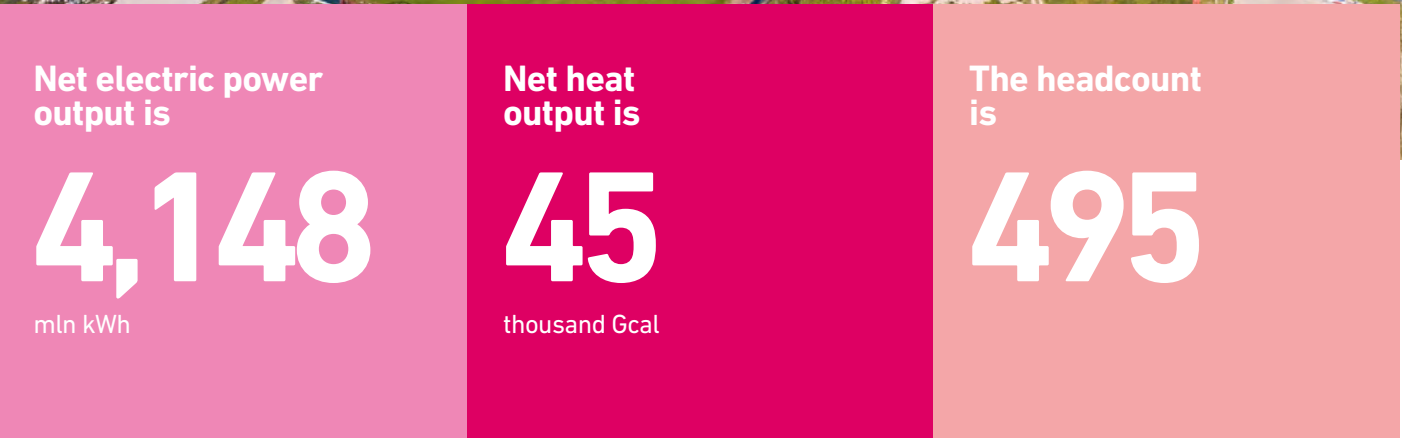
**Sergei Bakurin**  
Director of Shaturskaya GRES Branch,  
Unipro PJSC

"In 2020, we celebrated an outstanding event, the 100th anniversary of the power plant. For the entire century Shaturskaya GRES has been supplying electric power to most of Eastern vicinities of Moscow, certain districts of Moscow itself and the town of Shatura. Unfortunately, due to the pandemic, we had to cancel all public events for an indefinite period. Nevertheless, by the 100th anniversary of the plant, we opened a new showpiece in the outdoor museum. This is the blade wheel for steam turbine. We published a book dedicated to Shatura pioneer builders. The book has already been transferred to all libraries and schools of Shatura urban district and has taken an honourable place in the power plant history museum.

The history of Shaturskaya GRES is an integral part the history of Moscow region and the whole country. This is confirmed by the important government awards for the valorous labour of the Shaturskaya GRES team at the important milestones in the history of our state, i.e. the Order of Lenin and the Order of the Red Banner of Labour.

Last year, we secured the key production and financial indicators, successfully completed the previous heating season, celebrated the 10th anniversary from putting into operation of CCGT-400".





## YAIVINSKAYA GRES

Yaivinskaya GRES is located on the Yaiva River (the Perm Territory). The GRES plays an important role in providing stable power supply to major industrial facilities of the Perm Territory, as well as to cities, towns, and settlements of the upper Kama River area.

Initially, four 150 MW power units used coal from the Kizelovsky Coal Field as fuel. Since 1987, the power plant has begun using a fuel mix (natural gas and coal dust). In June 2013, the plant was connected to the associated petroleum gas pipeline. This allowed abandoning the combustion of coal, which is now only used as a backup fuel.

A new combined-cycle 424.6 MW power unit was constructed at Yaivinskaya GRES under the investment programme. In 2017, the modernization of the CCGT gas turbine was successfully carried out, which resulted in an increase in its installed capacity by 24 MW.



**Andrey Povarnitsyn**  
Director of Yaivinskaya GRES Branch,  
Unipro PJSC

"In the reporting year, despite the difficult economic situation in the country due to the COVID-19 pandemic, Yaivinskaya GRES secured its key production indicators.

In 2020, the electric power generation at Yaivinskaya GRES increased by 3% as compared to 2019 against the background of a general decrease in the electric power generation in the Perm Territory by 14.5%.

We completed the repairs of the generating equipment and the heating networks of Yaiva settlement in a timely manner and in full and supplied the settlement with heat without interruptions.

The branch significantly reduced its accident rate as compared to the previous years.

Fish protection structures at the water intake of Yaivinskaya GRES were constructed and put into trial operation in order to reduce damage to young fish in the Yaiva River. Their completion should be considered one of the important efforts within the Company's environmental policy.

We always remember our status as a backbone enterprise, the people of our territory and continue to help the social sphere focusing on the younger generation. We have fulfilled all obligations to our employees".



# Key Events 2020

## January

- The Old Surgut Historical and Cultural Centre hosted a presentation of the Wooden Lace Project that was created at the expense of Surgutskaya GRES-2



- Smolenskaya GRES sponsored for the fifth time the ship modelling tournament which took place in Ozerny settlement of Dukhovshchinsky district



- Shaturskaya GRES launched its repair campaign
- From the beginning of the year, the employees of Yaivinskaya GRES and traffic police officers conducted a Be More Visible on the Road training event in educational institutions. The event was held at several stages. More than 200 children were covered during the year
- Efficiency tests of the new acoustic system for cleaning the WAVE MASTER boiler heating surfaces began at the boiler of power unit No. 1 of Berezovskaya GRES

## February

- In February, Unipro PJSC Surgutskaya GRES-2 branch launched the annual repair program
- On 23 February, Surgutskaya GRES-2 celebrated its 35th anniversary



The launching of the first power unit SPU-800 MW in 1985 is regarded as the birthday of the largest thermal power plant in Russia

- Spartakiada Games of Employees of 2020 started at Yaivinskaya GRES
- The Moscow New Opera Theatre hosted the first international Energy of Discovery Music Festival that was arranged jointly by Unipro PJSC and Radio Orpheus

## March

- Smolenskaya GRES started its repair campaign
- Within the History Lessons Marathon dedicated to the 100th anniversary of the Shaturskaya GRES, the students of the energy class of Shatura wrote the Historical Dictation. The arranging for and the holding of the first educational event of this kind in Shatura was initiated by the management of the power plant



## April

- Shaturskaya GRES won the regional review competition for civil defence and emergency situations



- Tactical and special exercises were held in the territory of Yaivinskaya GRES. Forces and facilities were involved therein to the maximum extent possible. We worked out an accidental spill of oil products



## May

- The students of energy classes from Shatura, Surgut, Smolensk region, Perm and Krasnoyarsk Territories visited the Shaturskaya GRES History Museum. The tour was conducted in the form of an online broadcasting and was dedicated to the upcoming 100th anniversary
- By the decree of the President of the Russian Federation Vladimir Putin, Valery Tkachenko, the Head of the Design and Engineering Group of the Production and Technical Service of Berezovskaya GRES was awarded the Honoured Power Engineer of the Russian Federation honorary title



## June

- Smolenskaya GRES launched the repairs of the heating networks in Ozernensky urban settlement
- Unipro PJSC held its Annual General Shareholders' Meeting in absentia for the first time
- On 16 June 2020, the members of the Board of Directors of Unipro PJSC elected Andreas Schierenbeck, Chief Executive Officer of Uniper SE, as the Chairman of the Board of Directors

## July

- On 01 July, Evgeny Alexandrovich Inozemtsev, former Director of Yaivinskaya GES, took up the position of the Smolenskaya GES Director
- From 01 July 2020, Evgeny Alexandrovich Inozemtsev, the Director of Yaivinskaya GES, was replaced by Andrey Vasilyevich Povarnitsyn, who had previously held the position of Chief Engineer of the plant
- Dmitry Ivanovich Kazarin was appointed as a new Director of Berezovskaya GES
- Surgutskaya GES-2 carried out the repairs of the heating networks within the plant
- An Exhibition of Old Letters of Recognition and Certificates was opened at Shaturskaya GES
- The new showpiece in the outdoor museum was opened at the Shaturskaya GES as part of the celebration of the 100th anniversary of the plant
- A public outdoor sports ground with exercise equipment was opened in Yaiva thanks to the sponsorship of Yaivinskaya GES



## August

- Shaturskaya GES provided financial assistance to kindergarten No. 5 located in Kerva microdistrict
- Unipro PJSC obtained a positive opinion of the state expert review for the reconstruction of slime dumps of Surgutskaya GES-2
- An Internet portal dedicated to the century-old history of the enterprise was launched on the occasion of the anniversary of Shaturskaya GES
- The representatives of Berezovskaya GES donated to the Sharypov Regional Hospital a batch of medicines and personal protective equipment for the medical staff worth more than RUB 1.5 mln
- Unipro PJSC was awarded a diploma of the competition of the Ministry of Energy of Russia as the best socially oriented company in the power industry in 2020 for the Sharypovsky District the Territory of Equal Opportunities charitable project aimed at helping rural disabled people
- A large-scale modernization of the monitoring and control system of power unit No. 5 SPU-810 MW started at Surgutskaya GES-2
- Berezovskaya GES with the assistance of Sharypovo municipality (the Krasnoyarsk Territory) held public hearings of the environmental impact assessment of the project for reconstruction of municipal sewage treatment facilities
- An on-site training was held at Shaturskaya GES that was aimed at working out steps for possible encapsulation of the plant due to the COVID-19 pandemic
- A ground for training in on-duty and applied sports was equipped at Yaivinskaya GES
- The Civil Assembly of Sharypovsky district awarded Berezovskaya GES with the Golden Heart of the Philanthropist Badge of Honour for many years of its social partnership

## September

- Berezovskaya GES completed connection of the residential sector and social infrastructure facilities of Sharypovo town, Dubinino settlement and Kholmogorskoye rural community of Sharypovsky district to the heating network
- Nikolay Nikolayevich Derkach was appointed Director of Surgutskaya GES-2
- Shaturskaya GES held a charity event 100 Books of Kindness as part of which the employees collected books for students of a special boarding school



## Unipro Profile

## Key Events 2020

## October

- The Ministry of Culture of the Krasnoyarsk Territory awarded Unipro PJSC with a special Inspiration Diploma of Art Patrons for holding the Golden Mask in Sharypovo Theatre Festival in 2019



- Fish protection facilities were put into trial operation at Surgutskaya GES-2
- Shaturskaya GES released more than 900 silver carps in Lake Svyatoye
- An exhibition of rare historical photographs of the plant opened at Shaturskaya GES. The event was timed to the 100th anniversary of Shaturskaya GES
- A grand opening of the sports ground took place in the Bely Park of the town of Sharypovo, the Krasnoyarsk Territory. The purchase of brand-new modern sports equipment and installation of a hard-surfaced ground have been sponsored by Berezovskaya GES



## November

- As part of its assistance in the fight against the spread of coronavirus infection, Unipro PJSC donated a new ambulance to the Sharypov Regional Hospital
- In the year of the celebration of the 100th anniversary of Shaturskaya GES, the book "They were the First" was published. It was dedicated to the history of the power plant and its first employees. Copies of the book were handed over to all schools and libraries of Shatura
- Repairs of CCGT-400 MW power unit No. 7 was completed at Surgutskaya GES-2
- Ksenia Shatyko, Environmental Engineer of Surgutskaya GES-2 was named the winner of the Russian Environmental Safety Contest
- The Golden Mask Theatre Festival was held in Smolensk for the first time. Unipro PJSC was the general partner of the project



- Shaturskaya GES handed over an exhibition of replications of paintings by Vasily Surikov to the students of the Shaturskaya Power Engineering Technical School
- The intermediate maintenance was completed at Shaturskaya GES power unit No. 1. Within the technical refurbishment programme, the fourth part of the convection reheater was replaced at the boiler of the power unit
- Unipro PJSC received the Certificate of Operational Readiness for 2020-2021 Winter Season

## December

- Surgutskaya GES-2 finished technical refurbishment of command and control facilities at power unit No. 5 SPU-810MW
- Unipro PJSC held an Extraordinary General Meeting of Shareholders. The Extraordinary General Meeting of Shareholders decided to pay dividends
- The first ISO 14001:2015 compliance audit of the certified environmental management system was successfully passed
- Yaivinskaya GES launched a trial operation of an environmental project providing for fish protection
- The first boiler start-up and steam-water-oxygen cleaning process was launched at Berezovskaya GES power unit No. 3
- Surgutskaya GES-2 took part in the opening of the exhibition dedicated to the 100th anniversary of the GOELRO Plan. The plant being one of the backbone enterprises of the power industry was represented in the Russia is My History Historical Park. The visitors could learn about its construction and putting into operation, historical figures, establishment and modern life
- Unipro PJSC has proved compliance of its health and occupational safety management system with International Occupational Health and Safety Standard ISO 45001:2018
- Surgutskaya GES-2 completed the intermediate maintenance at power unit No. 8 of 410 MW CCGT, acceptance tests were carried out, the power unit was connected to the grid



# COVID-19

167

thousand rubles  
was spent on PPE  
and disinfection

Since the beginning of March 2020, weekly work of the central (under the leadership of the CEO of the Company) and local (under the leadership of the Directors of the Branches) anti-crisis head offices has been arranged at the Moscow Representative Office and the branches of Unipro PJSC. Action plans were developed according to two scenarios subject to the level of spread of the new coronavirus infection.

## Scenario 1: Increased Readiness

### Common activities

- employees work remotely
- teleworking/leave for employees at risk (over 65 years old, having chronic conditions)
- limitation of business trips
- daily non-contact monitoring of the body temperature of employees
- electronic log to track contact of employees with those COVID-infected
- testing of the staff when returning from leave/business trips, as well as third parties before visiting Unipro production sites

### Organization of work

- division of staff flows from different production units
- social distancing at workplaces and public areas (warning marks)
- increase in the electronic interaction, i.e. remote reception and handover of shifts by operating staff, telephone/video communication, Skype conferences, etc.
- special areas for receiving and handing over documents that are equipped with bactericidal irradiators

### Performance monitoring

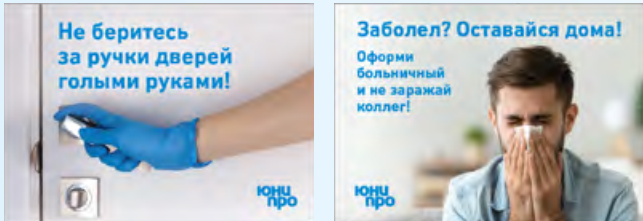
- daily rounds of the workplaces by the heads of the branches and structural subdivisions
- video surveillance in vehicles transporting the branch employees

### Personal protective equipment and disinfection

- providing employees with respiratory protective equipment, gloves and antiseptics
- additional installing of dispensers with sanitizers in the territory of branches and offices
- equipping the premises with bactericidal air irradiators
- every shift wet cleaning of service and industrial premises, public areas, vehicles

### Communication campaign (notifying the employees)

- of the need to observe precautionary measure, rules of personal and public hygiene
- of the clinical signs of the COVID-19 coronavirus infection and of the actions to be taken if such signs are manifested in the employee and/or their family members and in the employee at the workplace
- on the rules for using overalls and PPE



## Unipro Profile COVID-19



As of 31 December 2020, Unipro PJSC recorded:

685

COVID-19 cases  
of its own staff,  
of which 2 were  
fatal

636

employees of the  
company were  
discharged and  
returned to work

549

COVID-19 cases  
of the contractors'  
staff

525

contractor' employees  
returned to work

## Scenario 2:

Readiness for Isolated Operation of the Branch  
(a fallback scenario in case the authorities declare an emergency situation in the region of presence)

- A step-by-step plan for the transition of the branches to the isolated operation was approved
- The opportunities for temporary residence of the employees (rotation system) were determined
- The premises required for accommodation, residence and leisure of the staff were prepared
- The organization of catering for the employees of the branches and the contractors was thought out
- The issue of testing the employees for COVID-19 was elaborated before the isolated operation of the branch started



95%

of the employees of the Moscow  
Representative Office  
were transferred  
to teleworking

254

RUB mln  
total cost of activities  
to counter COVID-19

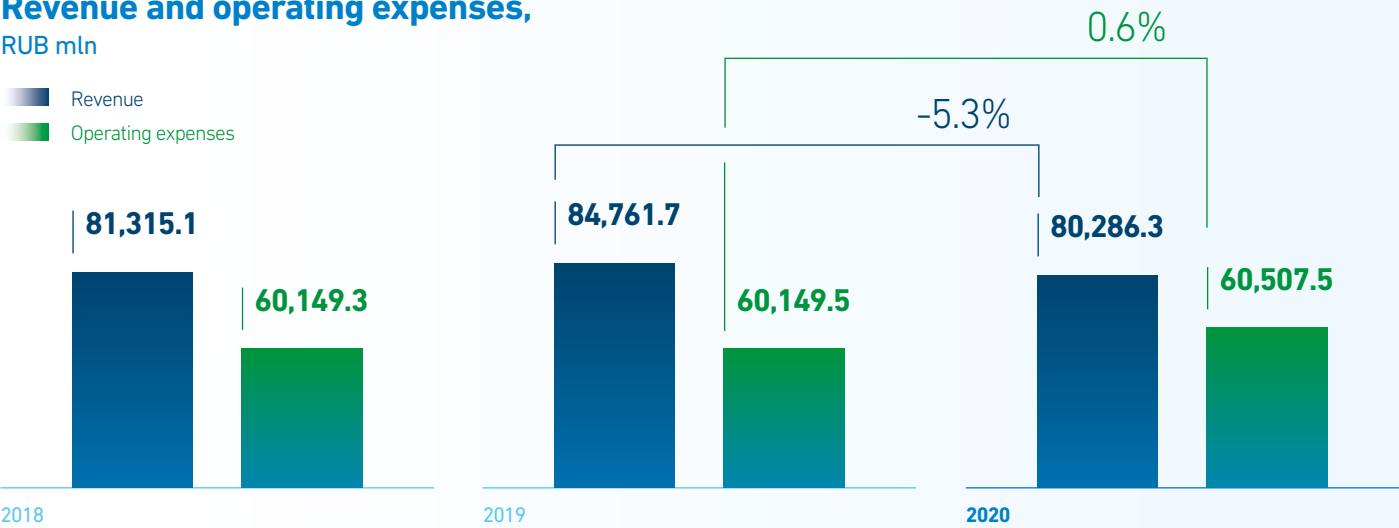
7

mln rubles  
was spent at helping medical  
institutions in the regions  
of presence

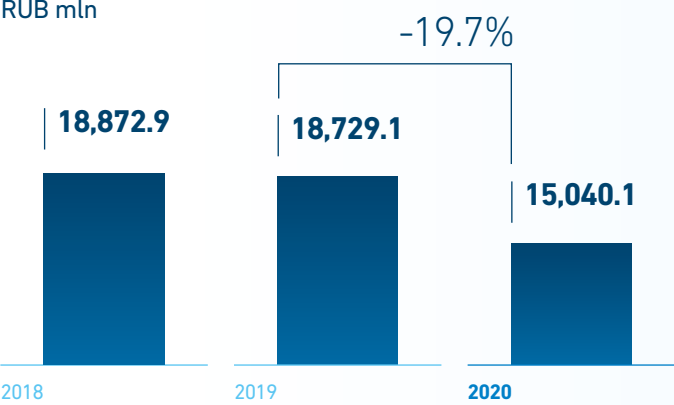


Key Figures 2020

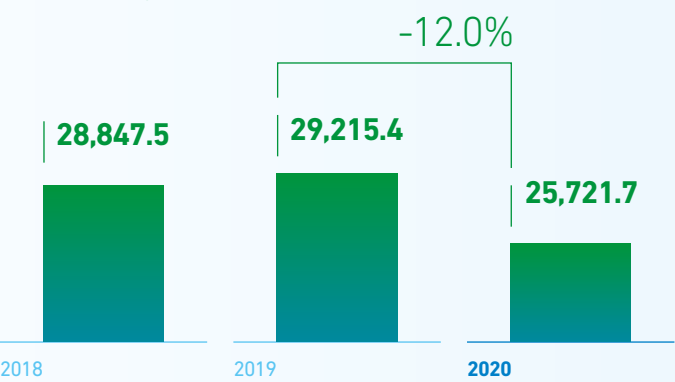
Revenue and operating expenses,  
RUB mln



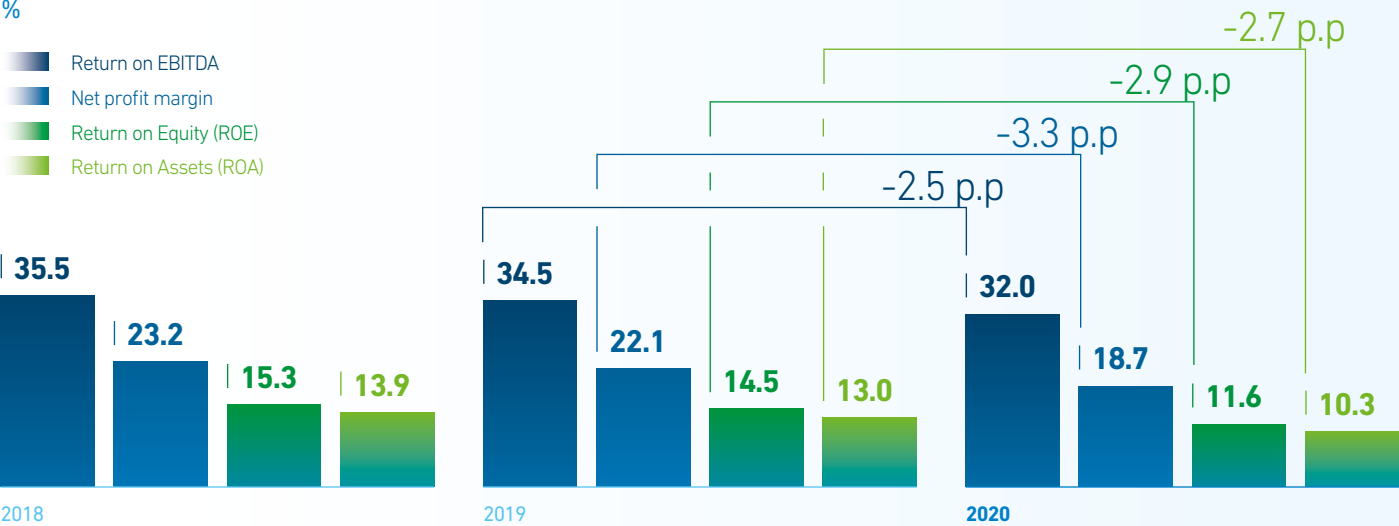
Net profit,  
RUB mln



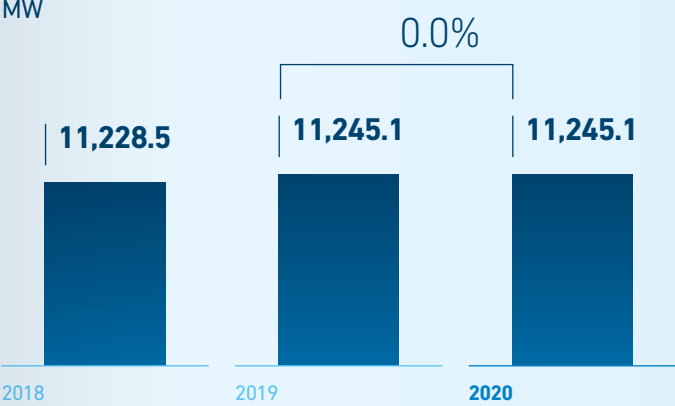
EBITDA,  
(excl. exchange difference), RUB mln



Dynamics of profitability indicators,  
%



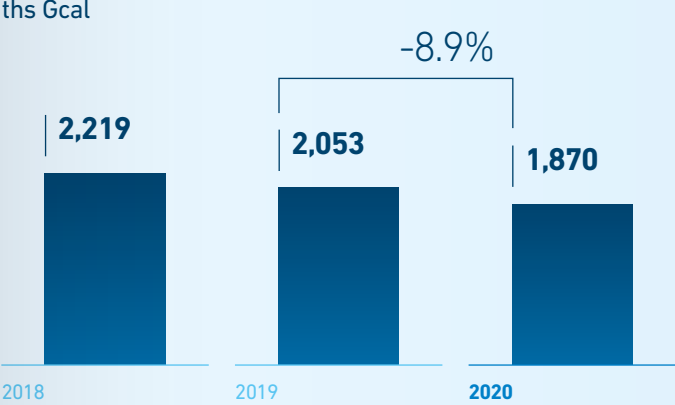
Installed capacity,  
MW



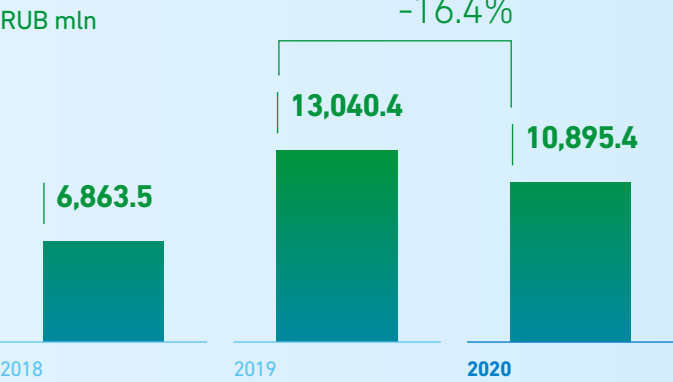
Electric power generation,  
mln kW-h



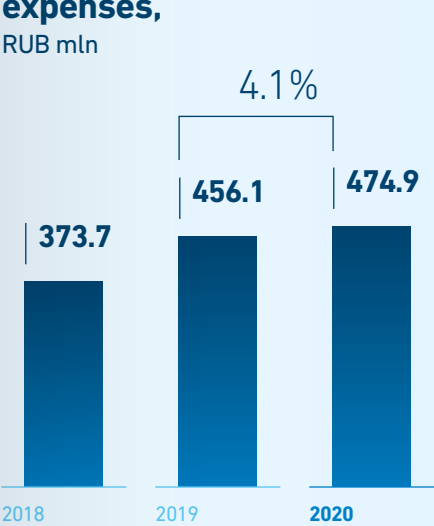
Heat supply,  
ths Gcal



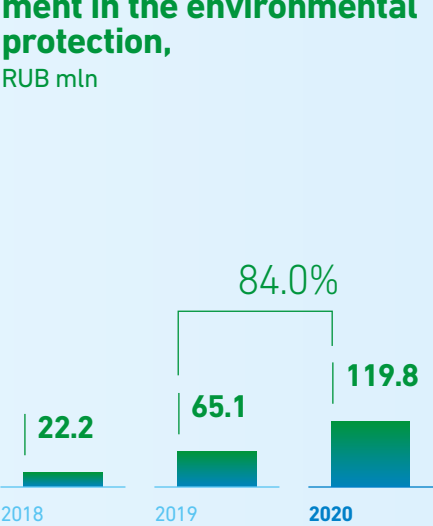
Tax payments to budgets of different  
levels,  
RUB mln



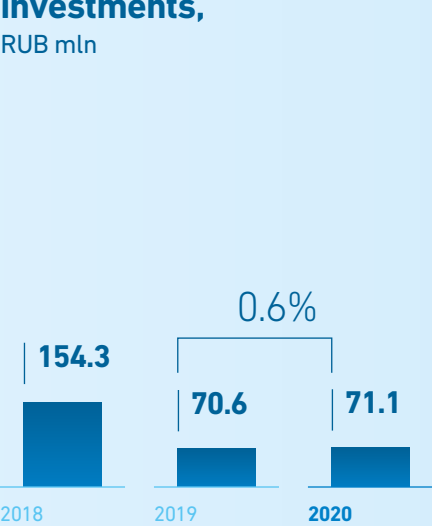
Occupational safety  
expenses,  
RUB mln



Expenses for and invest-  
ment in the environmental  
protection,  
RUB mln



Social  
investments,  
RUB mln



# Strategic Report



Shaturskaya GRES held the “100 Books of Kindness” charity campaign to collect books for students at a special boarding school



**Shaturskaya GRES**  
is among Russia's oldest power plants  
and is located in the town of Shatura  
in the Moscow Region



## Target Markets

### Macroeconomic Overview

The COVID-19 pandemic and the restrictions related thereto have affected the entire global economy, but with different intensity and different budgetary implications. The most important thing seems to be the zeroing or moving into the negative area of official interest rates in developed economies and their drastic reduction in developing economies. This made it possible to stabilize the financial markets quickly enough and to ensure the possible increase in the national debt required to implement programs to support the economy and to compensate the persons affected by quarantines in the key countries of the world.

For oil-producing countries, it was a year of a record-breaking drop in demand and oil prices as well. However, the agreement of the OPEC + countries to reduce oil production from 01 May 2020 and a voluntary reduction in oil production by other major oil producers helped stabilize the situation in the oil market during the crisis. The OPEC+ countries agreement was entered into until the beginning of May 2022 and provides for flexible regulation of oil output subject to the recovery in demand and the increase in global economic activity.

### Dynamics of Real GDP<sup>3</sup>, % to the Previous Year

GDP	2019 (fact)	2020 (fact)	2021 (forecast)	2022 (forecast)
World	2,8	-3,3	6,0	4,4
Developed economies	1,6	-4,7	5,1	3,6
USA	2,2	-3,5	6,4	3,5
Europe	1,3	-6,6	4,4	3,8
Japan	0,3	-4,8	3,3	2,5
United Kingdom	1,4	-9,9	5,3	5,1
Canada	1,9	-5,4	5,0	4,7
Other	1,8	-2,1	4,4	3,4
Developing economies and emerging market countries	3,6	-2,2	6,7	5,0
China	5,8	2,3	8,4	5,6
India	4,0	-8,0	12,5	6,9
ASEAN-5	4,8	-3,4	4,9	6,1
Russia	2,0	-3,1	3,8	3,8
Brazil	1,4	-4,1	3,7	2,6
Mexico	-0,1	-8,2	5,0	3,0
Saudi Arabia	0,3	-4,1	2,9	4,0
Nigeria	2,2	-1,8	2,5	2,3
Southern Africa	0,2	-7,0	3,1	2,0

Strategic Report  
Target Markets

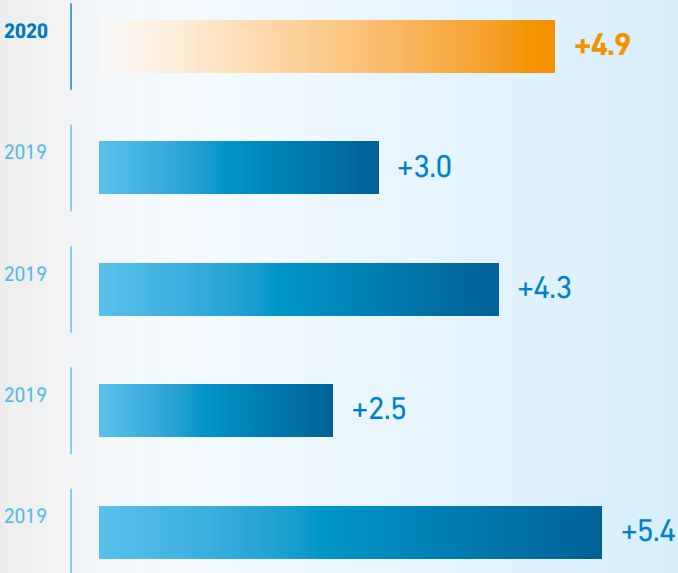
China was the only country to avoid an economic slump in 2020: its GDP added +2.3% as compared to 2019. Russia's GDP declined by 3.1% only in 2020, which is a lower drop than in the developed countries. This is due to a more selective nature of quarantine measures during the pandemic in Russia and a limited use of nationwide lockdowns. Furthermore, this is due to the structure of the economy that has a large public sector with a relatively minor role of the service and SME sector that is most vulnerable to COVID-19. IMF specialists note that the downturn in 2020 might have been way stronger without the extraordinary political support of the global economy. The COVID-19 pandemic is expected to have fewer consequences than the 2008 financial crisis.

The IMF predicts a solid growth in global GDP at a rate of 6.0% in 2021 and 4.4% in 2022. In the medium term, the global economy is expected to grow at a rate of 3.3%. The IMF forecast for the Russian GDP in 2021 and 2022 is 3.8% each, which is even better than the

forecast by the Ministry of Economic Development of the Russian Federation published in April 2021 (+2.9%).

According to Federal State Statistics Service estimates, in 2020 the inflation in Russia amounted to 4.9%. The increase in the 2020 inflation was mainly contributed by the weakening of the ruble, the growth of exchange prices for food products and the yield of certain crops that was below the record-breaking levels of 2019. The 2021 and 2022 inflation forecasts of the Ministry of Economic Development of the Russian Federation is 4.3% and 4.0%, respectively, which points to the fact that disinflation factors prevail in the forecasts.

### Consumer Price Index in Russia, %



### Electric Power Industry Development Forecast

According to the International Energy Agency (IEA), the fall in the global demand for electric power in 2020 was 2%<sup>4</sup>, and this is lower than the fall in the electric power consumption by 0.6% in the crisis year of 2009. China is the only country where the electric power demand did not reduce in 2020 (similar to the GDP). The major consequence of the crisis (similar to the GDP as well) are observed in the developed countries: the electric power consumption decreased by 4% in Europe, Central and South America and by 3% in North America.

According to the IEA forecasts, in 2021, the global electric power demand is expected to grow by 3% and to reach the pre-crisis levels of 2019. At the same time, an active recovery will be observed in the developing countries of Asia, especially in China and India, while the pre-pandemic level of the demand for electric power will not be achieved in the developed economies.

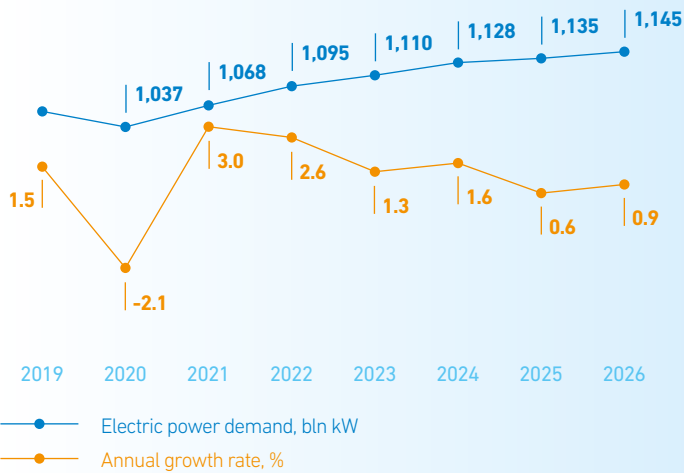
The forecast of the Ministry of Energy of the Russian Federation regarding a decrease in the demand for electric power in 2020 within the Scheme and Programme for the Development of the Unified Energy System of Russia (UES of Russia) for 2020–2026 prepared in June 2020 was 2.1%.

In 2020, the actual electric power consumption in the Unified Energy System of Russia amounted to 1,033.7 bln kWh and decreased by 2.4% as compared to the previous year (that is slightly lower than the forecast value). The crisis decrease in the electric power consumption in 2020 by 2.4% as compared to 2019 was not more than the previous crisis decrease in 2009 by 5.0% as compared to 2008.

In 2021, demand for electric power in Russia under the UES Development Scheme and Programme 2020–2026 will rise by 0.8% as compared to electric power consumption in the pre-crisis 2019. In its later estimates, the Ministry of Energy of the Russian Federation upholds the prediction that electric power consumption in 2021 will reach and exceed consumption in the pre-crisis 2019.

<sup>4</sup> <https://www.iea.org/reports/electricity-market-report-december-2020/2020-global-overview-the-covid-19-pandemic#abstract>  
<sup>5</sup> Scheme and Programme for the Development of the Unified Energy System of Russia (UES of Russia) for 2020—2026.

### Electric Power Demand Forecast (UES of Russia) until 2026<sup>5</sup>



In addition to COVID-19 restrictive measures and the OPEC+ Agreement, the decrease in the electric power consumption in the UES of Russia in 2020 was affected by the mild winter and abnormally high temperatures in the first quarter of 2020

### Russian Power Markets 102-6

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 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 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: the Chukotka Autonomous District, the 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 2020, the total installed capacity of the power plants of the UES of Russia amounted to 245,313.3 MW and decreased by 1,029.2 MW or 0.4% as compared to 2019.

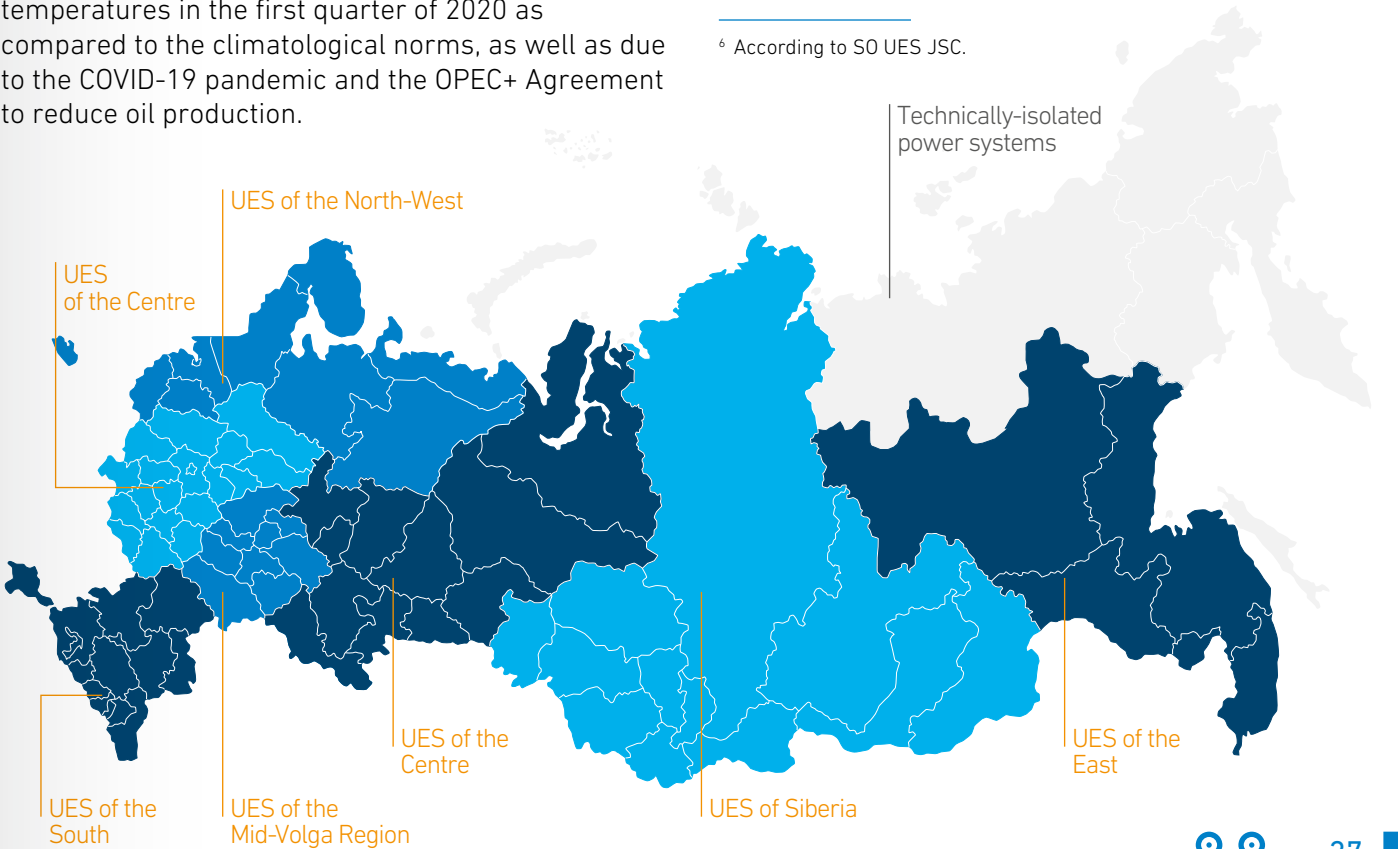
In 2020, the electric power consumption and generation in the UES of Russia decreased as compared to 2019 due to higher outdoor temperatures in the first quarter of 2020 as compared to the climatological norms, as well as due to the COVID-19 pandemic and the OPEC+ Agreement to reduce oil production.

In 2020, the electric power consumption in the UES of Russia amounted to 1,033.7 bln kWh that is by 2.4% less than the consumption volume in 2019 or 2.7% without the effect of an additional day in the leap year of 2020<sup>6</sup>.

The electric power generation by the power plants of the UES of Russia amounted to 1,047.0 bln kWh (that is less by 3.1% or 3.4%, without the effect of an additional day in the leap year of 2020, than in 2019).

The more significant decrease in the generation as compared to the decrease in the electric power consumption was the result of a decrease in electric power export from the UES of Russia. In 2020, the balance of electric power exchange through the interstate power transmission lines for the output to the mains amounted to 13.3 bln kWh and decreased by 37.2%. The electric power output to the mains from the UES of Russia decreased mainly to Finland and the Baltic countries in 2020 as compared to 2019 that is related to cheaper prices in the Nord Pool electric power market due to the widespread reduction in the electric power demand in the context of the COVID-19 pandemic and high electric power generation by wind farms of Sweden.

<sup>6</sup> According to SO UES JSC.





Electric Power and Capacity Market

Currently, there is a two-level electric power market in the Russian Federation, i.e. the wholesale (Wholesale Market for Electricity and Power) and the retail (Retail Market for Electricity and Power) market. Wholesale market participants are generation companies (retailers 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 free bilateral contracts with consumers.

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

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 Resolution 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 stipulated 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 on the wholesale market.

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



Pursuant to Resolution of the Government of the Russian Federation No. 178 dated 29 December 2011 On Pricing in the Area of Regulated Prices (Tariffs) in the Electric Power Industry, a tariff-setting procedure with calendar break-down was introduced starting from 2012 based on the principle of non-exceedance of the prices (tariffs) value and their limits in the first half of the next annual regulatory period over the value of corresponding prices (tariffs) and their limits in the second half of the previous annual regulatory period. When setting tariffs, growth indices were applied according to the socio-economic development forecast approved by the Ministry of Economic Development of the Russian Federation

The 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.

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

		2018		2019		2020	
Branch name		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2	Power Units 1-6	725.58	750.01	750.01	759.34	759.34	784.45
	Unit 7	530.16	547.34	546.40	546.40	546.40	563.99
	Power Unit 8	530.32	547.43	546.60	546.60	546.60	564.06
Berezovskaya GRES	Unit 1	354.00	354.00	354.00	382.14	382.14	437.63
	Unit 2	322.09	322.09	322.09	346.89	346.89	394.60
	Unit 3	-	-	400.53	449.80	449.80	505.72
Shaturskaya GRES	Power Units 1-6	1,515.98	1,574.39	1,574.39	1,611.67	1,611.67	1,681.69
	Unit 7	766.94	787.00	787.00	803.08	803.08	823.55
Smolenskaya GRES		1,285.53	1,329.32	1,329.32	1,371.27	1,371.27	1,413.29
Yaivinskaya GRES	Power Units 1-4	1,050.70	1,108.86	1,108.86	1,128.54	1,128.54	1,161.70
	Unit 5	631.93	656.07	651.16	651.16	651.16	675.27

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

		2018		2019		2020	
Branch name		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2	Power Units 1-6	96,994.97	100,894.49	100,894.49	104,998.45	104,998.45	109,968.67
Berezovskaya GRES	Unit 1	176,213.63	183,262.18	183,262.18	191,142.45	191,142.45	199,700.06
	Unit 2	173,660.21	180,606.62	180,606.62	188,372.71	188,372.71	196,813.40
Shaturskaya GRES							
Smolenskaya GRES	Power Units 1-6	151,513.27	157,584.65	157,584.65	164,230.38	164,230.38	171,694.07
Yaivinskaya GRES							
Yaivinskaya GRES	Power Units 1-4	164,811.88	176,217.51	176,217.51	187,825.19	187,825.19	194,128.44

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 (thermal, steam-turbine, nuclear, and hydroelectric power plants);
  - reliability of the system’s conditions (grid and system limitations);
  - repair operations for generating and electrical grid equipment, carried out between the autumn and winter periods.

Seasonal factors have a considerable influence on the performance of Unipro PJSC. Thus, snow floods in spring and rainfall floods in summer which increase the electric power production at the hydroelectric power plants located in the region where Berezovskaya GRES is located 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 2020, Unipro PJSC power plants had electric power sales that amounted to 48.8 bln kWh, which is 4.2% lower than in 2019. The capacity sales increased by 1.0% compared to 2019 and amounted to 9,996 MW per month.

In 2020, regulated contracts accounted for 22.2% of electric power sales and for 26.4% of power sales.

The revenue from sales of electric power and capacity in the regulated segment of market amounted to RUB 15 bln (16% 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.

Structure of Electric Power and Capacity Sales by Unipro PJSC by Market Sector

Indicators	2019	2020	2020/2019, %
Electric power sales, mln kWh, including:	50,889	48,758	-4,2
regulated sector	10,669	10,809	1.3
competitive sector	40,220	37,949	-5.6
Capacity, MW per month, including:	9,901	9,996	1.0
under regulated contracts	2,578	2,635	2.2
based on competitive capacity selection	4,962	3,089	-37.8
under capacity supply agreements	1,554	1,533	-1.4
under free bilateral contract	806	2,739	239.7



Heat Power Market

The sale of heat energy in accordance with the legislation of the Russian Federation is a 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

		2018		2019		2020	
Branch name		H1	H2	H1	H2	H1	H2
Surgutskaya GRES-2	for heat power (capacity) at headers of the source of heat power (without VAT)	536.09	536.09	535.95	535.95	535.95	551.27
Berezovskaya GRES	for heat power (capacity) at headers of the source of heat power (without VAT)	334.89	448.95	448.95	473.70	473.70	493.41
	for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	763.02	991.91	991.91	1,046.60	1,046.60	1,158.80
	population (VAT included)	900.36	1,170.45	1,190.29	1255.92	1255.92	1,390.56
Shaturskaya GRES	for heat power (capacity) at headers of the source of heat power (without VAT)	736.65	773.50	773.50	810.93	810.93	881.43
	heat in steam (from 2.5 to 7 kg/cm²)	2,006.16	2,106.50	It is not a regulated type of activity.			
	heat in steam (from 7 to 13 kg/cm²)	2,092.18	2,196.80	It is not a regulated type of activity.			
	consumers connected to the heat network without additional conversion at heat points operated by the heat-supplying organization (without VAT)	1,305.10	1,384.70	1,384.70	1,440.83	1,293.46	1,363.54
	population (VAT included)	1,540.02	1,633.95	1,661.64	1,729.00	1,552.15	1,636.25



Branch name		2018		2019		2020	
		H1	H2	H1	H2	H1	H2
Smolenskaya GRES	for heat power (capacity) at headers of the source of heat power (without VAT)	963.95	967.13	967.13	1,071.16	1,071.16	1,071.16
	for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	2,369.23	2,374.11	2,374.11	2,418.77	2,418.77	2,513.27
	population (VAT included)	1,912.00	1,992.30	2,026.17	2,066.69	2,066.69	2,149.36
Yaivinskaya GRES	for heat power (capacity) at headers of the source of heat power (without VAT)	889.56	917.61	917.61	945.37	915.43	915.43
	for consumers where there is no differentiation of tariffs based on the connection scheme (without VAT)	1,510.39	1,555.63	1,555.63	1,586.80	1,586.80	1,634.44
	population (VAT included)	1,782.26	1,835.64	1,866.76	1,904.16	1,904.16	1,961.33

Heat generation and sales are not the key business area for Unipro PJSC. Following the results of 2020, 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 organizations (UHSO) are specified on the corporate website of the Company at <http://www.unipro.energy>.

The amount of heat supplied to consumers in 2020 was 11% less than in 2019. The lower net output was due to weather conditions.

Heat Sales Structure of Unipro PJSC, , thousand Gcal

Branch name	2019	2020	2020/2019, %
Surgutskaya GRES-2	901	799	-11.2
Berezovskaya GRES	435	402	-7.6
Shaturskaya GRES	308	256	-16.8
Smolenskaya GRES	32	32	0.2
Yaivinskaya GRES	52	45	-12.5
Total, Unipro PJSC	1,728	1,534	-11.2



In 2020, Berezovsky, Smolensky, Yaivinsky 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 upgrades its heat supply facilities on a regular basis

System services market

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

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

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 frequency 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 share in the RPFC services rendered (over 20%). Specially prepared power units of Surgutskaya GRES-2, Shaturskaya GRES and Berezovskaya GRES are involved in the RPFC.

Regulatory Support and Development of Power Markets

The electric power industry operates in a highly regulated environment. Carrying out its activities in the WMEP, Unipro PJSC must promptly respond to changes in the regulatory legal acts governing 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 wholesale market for electricity and power to the block of energy markets and the related subdivisions of the Company;
- promoting the Company’s interests by submitting proposals for amending regulatory documents from the level of federal laws to the level of regulations for the functioning of the wholesale market for electricity and power.

For this purpose, being a member of a number 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 in accordance with the legislation:

- 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 modernize the generation assets of thermal power plants. The CCSMod programme continues and develops. In 2020, another power unit of Surgutskaya GRES-2 was successfully selected with the start of capacity supply in 2026. In total, Unipro has currently 4 modernization projects and active work is underway on a number of potential projects. Preparations for and participation in the selection is a multi-stage process that requires involvement of the majority of the Company's functions. The energy markets function administers this area and ensures the mitigation of regulatory risks at the stages of selection, construction, commissioning and future operation of the facilities to be modernized. It is significant that in 2020, the CCSMod programme was significantly improved. Namely:

- the programme was supplemented by separate competitive selection of projects that include the transfer of the equipment operation from a steam-power cycle to a steam-gas cycle using innovative gas turbines;
- the scope of mandatory work on a number of events within the CCSMod projects was extended.

In 2021, the market community will have to fine-tune the conditions for the selection of projects based on innovative gas turbines at the level of the Resolution of the Government of the Russian Federation and to conduct a "salvo" competitive selection of such projects with the capacity supply years of 2027—2029.

In 2020, issues of the extension of the mechanism for supporting projects based on renewable energy sources (RES) and for decommissioning of generating assets began to be discussed in depth. Unipro focuses on those important regulatory processes as well.

The following are the most notable RLAs in the electric power industry adopted in 2020 which were also drafted with contributions from experts at Unipro PJSC:

1. Federal Law On Amendments to the Federal Law On Electric Power Industry in terms of Improving the Procedure for Repair and Decommissioning of Electric Power Facilities No. 281 dated 31 July 2020.
2. An RLAs package aimed at changing the timing and improving CCSMod:
  - 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 Modernization of Generating Facilities of Thermal Power Plants and Additional Selection of Projects for Modernizing Generating Facilities of Thermal Power Plants Using Innovative Power Equipment No. 948 dated 29 June 2020;
  - Resolution of the Government of the Russian Federation On Amending Clause 264 of the Rules of Wholesale Market For Electricity And Power No. 349 dated 27 March 2020;
  - Resolution of the Government of the Russian Federation On Amending Clauses 100 and 264 of the Rules of Wholesale Market For Electricity And Power No. 1318 dated 31 August 2020;
  - Resolution of the Government of the Russian Federation On Amending the Rules of Wholesale Market For Electricity And Power No. 1571 dated 01 October 2020;
  - 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 Modernization of Generating Facilities of Thermal Power Plants and Additional Selection of Projects for Modernizing Generating Facilities of Thermal Power Plants Using Innovative Power Equipment No. 1974 dated 30 November 2020.

3. Order of the Ministry of Industry and Trade of Russia On Approval of the Procedure for Issue of a Document with Review of Reports Certifying that Industrial Products to be Operated upon Completion of Thermal Power Plant Modernization Projects have been Manufactured within the Russian Federation No. 4007 dated 18 November 2020.
4. 4Resolution of the Government of the Russian Federation On Amendments to Certain Acts of the Government of the Russian Federation on Setting Prices (Tariffs) for Electric Power (Capacity) Supplied by Wholesale Market Participants Producing Electric Power (Capacity) No. 1977 dated 01 December 2020.
5. Resolution of the Government of the Russian Federation On Approval of Criteria for Classification of Hydraulic Engineering Structures No. 1607 dated 05 October 2020.

Unipro Industry Position 102-6

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.



At year-end 2020, the share of Unipro PJSC

in the Russian electric power output amounts to

4.0%

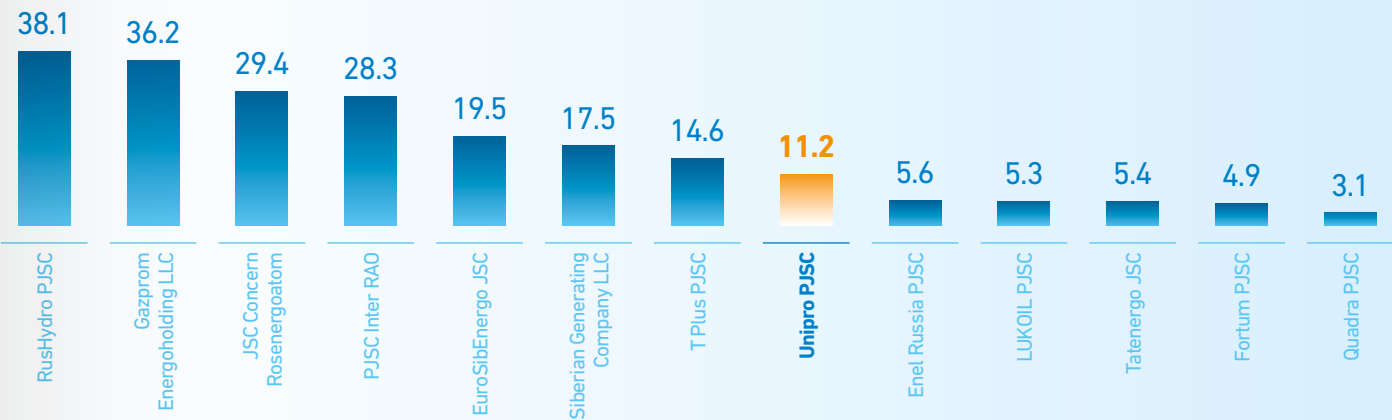
in the installed capacity to

4.6%

in the output of thermal power plants to

6.7%

Leaders in terms of Installed Capacity in Russia, GW





Unipro SWOT Analysis 102-15

	Positive factors	Negative factors
	Strengths	Weaknesses
Internal	<ul style="list-style-type: none"><li>low fuel costs due to proximity to fuel sources (Berezovskaya GRES, Surgutskaya GRES-2);</li><li>a high share of efficient CCGT units in the installed capacity (15%);</li><li>the level of Unipro GRES feed is higher than the average feed of thermal power plants as a whole for the wholesale market;</li><li>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;</li><li>high level of production and financial management</li></ul>	<ul style="list-style-type: none"><li>ageing of equipment;</li><li>there are assets with a negative result in the electric power market in the Unipro portfolio</li></ul>
	Opportunities	Risks
External drivers Opportunities	<ul style="list-style-type: none"><li>modernization of the equipment (including in-depth modernization with the replacement of steam-power cycle equipment with steam-gas one);</li><li>development of renewable energy sources;</li><li>recovery and growth of the demand for electric power;</li><li>expansion of the pass-through function of the network infrastructure of the wholesale market due to new construction, modernization, improvement of emergency control systems;</li><li>decommissioning of unprofitable assets of Unipro PJSC from operation</li></ul>	<ul style="list-style-type: none"><li>strengthening of the energy sector regulation, decrease in the competition and investment attractiveness;</li><li>decrease in the demand for electric power during the crisis of 2020, uncertainty regarding the duration of the crisis and the time required to recovery from it, stagnation of the electric power consumption;</li><li>bad payment discipline in the wholesale market for electricity and power</li></ul>

Strategic Report  
Target Markets

Unipro PEST Analysis

Political factors	Economic factors
<ul style="list-style-type: none"><li>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 modernization facilities, controlling price growth levels within the inflation, cross-subsidization in the electric power industry);</li><li>balance of interests of sellers and buyers in the wholesale market;</li><li>international sanctions against Russia;</li><li>putting a carbon tax</li></ul>	<ul style="list-style-type: none"><li>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;</li><li>competition among generators of the wholesale market;</li><li>the state of buyers of electric power and capacity in the wholesale market and their solvency (including final counterparties of energy retail companies);</li><li>fuel cost</li></ul>
Social factors	Technology factors
<ul style="list-style-type: none"><li>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;</li><li>growing popularity and development of green energy, environmental responsibility</li></ul>	<ul style="list-style-type: none"><li>state programme for the modernization of generating equipment;</li><li>energy technology development;</li><li>development of the network infrastructure of the wholesale market (construction, modernization, automation);</li><li>technological emergencies</li></ul>

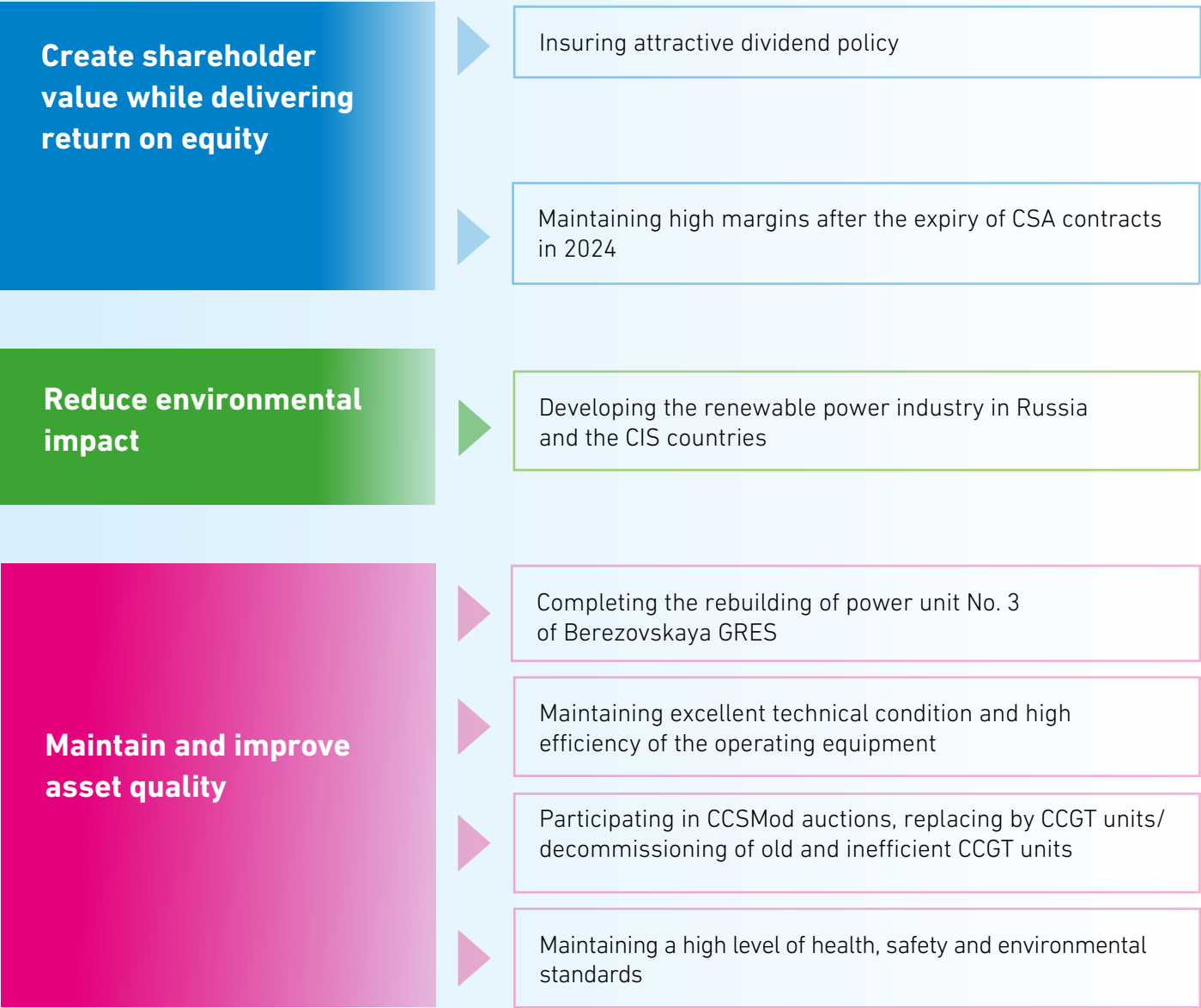




# Vision 102-26

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

## Strategic Objectives of Unipro



## Implementing the business priorities of Unipro in 2020

Priority Tasks	Progress
Completion of the repair of the boiler of power unit 3 of Berezovskaya GRES	<p>The repair works of the boiler of power unit 3 of Berezovskaya GRES are at the final stage.</p> <p>The commissioning of the power unit is scheduled for spring 2021<sup>7</sup></p>
Preparing for the modernization of generating capacities under the modernization programme envisaged by the Government of the Russian Federation	<p>In 2020, Unipro PJSC took part in the auctions held to select the generating equipment modernization projects with the expected capacity supply in 2026. By results of the auction, the modernization project of unit No. 2 of Surgutskaya GRES-2 was selected.</p> <p>In 2020, efforts were taken to ensure the readiness of the infrastructure of the industrial site of Surgutskaya GRES-2 for the implementation of basic modernization activities. Design documentation was developed for the efforts included in the Technical Conditions for Technological Connection of Modernized Power Units.</p> <p>Unipro PJSC is planning to take part in the selections of modernization projects in the years that will follow</p>
To improve the operational efficiency of power units which are not included in the modernisation programme	<p>The construction of a heating boiler house at Smolenskaya GRES is nearing completion and the commissioning is underway. The boiler house is scheduled to be put into operation in Q2 2021.</p> <p>Implementation of this project will reduce the amount of equipment operated at Smolenskaya GRES during the periods when the power units are used to supply heat, but electric power prices do not support break-even operation in the day ahead market</p>
Renewable Power Industry Development	<p>In 2020, the Uniper Group approved the strategic decision to develop the renewable power industry in Russia.</p> <p>Unipro is going to take part in the competitive selection of RES projects in the event that the RES CSA programme with the capacity supply of generating facilities based on wind and solar energy is renewed after 2025</p>

<sup>7</sup> As of the date of the approval of the Annual Report power unit No 3 of Berezovskaya GRES was put into the operation.



Modernization projects for Surgutskaya GRES-2 power units

Power unit	Scope of work	Installed ca- pacity before moderniza- tion, MW	Installed ca- pacity after moderniza- tion, MW	Anticipated commissioning date
Power Unit No. 1	HPC+IPC+ Generator	810	830	03.01.2022
Unit No. 2	Comprehensive replacement of the turbine + generator	810	830	01.12.2026
Power Unit No. 4	HPC+IPC+ Generator	810	830	01.12.2025
Power Unit No. 6	HPC+IPC+ Generator	810	830	09.01.2024

Investment Projects within Competitive Selection of Modernization Projects

At the CCSMod auctions held in 2019, the modernization projects of power units No. 1, 4, and 6 of Surgutskaya GRES-2 were selected. Those projects provide 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. In 2020, the modernization project of power unit No. 2 of Surgutskaya GRES-2 became the winner of the CCSMod auction. The project provides for the comprehensive replacement of the steam turbine and the generator; the supply of the upgraded capacity will begin in 2026.



At the moment, the project works have been completed and the working documentation has been developed as part of the modernization project of power unit No. 1 of Surgutskaya GRES-2 that will be upgraded in August 2021. The newly commissioned equipment is manufactured at manufacturing plants of Power Machines Joint Stock Company: LMZ (Leningrad Metal Plant) and Electrosila.

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

Suppliers

Gas

NOVATEK PJSC  
Rosneft Oil Company PJSC  
Surgutneftegaz PJSC  
LUKOIL-Perm LLC

Coal

SUEK JSC

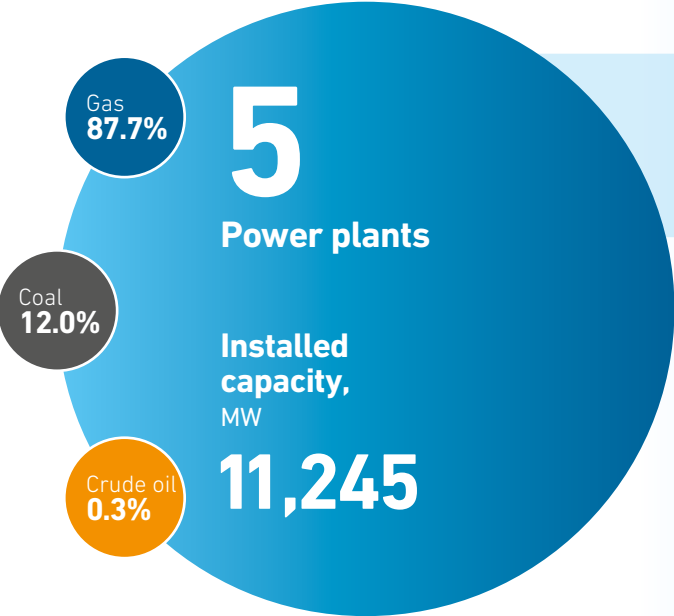
Suppliers of other  
material and technical  
resources

Construction  
and installation  
contractors

Shareholders

- Corporate Governance
- Strategy
- Risk management

Resources



Installed capacity,  
RUB bln

**12.9**

Employees,  
persons

**4.6 thousand**

Volunteers,  
persons

**500**

Strategic Report  
Business Model

Unipro PJSC  
Activities

Electric power  
generation,  
mln kWh  
**41,746**

Heat  
generation,  
thousand Gcal  
**1,870**

Repairs

Investment  
activities

Sustainable  
Development

Products and services

Electric  
power  
  
Electric  
capacity

Heat  
power

Energy  
services

Engineering  
services

2020 Results

Revenue,  
RUB bln  
**80.3**

Tax payments,  
RUB bln  
**10.9**

Dividends  
for 9m 2020  
RUB bln  
**7.0**

Labor costs,  
RUB mln  
**5,498**

Greenhouse  
gas emissions,  
thousand tons of CO<sub>2</sub>-eq  
**20,674**

Charity  
and social  
projects,  
RUB mln  
**71.1**



## Economics and Finance<sup>8</sup>

### Basic Financial Performance Indicators

Indicator	2018	2019	2020	2020/2019,%
Revenue, RUB mln	81,315.1	84,761.7	80,286.3	-5.3
Prime cost, RUB mln	60,149.3	60,149.5	60,507.5	0.6
EBITDA (excl. exchange difference), RUB mln	28,847.5	29,215.4	25,721.7	-12.0
EBITDA margin (excl. exchange differences), %	35.5	34.5	32.0	-2.5 p.p.
EBIT (excl. exchange differences), RUB mln	22,433.0	22,960.9	19,137.0	-16.7
EBIT margin (excl. exchange differences), %	27.6	27.1	23.8	-3.3 p.p.
Net profit, RUB mln	18,872.9	18,729.1	15,040.1	-19.7
Net profit margin, %	23.2	22.1	18.7	-3.3 p.p.
Exchange difference balance, RUB mln	-22.0	-229.9	302.7	-231.7
Asset value, RUB mln	139,417.3	146,337.4	147,108.6	0.5

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 ruble as the payment currency. These assumptions allow the most accurate assessment of the operating results of Unipro PJSC.

### Revenue

The Company's revenue in 2020 consisted of the sales of electric power and capacity, heat and other works and services. As of year-end 2020, Unipro PJSC revenue fell by 5.3% as compared to 2019 and amounted to RUB 80,286 mln.

### Revenue Indicators, RUB mln

Indicator	2018	2019	2020	2020/2019,%
Electric power and capacity sales revenue, including:	79,364.1	82,920.5	78,564.9	-5.3
• sale of electric power	46,607.5	50,038.6	46,340.8	-7.4
• sale of capacity	32,756.6	32,881.9	32,224.1	-2.0
Sale of thermal power, including:	1,380.5	1,417.4	1,370.7	-3.3
• sale of produced heat power	1,085.2	1,048.4	953.0	-9.1
• heat power transportation	295.3	368.9	417.7	13.2
Sale of other works, services	570.4	423.8	350.8	-17.2
<b>Total revenue</b>	<b>81,315.1</b>	<b>84,761.7</b>	<b>80,286.3</b>	<b>-5.3</b>

<sup>8</sup> Data in this section is presented in accordance with the Russian Accounting Standards (RAS).

## Strategic Report

### Economics and Finance

#### Electric power and capacity sales revenue

As of year-end 2020, the revenue from the sale of electric power and capacity decreased by 5.3% to RUB 78,565 mln as compared to 2019 (RUB 82,921 mln).

The share of revenue from electric power and capacity sold in the regulated market (without regard to the capacity supply agreements (CSA) increased in the total revenue of Unipro PJSC for 2020 by 5.9% and amounted to RUB 12,506 mln (the share in the total revenue is 16%). However, the share of revenue from the sales in the competitive sector fell by 1.6 p.p. to 82.3%, and amounted to RUB 66.58 mln.

The decrease in the revenue from electric power sales by 7.4% in 2020 as compared to 2019 was mainly due to a decrease in the generation of the Company's power plants and a drop in DAM prices for the following reasons:

- quarantine restrictions caused by the COVID-19 pandemic;
- decline in oil and gas production (impact of the OPEC+ Agreement);
- high water content and high feed of hydro power plants related thereto throughout 2020;
- unusually warm weather in Q1 2020.

The decrease in the revenue from the capacity supply by 2.0% in 2020 as compared to 2019 was due to CSA payments as a result of a decrease in bond yields and an adjustment of the DAM ratio used to calculate the CSA price.

#### Heat power sales revenue

As of year-end 2020, the revenue from heat sales decreased by 3.3% as compared to 2019 and amounted to RUB 1,371 mln (in 2019, RUB 1,417 mln). The revenue decreased due to a 9% decrease in heat production by the company's power plants in 2020 as compared to 2019, that is related to the weather conditions. The share of the revenue from heat sales amounted to 1.7% of the total revenue of Unipro PJSC.

#### Other income

As of year-end 2020, other income (revenue from the sale of other works, services) of the Company decreased by 17.2% to RUB 351 mln (from RUB 424 mln as of year-end 2019). This is due to a decrease in the income from the services of property lease to the contractors and a decrease in the income from the sale of repair and maintenance services. As of year-end 2020, the other income accounted for 0.4% of Unipro PJSC total revenue.

## Costs

### Costs indicators, RUB mln

Indicator	2018	2019	2020	2020/2019,%
Fuel for producing electric and heat power	34,550.3	34,346.9	32,457.5	-5.5
Other material costs	6,863.3	8,344.0	10,309.3	23.6
Market operator service fees	1,299.2	1,351.3	1,436.0	6.3
Labour costs	5,716.9	5,280.0	5,498.3	4.1
Contributions to non-budgetary funds	1,394.8	1,355.3	1,477.1	9.0
Taxes and levies	1,708.1	1,030.2	958.0	-7.0
Depreciation	6,414.5	6,254.5	6,584.7	5.3
Other costs	2,202.1	2,187.3	1,786.6	-18.3
<b>Total costs</b>	<b>60,149.3</b>	<b>60,149.5</b>	<b>60,507.5</b>	<b>0.6%</b>

Fuel expenses

In 2020, fuel expenses accounted for 53.6% of the Company’s operating expenses. In general, fuel expenses in the 2020 decreased by RUB 1,889 mln (-5.5%) as compared to 2019 and amounted to RUB 32,458 mln (excluding the cost of fuel used for commissioning and recovery work). At that, the annual fuel indexing affected the increase of natural gas prices by 3.0% as compared to 2019.

Despite the rising prices for the key energy sources in Russia, the decline in the Company’s fuel expenses in 2020 as compared to 2019 was due to the following factors:

- 10.1% decline in electric power generation;
- 0.8% decline in specific fuel consumption for electric power output due to higher utilization of efficient power units (CCGT) and operation of equipment in a more efficient mode.

Gas expenses (for electric and heat power production) accounted for 93.3% of the Company’s total fuel expenses. Coal expenses (for electric and heat power production) accounted for 5.6% of the Company’s total expenses.

Other material expenses

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

As of year-end 2020, other material expenses of Unipro PJSC amounted to RUB 10,309 mln or 17.0% of the Unipro total expenses. The increase in the expenses by 23.6% as compared to 2019 was due to higher expenses on electric power and capacity.

Market operator service fees

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

As of year-end 2020, Unipro PJSC expenses for the market operator service fees rose by 6.3% as compared to 2019 and amounted to RUB 1,436 mln (in 2019, RUB 1,351 mln). The share of costs for the market operator services in the total volume of the Company’s costs in 2020 increased slightly as compared to 2019 and amounted to 2.4%.

Labour costs

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

As of year-end 2020, the Company’s labour costs increased by 4.1% as compared to 2019 amounting to RUB 5,498 mln (RUB 5,280 mln in 2019).

The labour costs accounted for 9.1% of the Company’s total costs in 2020.

Contributions to non-budgetary funds

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

The total amount of contributions to non-budgetary funds in 2020 with estimated liabilities factored in amounted to RUB 1,477 mln, 2.4% of the Company’s total costs.

Taxes and levies

Unipro PJSC is one of the largest taxpayers in Russia.

Taxes and levies paid by the Company comprise property tax, transport tax, land tax, water tax, and mineral-extraction tax, as well as levies covering the use of water bodies, environmental pollution, and duties.

As of year-end 2020, the Company’s tax charges decreased by 7.0% as compared to 2019 and amounted to RUB 958 mln (in 2019, RUB 1,300 mln) which is mainly due to a decrease in fees for the use of water bodies and property tax charges. In 2020, property tax expenses were recognized in the amount of RUB 726 mln (in 2019, RUB 771 mln). In 2020, taxes and levies accounted for 1.6% of the Company’s operating expenses.

Depreciation

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

As of year-end 2020, Unipro PJSC depreciation accruals increased by 5.3% to RUB 6,585 mln (in 2019, RUB 6,254 mln). The growth of depreciation accruals is due to the following: starting from 2020, the Company recognizes in its reporting the depreciation accruals for the office premises lease in accordance with Federal Accounting Standard 25/2018 (as of year-end 2020, those accruals amounted to RUB 189 mln).

In 2020, the Company’s depreciation charges accounted for 10.9% of the Company’s operating expenses.

Other costs

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

As of year-end 2020, other costs of Unipro PJSC decreased by 18.3% to RUB 1,787 mln (in 2019, RUB 2,187 mln). The decrease in other costs is due to restrictions on the spending of funds as part of the efforts taken to maintain the Company’s liquidity. In 2020, the Company’s other costs accounted for 3.0% of the total operating expenses.

EBITDA<sup>9</sup>

As of year-end 2020, Unipro PJSC earnings before interest, taxes, depreciation, and amortization amounted to RUB 25,772 mln, that is by 12.0% lower than in 2019 (RUB 29,215 mln). The decrease in 2020 EBITDA was mainly due to a decrease in marginal profit, i.e., a decrease in the revenue from electric power sales that resulted from a decrease in the generation and a drop in DAM prices, as well as a decrease in the revenue from the CSA.

The 2020 EBITDA margin remains high at 32.0%.

EBIT

As of year-end 2020, Unipro PJSC earnings before interests and taxes amounted to RUB 19,137 mln, that is by 16.7% lower than in 2019 (RUB 22,961 mln). The 2020 EBIT dynamics is due to the same factors as the EBITDA dynamics.

The 2019 EBIT margin is 23.8%.

Net profit

In 2020, the Company’s net profit amounted to RUB 15,040 mln, which is 19.7% below the net profit figures for 2019. In 2019, Unipro PJSC net profit amounted to RUB 18,729 mln.

As of year-end 2020, Unipro PJSC net profit margin was equal to 18.7% (against 22.1% in 2019).

Tax Payments

Unipro is one of the important taxpayers in the regions where it operates. In 2020, the taxes paid by the Company to the budgets of all levels amounted to RUB 10,895.4 mln.

<sup>9</sup> Net of effects of extraordinary events.



Tax Paid, RUB mln

Tax Type	2018	2019	2020
VAT	3,597.9	5,657.8	4,961.7
Income tax	492.3	5,003.0	3,807.3
Dividend income tax	588.7	589.1	588.7
MET	0.0	0.0	0.0
Water tax	1.6	1.7	1.9
Property tax	1,378.7	1,008.1	668.5
Personal income tax	753.8	719.4	810.0
Personal dividend income tax	11.5	26.4	25.6
Transport tax	2.6	2.6	2.7
Land tax	33.8	31.6	29.2
Other	2.5	0.7	0.1
Total	6,863.5	13,040.4	10,895.4
Insurance contributions to state non-budget funds	1,378.9	1,386.4	1,521.9
Fee for negative impact on the environment	101.5	24.0	39.9
Charge for usage of water bodies	292.9	291.5	60.8

Significant changes in the assets profile

In 2020, the assets of Unipro PJSC increased by 0.5% and amounted to RUB 147.1 bln. This increase is caused by the following changes:

- The non-current assets of the Company as of the date of the report for 2020 grew by 4.2% to RUB 132.1 bln from RUB 126.8 bln as of 01 January 2020. The Company is building new facilities and is reconstructing the existing ones. The increase in the non-current assets in 2020 vs. 2019 is mostly caused by the 11.5% growth of assets in the Construction in Progress line – up to RUB 57.8 bln vs. RUB 51.8 bln as of 01 January 2020. The significant growth in the Construction in Progress line is caused by the increase in capital construction on the project for repair and refurbishment at Power Unit No. 3 of Berezovskaya GRES and construction of the new Fuel Receiving Station (FRS). After 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 process control system at Berezovskaya GRES.

The Other Non-Current Assets line shows regular heavy expenses for capital repairs of power units that arise at certain long time intervals, expenses that are to be written off in the future with a write-off period of more than 12 months after the reporting date and rights to use assets in accordance with Federal Accounting Standard 25/2018. The assets in the Other Non-Current Assets line grew in 2020 as compared to 2019 by 23.4% up to RUB 5.1 bln from RUB 4.2 bln as of 01 January 2020 that was due to the recognition of capitalized repairs and rights to use assets under the signed office premises lease agreements;

- The current assets of the Company as of 31 December 2020 decreased by 23.3% – to RUB 15.0 bln from RUB 19.5 bln as of 01 January 2020. The current assets decreased mainly due to: a decrease in inventories by 22.6% to RUB 6.1 bln from RUB 7.9 bln as of 01 January 2020 which resulted from the completion of repair and reconstruction at power unit No. 3 of Berezovskaya GRES and a decrease in the stock of spare parts and components used for the repair; reduction of current assets in the Cash and Cash Equivalents line by 96.7% – to RUB 0.1 bln from RUB 3.0 bln as

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Economics and Finance

of 01 January 2020, which is related by dividend payment in 2020 and implementation of the Company's investment programme, including the project of Repair and Reconstruction at Power Unit No. 3 of Berezovskaya GRES.

At the same time, as of 31 December 2020 the accounts receivable of Unipro PJSC increased by 3.7% to RUB 7.9 bln from RUB 7.6 bln as of 01 January 2020, which was mainly due to an increase in short-term receivables from buyers and customers and an increase in long-term receivables as a result of entry into an agreement for restructuring of electric power supply debt.

Significant changes in the liabilities profile

In 2020, the liabilities of Unipro PJSC increased by 0.5% and amounted to RUB 147.1 bln. The structure of liabilities changed due the following reasons:

- As of the date of the report for 2020, the Company's capital and reserves increased by 0.9% – up to RUB 129.6 bln from RUB 128.5 bln as of 01 January 2020; this growth was caused by an increase in the retained earnings by RUB 1.1 bln resulting from the net profit in the reporting year;
- As of the date of the report for 2020, the Company's long-term liabilities increased by 5.7% to RUB 8.5 bln from RUB 8.1 bln as of 01 January 2020 that was due to an increase in other liabilities that resulted from the recognition of liabilities for the office premises lease;
- most changes in the Company's liabilities structure in 2020 vs. 2019 are related to the decrease in the short-term liabilities by 8.2% – to RUB 9.0 bln from RUB 9.8 bln as of 01 January 2020. The decrease in the short-term liabilities was caused by the repayment of the loan extended by the Uniper Group in the amount of RUB 2.5 bln. However, as of the reporting date of 2020, the payables increased by 24.1% to RUB 6.8 bln from RUB 5.5 bln as of 01 January 2020 resulting from the increase in the taxes and levies payable as well as the increase in the payables to suppliers.

Liquidity and Equity Capital

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

The significant increase of capital expenditures in 2020 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.



# Operating Results

The installed electric capacity of Unipro PJSC did not change in 2020 and amounted to, MW

11,245

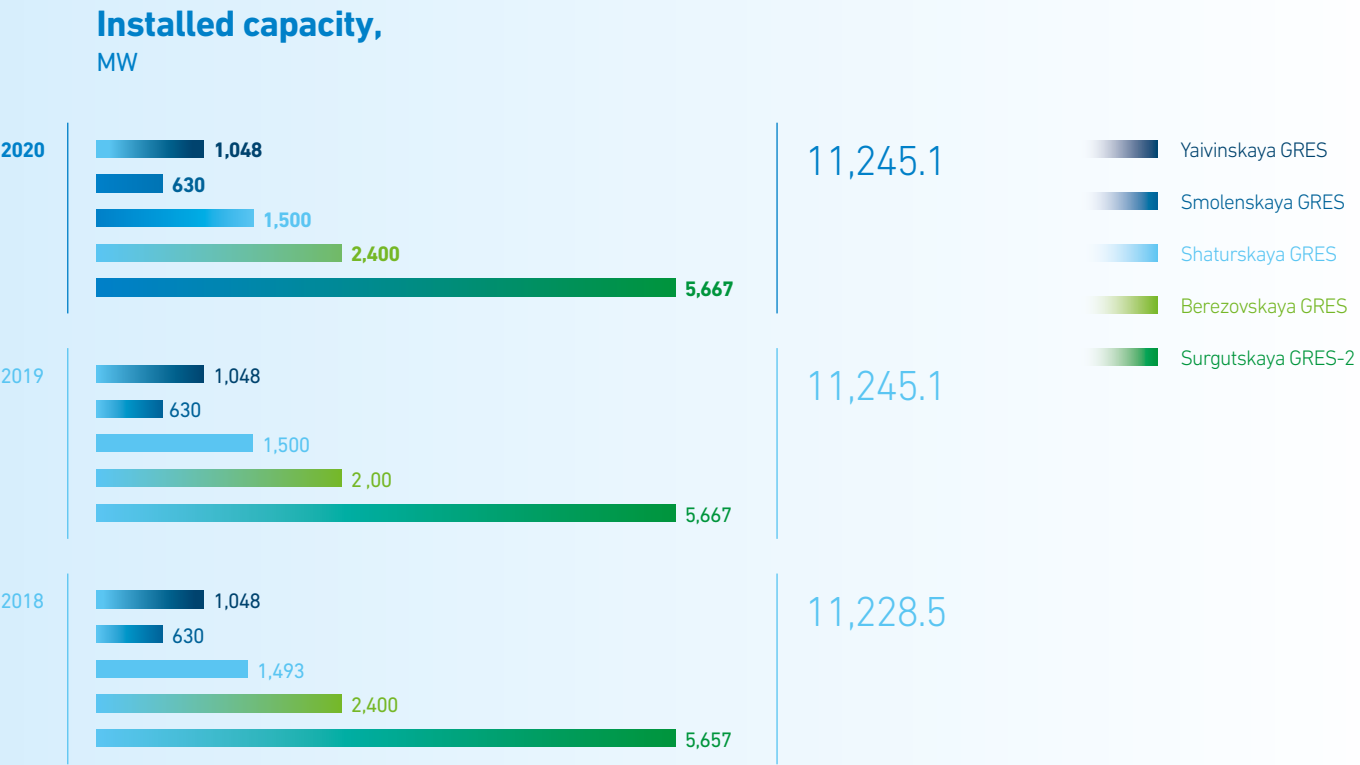
## Generating Assets and Key Performance Indicators

The production of electric power and heat is the main type of activity of Unipro. The structure of the Company's assets includes 5 generation facilities located in the first and second pricing zones of the Russian Federation.

### Installed Capacity

The important indicators characterizing the production activity of a generation company are the installed electric capacity and the capacity utilization factor (CUF) that shows the production capacities being in demand.

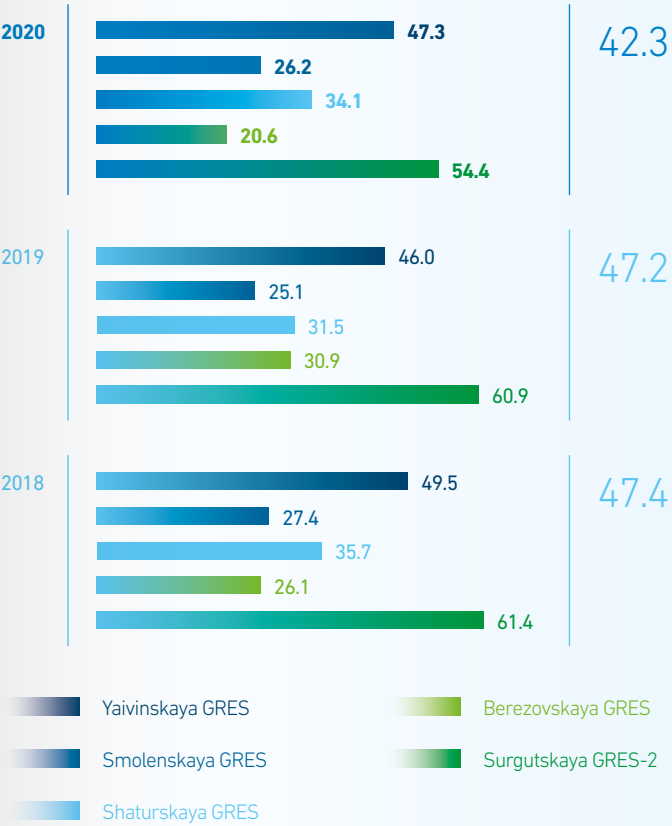
The installed electric capacity of Unipro PJSC did not change in 2020 and amounted to 11,245.1 MW<sup>10</sup>.



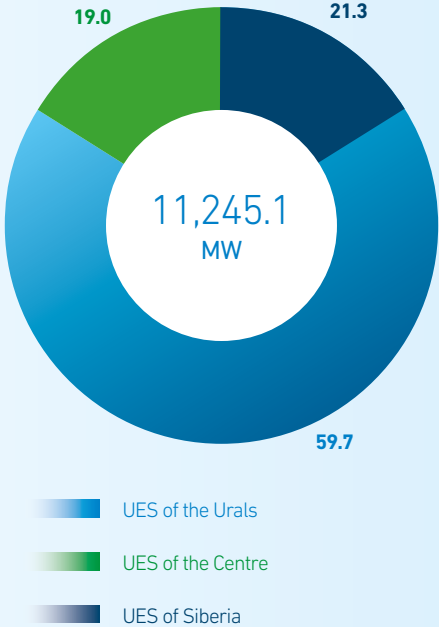
<sup>10</sup> 8,845.1 MW falls within the first price zone, 2,400 MW falls within the second price zone. EU1

## Strategic Report Operating Results

### Capacity utilisation factor, %



### Installed capacity structure by operational zones, % EU1



### Electric power generation

In 2020, the generating assets of Unipro generated 41,746 mln kWh of electric power. In 2019, as compared with the actual figures, production of electric power decreased by 4,687 mln kWh (10.1%).

The decrease in generation was primarily caused by:

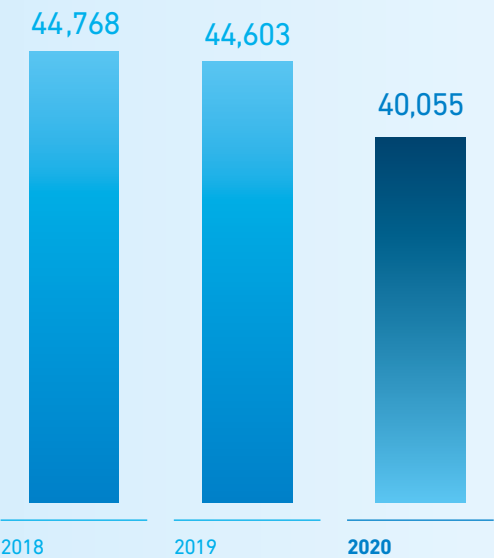
- reduced demand for electric power in the context of COVID-19 and the OPEC+ Agreement;
- high feed of hydro power plants in both pricing zones;
- unusually warm weather in Q1 2020.

### Electric power generation (output), mln kWh

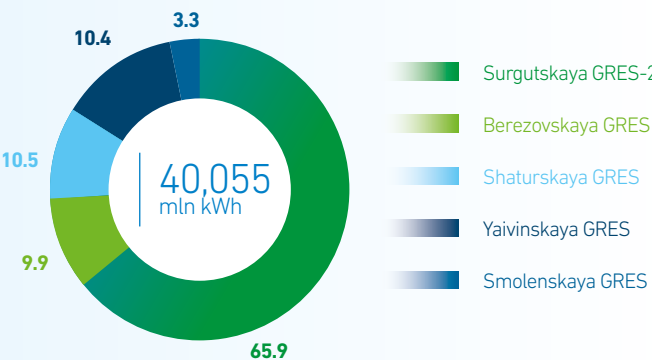
Branch	2018	2019	2020
Surgutskaya GRES-2	30,437	30,190	27,097
Berezovskaya GRES	5,495	6,492	4,339
Shaturskaya GRES	4,669	4,137	4,499
Smolenskaya GRES	1,512	1,387	1,450
Yaivinskaya GRES	4,536	4,227	4,362
Total, Unipro PJSC	46,649	46,433	41,746



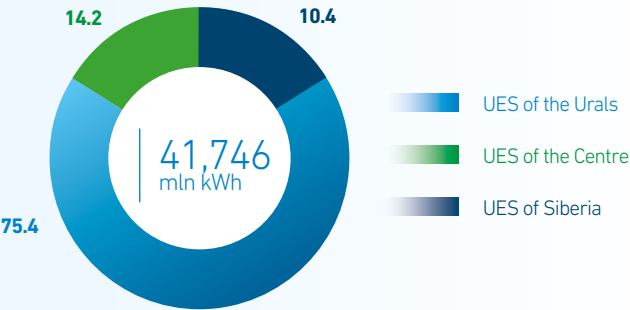
Net electric power output, mln kWh



Structure of net electric power output, %



Structure of electric power generation by operational zones, % EU2



Heat supply

The total volume of heat power output from headers of the Unipro PJSC branches was 1,870 thousand Gcal in the reporting period.

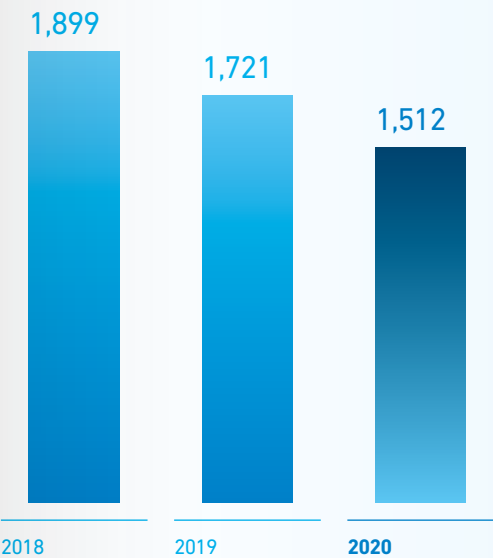
In comparison with the actual figures in 2019, the total volume of heat power output reduced by 183 thousand Gcal (8.9%). The decrease in heat supply is

determined by the increase in the average outdoor temperature during the heating period. That fact was observed in all regions of the location of the Company's branches. The highest decrease in the heat output took place at Surgutskaya GRES-2 (by 104 thousand Gcal or 11.4%).

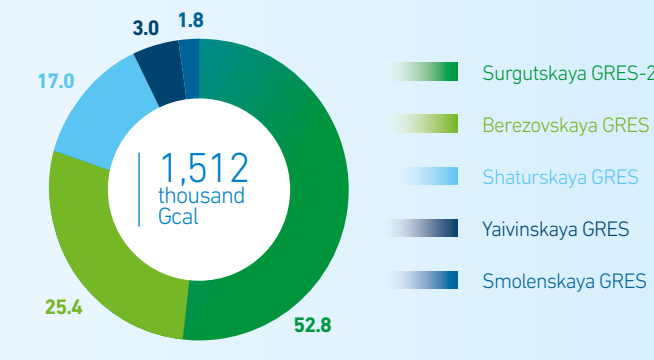
Heat power output, thousand Gcal

Branch	2018	2019	2020
Surgutskaya GRES-2	966	913	809
Berezovskaya GRES	713	647	592
Shaturskaya GRES	386	350	330
Smolenskaya GRES	61	56	55
Yaivinskaya GRES	93	87	84
Total, Unipro PJSC	2,219	2,053	1,870

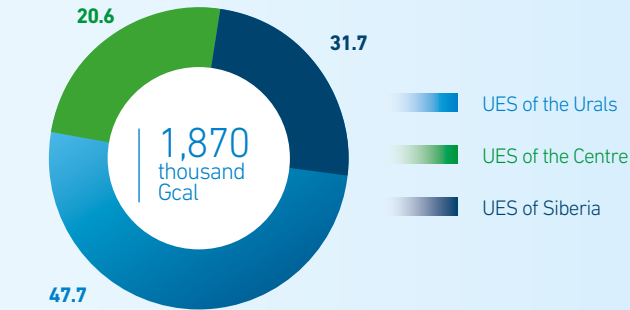
Net heat power output, thousand Gcal



Structure of net heat output, %



Structure of heat output by operational zones, % EU2



Fuel Mix

Unipro PJSC power plants use gas, coal, and fuel oil as the process fuel. Natural gas is the primary fuel in the Company's fuel mix, i.e. about 87.7% of the total fuel consumption in 2020.

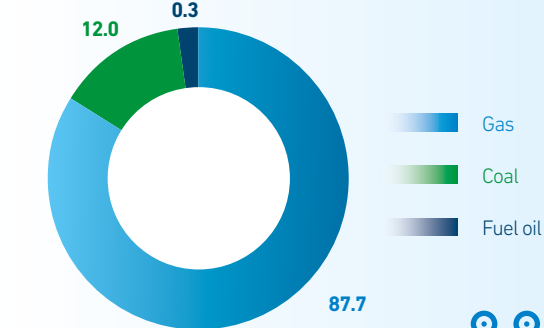
The major gas consumer is the mono-fuel Surgutskaya GRES-2.

The Berezovskaya GRES uses lignite as primary fuel. Fuel oil is used at power units for start-up operations only. 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 2,779.9 thousand tonnes in 2020.

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 2020, its share in the fuel mix of Smolenskaya GRES was 99.9%, Shaturskaya GRES – 99.6% and Yaivinskaya GRES – 99.9%.

Following the results of 2020, Unipro PJSC spent a total of 9.2 bln cub m of gas, 2.8 mln tonnes of coal and 27.6 thousand tonnes of fuel oil for process purposes. The cost of fuel consumed by the Company's power plants for the production of electric power and heat power in 2020 was about RUB 32.5 bln (net of VAT).

Fuel mix structure, % EU1, EU2



Amount of Fuel Used by Unipro Power Plants in 2020

Branch	Fuel	Volume, mln cub m or thousand tonnes	Volume, thousand tonnes of fuel equivalent
Berezovskaya GRES	Coal	2,779.94	1,472.67
	Fuel oil	24.09	36.18
Smolenskaya GRES	Gas	432.22	501.74
	Coal	0.66	0.43
	Fuel oil	0.03	0.05
Surgutskaya GRES-2	Gas	6,729.07	7,762.80
Shaturskaya GRES	Gas	1,116.93	1,309.26
	Coal	0.03	0.02
	Fuel oil	3.49	4.76
Yaivinskaya GRES	Gas	955.76	1,173.52
	Coal	0.20	0.13
Total, Unipro PJSC	Gas	9,233.98	10,747.32
	Coal	2,780.83	1,473.25
	Fuel oil	27.61	40.98

Key fuel suppliers

The key fuel supplier to the power plants of Unipro PJSC in 2020 was the independent gas producer NOVATEK PJSC. Its share in the total fuel cost procured for the Company's generating facilities was about 76.6%.

In addition, Unipro PJSC procured gas from Rosneft Oil Company PJSC, Surgutneftegas PJSC and LUKOIL-Perm LLC in 2020.

The key coal supplier of the Company was SUEK JSC, which supplied lignite to the Berezovskaya GRES. In 2020, its share in the total fuel cost procured for Unipro PJSC power plants reached about 5.6%.

In 2020, the main suppliers of fuel oil for the Company were Sibprom LLC and Rosneft Oil Company PJSC.

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



Environmental sustainability (rational use of natural resources) is a key part of Unipro PJSC overall management system



Strategic Report  
Operating Results

Repairs

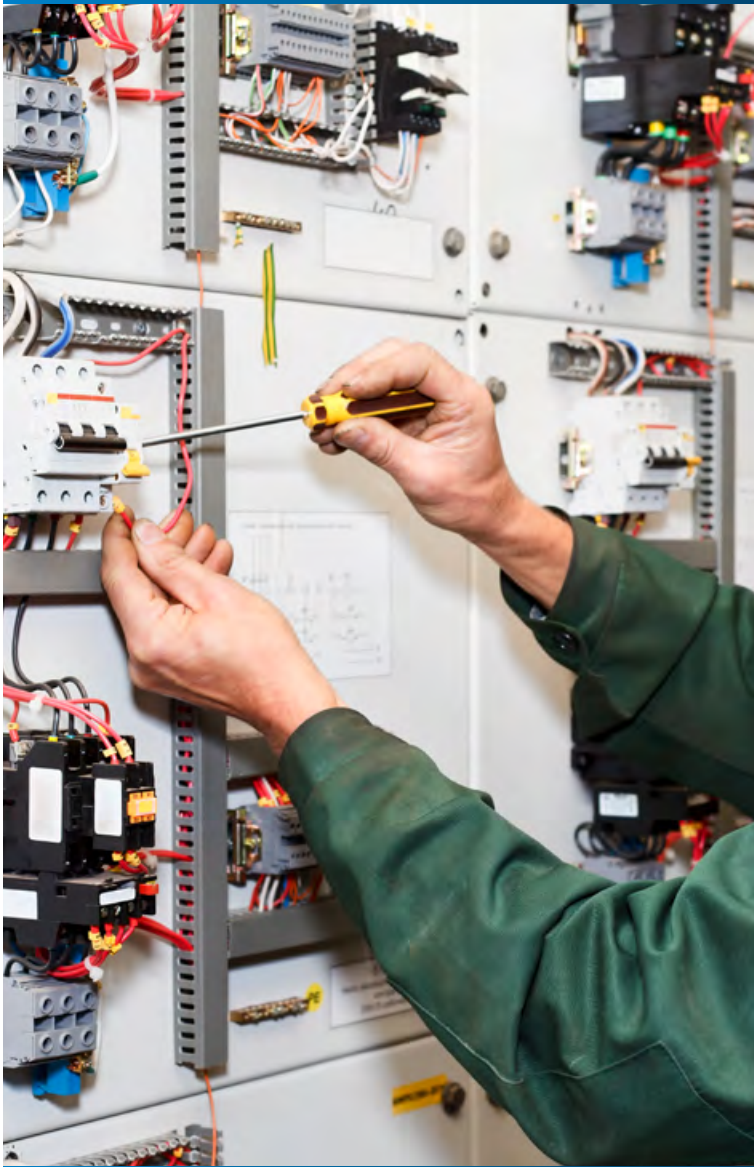
Timely and quality repairs and maintenance of the generating equipment at the power plant ensure its reliable and safe operations and extend its service life. Therefore, Unipro focuses on improving the quality of repairs, enhancing equipment reliability and reducing incidence rates.

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. The priority and the 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 law, 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.

The approach of Unipro 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; to 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 Company's repairs, and the annual repair programme is 1,200 days. The process of entering into contracts with a term of performance of three years had a positive effect. Therefore, in 2020, we continued to enter into contracts with a term of performance of 2 to 3 years, in the past period, 24 purchases were made, the effect of savings due to the entry into 3-year contracts may be estimated at RUB 25 to 56 mln. (8-18 mln in the average annual terms) or 3.5-7.5%.

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



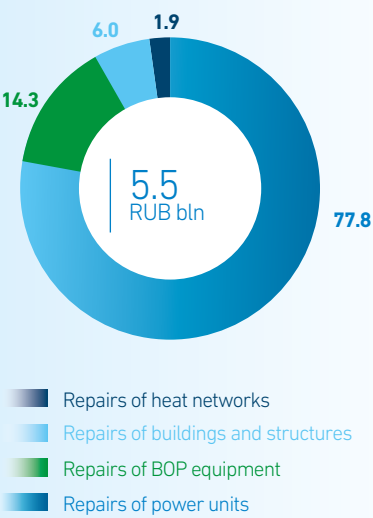
The system of repair arrangement of Unipro enables to adapt it to the conditions of the competitive electric power market and to carry out all repairs within the necessary time limits and with optimal costs



2,600  
persons  
or  
56.4%  
of the staff  
are involved in the repairs  
of Unipro

In 2020, the repair costs  
were  
5.5  
RUB bln

Procurement structure  
by cost criterion in 2020,  
%



- The advantages of multi-year contracts are:
- reduction of the time for procurement procedures, which involve specialists from both the production and procurement departments;
  - getting additional economy of scale (additional discounts due to enhancement of the scope);
  - fixing the rates for a long-term period (minimization of the inflation impact and improving the planning accuracy);
  - guaranteed presence of high-skilled contractors for performance of works;
  - labour saving;
  - the contractor's opportunity to establish physical infrastructure at the customer's site which in turn reduces the time for manufacture and supply of the required equipment and materials.

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 MRO UACS FEA Microsoft Dynamics taking into account the analysis of the full range of identified defects and the need to eliminate the root causes of their occurrence.

In accordance with the annual schedule of repairs, power units with a total capacity of 11,235.1 MW were repaired in 2020, including overhaul — 1,370.0 MW, intermediate maintenance — 2,220.2 MW, and current repairs — 6,844.9 MW. Reconstruction works were completed at power unit No. 3 of Berezovskaya GRES that were carried out after the accident in 2016, 800 MW. At the end of 2020, the work began under the steam-water-oxygen cleaning and passivation (SWOC&P) programme of P-67 boiler of power unit No. 3. The work was carried out from 16 December 2020 to 09 January 2021, 11 boiler starts on fuel oil were carried out.

The total amount of repair works costs at Unipro PJSC power plants amounted to RUB 5.5 bln in 2020, including the current production — RUB 3.1 bln, and new production — RUB 2.4 bln. All the scheduled repairs have been made in full.

31% of repairs was done using the Unipro own resources, and 69% through contractors. The contractors were selected through tenders in order to ensure that contracted terms and conditions were most favourable for the Company.

Significant Events in Repairs and Plans  
for the Future

Branch	2020 Results	Plans for 2021
Berezovskaya GRES	<p>During the intermediate maintenance of power unit No. 1, the following work was performed:</p> <ul style="list-style-type: none"><li>• replacement of the headers of wingwalls-2;</li><li>• replacement of composite welds of the platen air preheater;</li><li>• modernization of P-67 boiler of power unit No. 1 with the replacement of the convection reheater.</li></ul> <p>As a part of the project for power unit No. 3 reconstruction, reconstruction works were completed in the reporting period. The following activities were carried out:</p> <ul style="list-style-type: none"><li>• preservation and re-preservation of more than 1,500 pieces of equipment;</li><li>• technical inspection of 139 process systems;</li><li>• overhaul of the turbine with replacement of the flow channel and the generator elements under the supervision of the Engineering Supervisor of Power Machines PJSC;</li><li>• repair of unit transformers with replacement of oil coolers;</li><li>• diagnostics of more than 2,000 the oil pipeline and turbine bypass pipe welds followed by fault elimination;</li><li>• modernization of the smoke fume cleaning system with the replacement of ash removal equipment and pipelines;</li><li>• holding 8 major fire safety events following the investigation of an accident. As a whole, equipment readiness for commissioning and further start-up of power unit was provided for</li></ul>	<p>It is planned to carry out the intermediate maintenance of power unit No. 2 and the current repairs of power unit No. 1 with the performance of standard scope of work</p>

Branch	2020 Results	Plans for 2021
Yaivinskaya GRES	<p>During the period of the regular overhaul of power unit No. 2, the following work was performed:</p> <ul style="list-style-type: none"><li>• replacement of the steam collection chambers of the direct steam pipe line of the boiler;</li><li>• replacement of the bending of the direct steam pipe line (after the live steam collection chamber) at the level of 33 m;</li><li>• replacement of capacitors of the own-generated condensate unit;</li><li>• modernization of boiler gas ducts from the air preheater to the chimney stack</li></ul>	<p>It is planned to carry out:</p> <ul style="list-style-type: none"><li>• replacement of the feed-water economizer of the boiler of power unit No. 4;</li><li>• replacement of capacitors of own-generated condensate units of power units No. 1 (line A), No. 2 (lines A and B);</li><li>• modernization of boiler gas ducts from the air preheater to the chimney stack of power unit No. 4</li></ul>
Smolenskaya GRES	<p>During the period of scheduled repairs, the following main works were performed:</p> <ul style="list-style-type: none"><li>• repair of the boiler lining during the intermediate maintenance of power unit No. 1;</li><li>• replacement of pipes of the right lateral screen 1B;</li><li>• in pursuance of the improvement notice of the Ministry of Energy of the Russian Federation, the GRP (Main-Distribution Point)-Main Building gas pipeline was painted;</li><li>• the heating networks were overhauled at the following sections:</li><li>• heating network pipelines Ø219 and Ø273mm;</li><li>• heating network pipelines with the replacement of the Ø325 section in the urban settlement of Ozerny;</li><li>• colour marking of the equipment of power unit No. 1 was completed</li></ul>	<p>It is planned to carry out:</p> <ul style="list-style-type: none"><li>• spooling the stator of the circulating pump electric motor;</li><li>• repair of the boiler lining during the intermediate maintenance of power unit No. 2;</li><li>• replacement of pipes of the right lateral screen 2B during the intermediate maintenance of power unit No. 2;</li><li>• repair of pavilion roof 2B;</li><li>• repair of 237.8 m of the heating network;</li><li>• repair of transformers 10T and 20T;</li><li>• colour marking of the equipment of power unit No. 2;</li><li>• hydraulic facilities repair</li></ul>

Branch	2020 Results	Plans for 2021
Shaturskaya GRES	<p>During the overhaul of power unit No. 2, the following works were performed:</p> <ul style="list-style-type: none"><li>• re-pouring of liners of support bearings No. 1, 3, 4, 5, 6, 7 and thrust bearing No. 2 of turbine unit (TU) K-200-130 LMZ;</li><li>• replacement of HPC control valves, 4 pieces;</li><li>• replacement of the bending 273x32 of the steam-supply pipes of the TU-2 HPC to raise the TCI (technical condition index) of TU-2 from 77.7 to 80;</li><li>• replacement of impellers of circulating pumps 2A, 5B;</li><li>• the expert review of industrial safety of high pressure heaters 5, 6, 7 and of low pressure heaters 3, 4 was carried out.</li></ul> <p>During the overhaul of power unit No. 5, the following works were performed:</p> <ul style="list-style-type: none"><li>• replacement of the 13th stage of the medium pressure rotor;</li><li>• replacement of the guide vane of the intermediate pressure cylinder;</li><li>• replacement of diaphragms No. 2, 7, 9 of the high pressure cylinder;</li><li>• the technical diagnostics of turbine unit No. 5 was carried out and its service life was extended.</li></ul> <p>During the overhaul of TG-2, 5, the rotor welding wheels were grooved and grinded. After the grinding, the state of the welding wheels (the groove depth, the runout) meets the requirements of the regulatory and technical documents.</p> <p>Under the programme to ensure the trouble-free heating season, in autumn and winter of 2020—2021 2 sections of the heating network with a total length of 1,020 m were replaced using the channel technology for laying pipelines with increased reliability pipes that had been insulated with polyurethane foam shells</p>	<p>The following is planned to be performed for the turbine equipment:</p> <ul style="list-style-type: none"><li>• installation of end seals on starting lube oil pumps of turbines No. 4, 6;</li><li>• replacement of the HPC nozzle diaphragm at turbine No. 4.</li></ul> <p>The following is planned to be performed for the electrical equipment:</p> <ul style="list-style-type: none"><li>• replacement of the welding wheels of the TGV-200 rotor of power unit No. 4;</li><li>• replacement of the end leads of the TGV-200 stator of power unit No. 4;</li><li>• installation of film protection for the 1TP transformer surge tank of TRDN-32000/110 type.</li></ul> <p>The following is planned to be performed for the heating networks:</p> <ul style="list-style-type: none"><li>• replacement of 8 sections of the heating network pipelines with a length of 3,071 m with pre-insulated pipes (polyurethane foam, polyester) of increased reliability;</li><li>• replacement of 5 sections with a total length of 2,068 m with the involvement of contractors, and 3 sections with a total length of 1,003 m by efforts of in-house repair staff</li></ul>



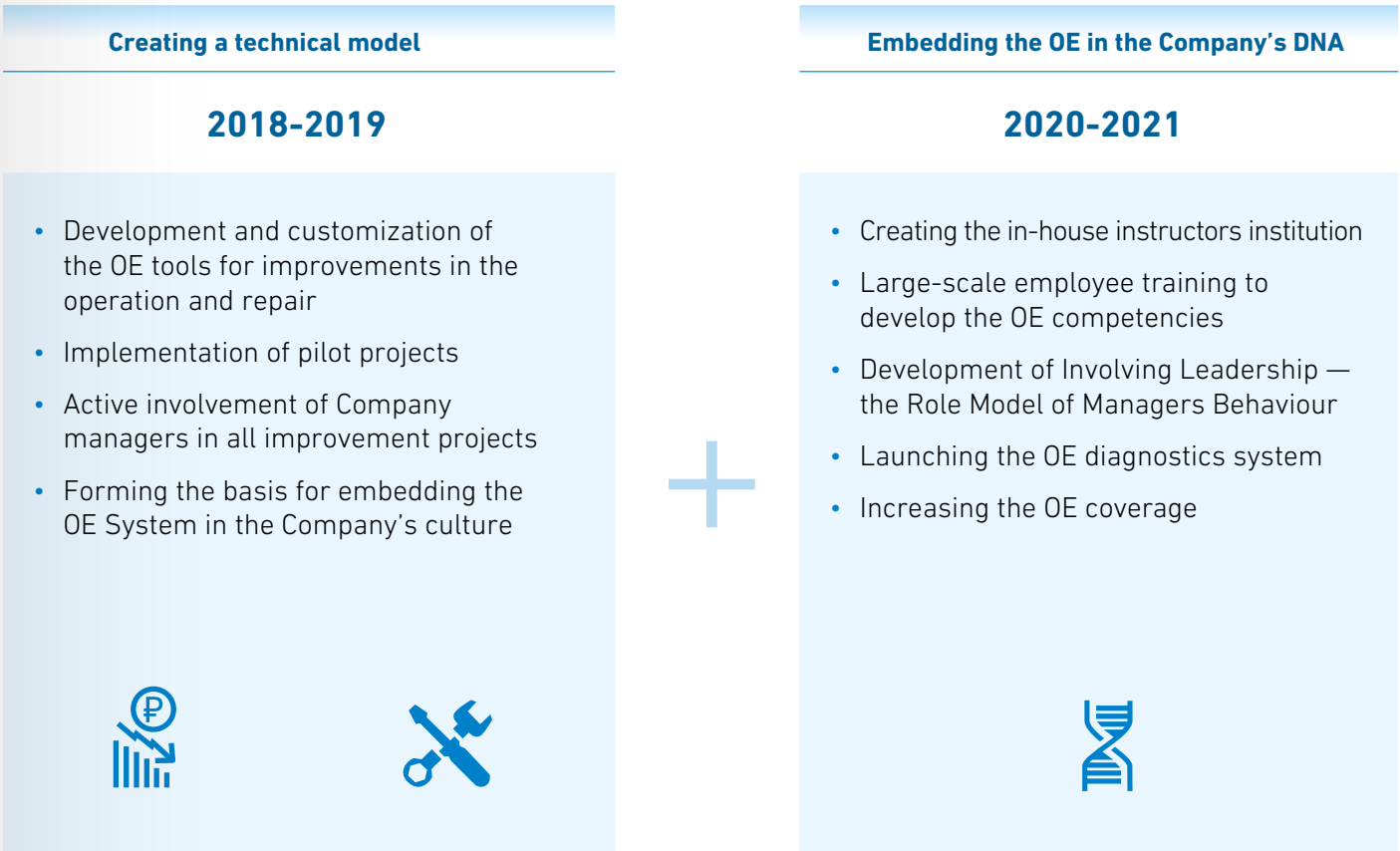
Branch	2020 Results	Plans for 2021
	<p>The preparatory work was completed and the industrial safety expert reviews of the pipelines and the equipment of the power units, the general plant equipment, the heating networks were carried out.</p>	
Surgutskaya GRES-2	<p>During the intermediate maintenance of power unit No. 4, the following work was performed:</p> <ul style="list-style-type: none"><li>the expert review of industrial safety of the boiler and 18 pipelines was carried out;</li><li>the non destructive testing of high and intermediate pressure rotors was carried out.</li></ul> <p>During the overhaul of power unit No. 5, the following work was performed:</p> <ul style="list-style-type: none"><li>pipes of Ø50x11 of the high pressure convective superheater-2 and the outlet headers of the convective superheaters VD-2 were replaced according to the improvement notice of the industrial safety expert review of 2014;</li><li>the industrial safety expert review of 20 pipelines, the boiler and the turbine was carried out;</li><li>the generator was overhauled;</li><li>the automatic process control system was implemented;</li></ul> <p>During the period of the intermediate maintenance of power unit No. 8, the following work was performed:</p> <ul style="list-style-type: none"><li>the moving and nozzle blades (1-2 stages) of the hot gas path and all parts of the combustion chamber were replaced;</li><li>the complete rewedging of the generator stator was made (additional work).</li></ul> <p>The work was performed by the in-house staff (except for the generator rewedging) under the supervision and guidance of GE Engineering Supervisors and Supervisors</p>	<p>It is planned to carry out:</p> <ul style="list-style-type: none"><li>modernization of turbine unit No. 1 within the capacity supply contract programme with the replacement of high and intermediate pressure cylinders and the turbine generator;</li><li>replacement of lens expansion joints for circulating water lines Ø2,400 at power units No. 1, 3 (11 pcs.);</li><li>replacement of the steam pipe line of the 3rd extraction and the steam extraction to high-pressure heaters 6A, B of power unit No. 1;</li><li>replacement of low pressure desuperheaters of the upper part of boiler No. 1 (6 pcs.);</li><li>replacement of desuperheaters Ø465 of the steam dumping pipeline to the condenser and warming up the hot reheat pipeline of power unit No. 1 (2 pcs.);</li><li>replacement of the valve of the steam-collecting high-speed unit-800 of power unit No. 1;</li><li>replacement of the bendings Ø159x32 of the bypass pipes of the high pressure convective superheater of group III (7 pcs.) of power unit No. 1;</li><li>replacement of the valve of the steam-collecting high-speed unit-1000 and the throttling device of power unit No. 4;</li><li>replacement of the deaerating bead</li></ul>

### Operational Excellence

In 2020, Unipro PJSC continued to actively develop the Operational Excellence (OE) System. In 2018—2019, in order to reduce costs and to increase efficiency, tools were developed and customized to the company's conditions for improving technical streams (increasing the staff performance during the repairs, optimizing equipment repair strategies, increasing fuel efficiency) and a basis was formed for embedding the OE System into the Company's culture.

To fix the achieved results and to ensure the sustainable development, the OE strategy was updated in 2020. In accordance with that strategy, the development of the technical streams of the OE System continues, and it focuses additionally on embedding the OE principles in the Company's DNA, developing a culture of continuous improvement and OE competencies of the staff.

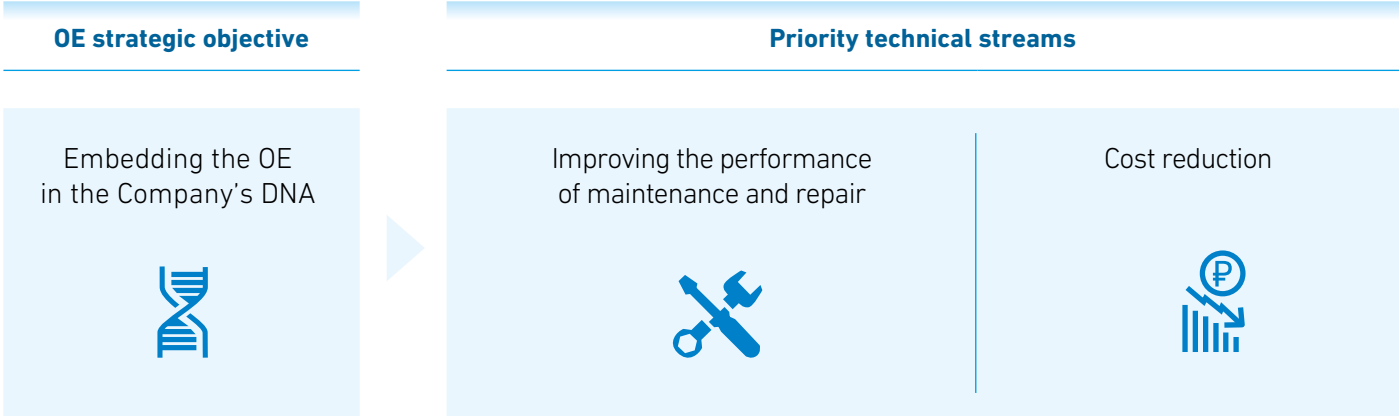
### A New Stage in the Development of the OE System of Unipro PJSC



Consistent improvement in financial performance

The three-year strategy for the OE development implies the simultaneous transformation of three focal areas: the technical model, the management system and the continuous improvement culture.

Priorities of the OE System development



The technical model is developed by increasing the efficiency of asset and resource management. Here, the key tools are optimizing the repair strategies, making the use of in-house repair staff more efficient and improving the fuel efficiency.

As part of improving the management system, the regular diagnostics has been arranged for and OE committees have been formed which enables the Heads of functional areas and branches to share their best practices, the status of the OE plans implementation and the economic result achieved.

Fostering the continuous improvement culture ensures that important results are achieved and the efficiency increases continuously over the long term through development and involvement of all staff in the continuous improvement process. For the development of this area, the corporate institute of in-house instructors was formed from among the OE employees

and the Heads of functional areas of the Headquarters and the branches. The primary task of the expert in-house instructor is to transfer knowledge of the OE tools through personal example and professional experience. The forming of such instructor team helps to increase the involvement of functional areas in the OE process, strengthens cooperation and ensures the achievement of goals and the implementation of improvement programmes.

With the direct involvement of the in-house instructors and the staff training and development department, the Efficiency in Genes programme was formed that is aimed at training and practicing practical OE skills. The programme objective is to embed the OE System tools into the Company's DNA. The training consists of a set of modules called DNA Genes. Since mid-2020, a large-scale training for the Unipro employees has been launched under this programme.



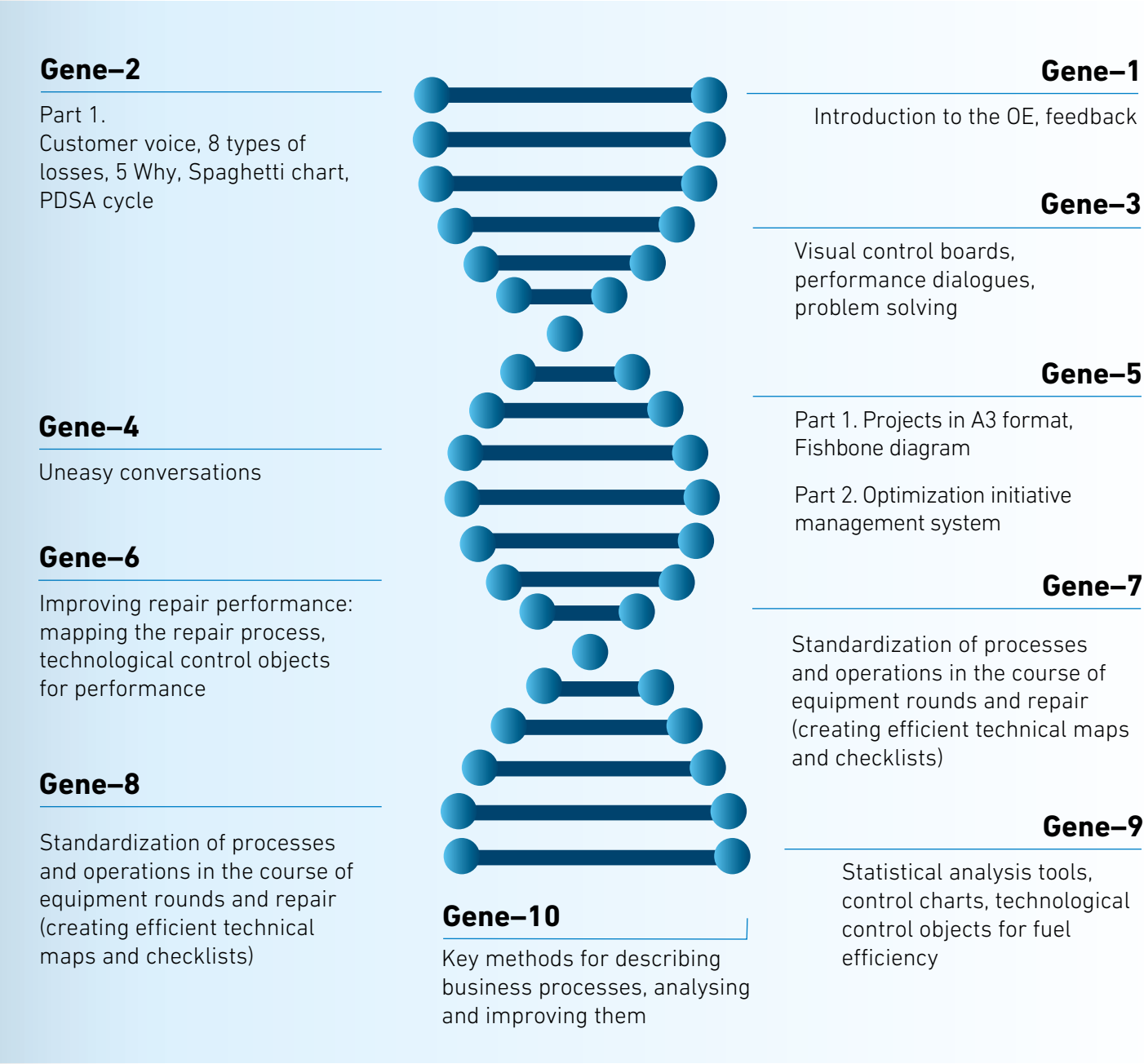
Content of the Efficiency in Genes Training Programme

In addition, mechanisms are being developed to incentivize the staff to improve the efficiency and an efficiency fund has been formed to accelerate the implementation of optimization initiatives and to encourage their authors.

Further steps in the implementation of the OE development strategy are the improvement of the medium-term goal-setting system in terms of

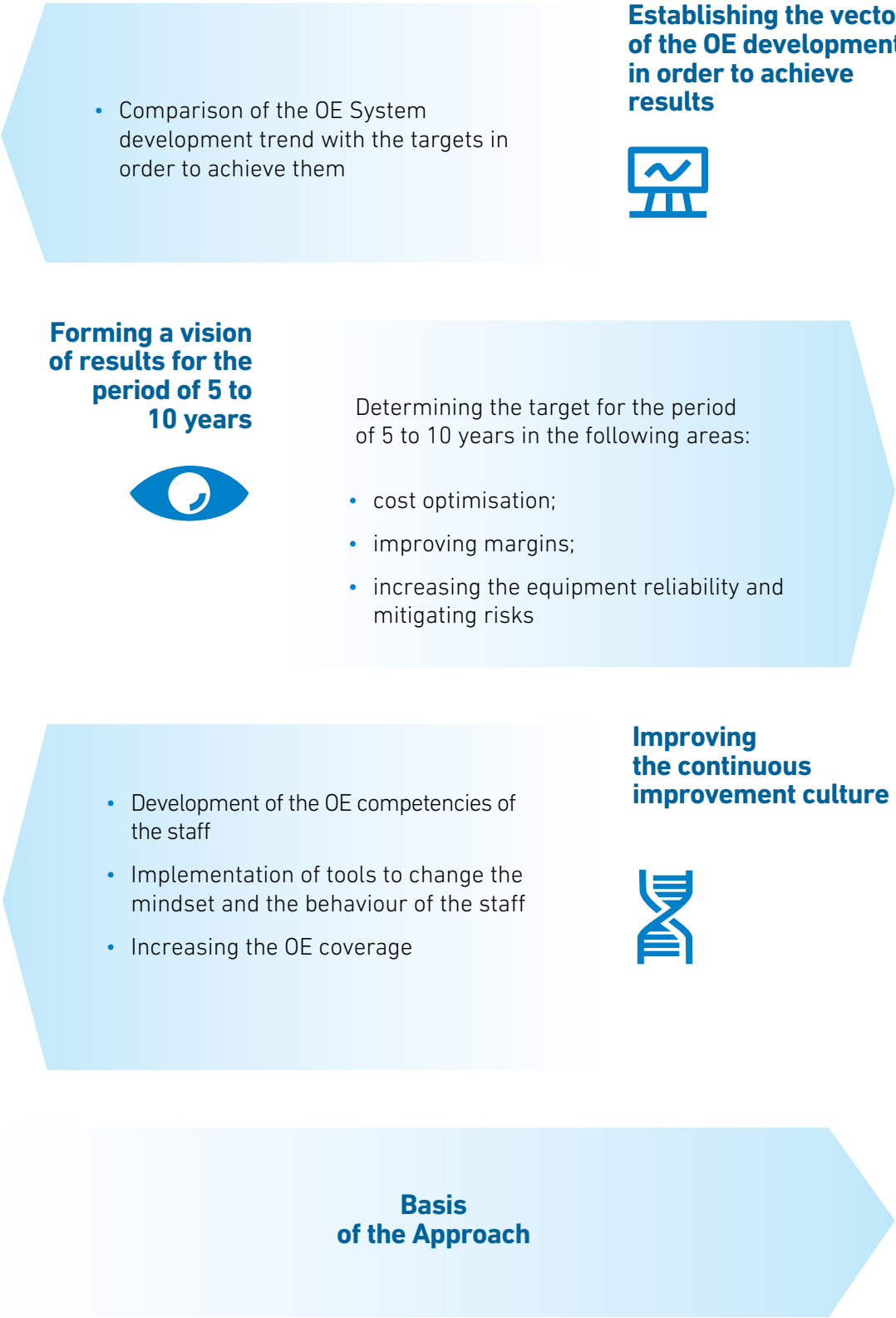
optimization activities and 100% coverage of the branches and the functional areas with the OE tools and improvement projects.

This approach will allow achieving consistently high financial performance due to the optimization activities by combining the efforts of all employees of the Company in order to achieve the target.





Further Steps in the OE System Development



## Construction of the Fuel Receiving Station at Berezovskaya GRES

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

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



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

- providing the necessary technological backup of each element of the fuel supply system;
- round-the-clock acceptance of fuel with its simultaneous shipment both to the operating units and to the coal storage facility;
- eliminating open areas of the system and reducing the amount of fuel loss with mechanical entrainment;
- ensuring a high level of automation of the fuel supply and distribution, as well as compliance with the current fire safety and labour safety standards.

The Fuel Receiving Station has been under construction since 16 July 2012. Currently 72% of the total work scope has been completed. The construction of the facility is expected to be completed 20 months after approval of the type of fire-retardant coating for the steel structures of the building and approval of key project parameters.

In 2020, no work under the FRS construction project was carried out due to the postponement of the decision to approve the updated key parameters of the project to 2021.

## Refurbishment of Berezovskaya GRES Power Unit 3

Due to the fire on 01 February 2016, an emergency stop of the plant boiler unit No. 3 occurred. This caused serious damage to the supporting iron of the main building frame and to the boiler. Power Unit No.3 was shut down for unscheduled repairs.

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

As part of the overhaul of Power Unit No.3 in 2020 the following measures were implemented:

- the readiness of the fuel oil and steam line of the boiler was ensured;
- the installation of the main and auxiliary burners of the boiler was completed;
- the work to install the circuits of the PC-gas-air-duct was completed, the gas-air circuit of the boiler was successfully tested for gas density;
- the installation of water and steam blowing devices for the boiler heating surfaces was completed;
- the installation of pulverizing fans Nos. 2, 3, 6 and 7 was completed;
- the installation of Magaldi slag removal system was carried out;
- after applying the required volume of thermal insulation and decorative coating, the disk-shaped platens of the boiler were adjusted (boiler weighing);
- the works for installation of cable metal structures, laying cables and installation of electric equipment were continued;
- the works for application of thermal insulation on the boiler elements, the DGAP circuits, and the pipelines were carried out;
- the work was carried out to apply an anti-corrosion coating to the metal structures of the boiler, the boiler auxiliary equipment and the frame of the main building.

ENNOVA JSC, the contractor:

- ensured the steam-water-oxygen cleaning and passivation of the boiler heating surfaces;
- was carrying out the works related to equipment adjustment and setting the hanger-support system and was exercising the functions of the main commissioning organization.

Due to the occurrence of the risk of a decrease in the number of staff due to the restrictions imposed in order to prevent the spread of the new coronavirus infection COVID-19 in the territory of the Russian Federation and the detection of COVID-19 cases at the site which resulted in the temporary suspension of work, the completion of repair and the putting of power unit No. 3 into commercial operation were postponed to the spring of 2021 <sup>11</sup>.

<sup>11</sup> As of the approval date of this Annual Report, Berezovskaya GRES Power Unit No. 3 has been commissioned.



Retrofitting and modernization of the existing operating facilities

The retrofitting and modernization programme of the Company includes a set of measures to improve the technical and economic level of production, such as:

- 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 retrofitting and modernization programme is formed for the existing production facilities of the Company for the current period.

The above process is cyclical, the retrofitting and modernization programme for the future period 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 fulfilment of urgent tasks are necessarily considered and planned for use.

The retrofitting and modernization programme of the Unipro PJSC production unit includes 165 investment projects, of which 46 are the projects of Berezovskaya GRES, 47 of Surgutskaya GRES-2, 23 of Yaivinskaya GRES, 27 of Shaturskaya GRES and 22 of Smolenskaya GRES.

R&M progress, %

Branch	2018	2019	2020
Smolenskaya GRES	151.2	98.8	139.5
Shaturskaya GRES	93.7	115.0	136.7
Yaivinskaya GRES	101.9	85.6	116.9
Berezovskaya GRES	94.3	83.2	108.4
Surgutskaya GRES-2	53.2	74.7	100.4
Total, Unipro PJSC	75.6	81.1	104.0

R&M Milestones in 2020

Branch	Events
Berezovskaya GRES	<ul style="list-style-type: none"><li>• modernization of P-67 boiler with the replacement of the convective superheater (a long-term project);</li><li>• modernization of the standby stator of the TVV-800-2UEZ turbine generator</li></ul>
Surgutskaya GRES-2	<ul style="list-style-type: none"><li>• technical refurbishment of control tools with the introduction of a full-scale automated process control system at power unit No. 5;</li><li>• project development and installation of a fish protection system for inlet of water-intake structures;</li><li>• technical refurbishment of relay protection of automation and secondary switching circuits KRU-6 kV at power units No. 1 to 6;</li><li>• modernization of the electric circuit diagram for the DC board 125V and DC board 220V of power units No. 7, 8</li></ul>
Yaivinskaya GRES	<ul style="list-style-type: none"><li>• modernization of gas ducts of TP-92 boiler at plant No. 2</li><li>• implementation of fish protection facilities at the hydraulic engineering structures;</li><li>• modernization of the automated control system for boiler burners at plant No. 2</li></ul>
Shaturskaya GRES	<ul style="list-style-type: none"><li>• reconstruction of breakers for outdoor switchgear-220kV with the replacement of porcelain insulators with polymer ones;</li><li>• modernization of heating networks using state-of-the-art technologies;</li><li>• flameproofing treatment of load-bearing metal structures of the main building;</li><li>• technical refurbishment of the control system of power unit No. 2</li></ul>
Smolenskaya GRES	<ul style="list-style-type: none"><li>• modernization of the TG-1 excitation control system,</li><li>• technical refurbishment of the convection reheater K-1B of power unit No. 1</li></ul>

165

investment projects  
were included in the retrofitting  
and modernization programme  
in the reporting period

142

projects  
are scheduled for  
implementation in 2021

Capital Investments

In 2020, the capital investments in the implementation of the investment and repair programme amounted to more than RUB 12.9 bln, including in the following areas:

- retooling and modernization – 19%;
- new construction – 0%;
- repair and reconstruction of power unit No. 3 at Berezovskaya GRES – 55%;
- capitalised repairs – 26%.

Procurement

Procurement Management

In all 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 primary document governing the Company’s procurement is the Regulation on Procurement of Unipro PJSC<sup>12</sup> which describes the standard business process for meeting the production demand of Unipro PJSC and is related to other internal documents of the Company. The Policy contains mandatory rules



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

Procurement procedures aim at a tender-based selection of suppliers, contractors, and service

<sup>12</sup> During 2020, the Regulation on Procurement approved by the Board of Directors on 18 December 2014 (Minutes No. 206 dated 18 December 2014) was in force. As of the date the Annual Report was approved by the Board of Directors, a new version of the Regulation on Procurement was in force (Minutes No. 298 dated 29 January 2021).

Unipro Procurement Principles



Strategic Report

Procurement

providers. Thus, the best economic conditions for procurement are provided: meeting customer requirements, deadlines, quality, and best prices.

Responsibility for implementing procurement processes in the Company rests with the Procurement Unit, which main functions include planning, organisation and implementation of procurement procedures. Moreover, the Procurement Unit implements measures for strengthening the market position by consolidating needs, and ensuring the unification of procurement processes, as well as a single model of behaviour in the competitive environment. In doing so, the Procurement Unit closely interacts with the applicant units, participating in consolidating the Company’s commercial and technical interests.

In order to increase the competition and to ensure the procurement transparency, competitive procurement procedures are announced at the corporate website of Unipro PJSC (in the Procurement Section at <https://www.unipro.energy/purchase/>), electronic trading platforms are being used more widely. In 2020, the electronic trading platforms B2B Center and RTS-Tender were used to make a part of 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 minimize the risks of joint efforts. The accreditation in the supplier base of the Company is carried out in accordance with the rules posted on the official website of the Company. The accreditation of the potential participants is valid for one year from the date when it is entered in the supplier database.

By results of the fulfilment of contracts, the performance of the suppliers is assessed and they may 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;

Being a responsible customer, Unipro is aware of its responsibility towards the regions of its presence, the society and the environment. When the procurement is made by means of a tender or a request for proposals, appropriate assessment criteria of sustainable development may be established. Such requirements are partially enshrined both in unified forms of contracts and in the requirements governing the health, safety and environment activities of the company, its contractors and providers:

- The Safety Regulations for Contractors;
- The standard On Safety Precautions When Working with Asbestos and Asbestos-Containing Materials at the Facilities of Unipro PJSC;
- The Environment Protection Rules for contractors

- organization 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.



Improving the Procurement Management System and Plans for 2021

As part of the development and the improvement of the procurement process 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 digitalization 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 the new year, the Procurement Unit expects to continue working on expanding the categorical approach to the procurement, automating and digitalizing the procurement processes, reducing duplicate, “manual” controls and minimizing the bureaucratic, in particular “paper” component in the P2P process.

Report on Fulfilment of the Annual Comprehensive Procurement Program 102-9

In order to support the Company’s activities, buyers of Unipro PJSC held 5,625 procurements for the total amount of RUB 7,989,680.79 thousand (net of VAT) for the needs of 2020. Out of the said amount, 304 procedures for RUB 1,128,699.66 thousand were carried out as purchase from a single supplier (14.1% of the total volume of procurement in monetary terms).

Procurement Structure by Business Areas, %

Direction	2018	2019	2020 (plan)	2020 (actual)	2021 (plan)
Repairs	36.9	36.8	28.5	33.5	27.9
Retooling and modernization	32.4	44.5	38.3	32.2	46.0
Operation	28.7	18.7	33.2	34.3	26.1
New construction	2.0	—	—	—	—

As of year-end 2020,  
**5,625** procurements  
were carried out with a total  
value of  
**7.9** RUB bln

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 348,482.97 thousand (6.9%).

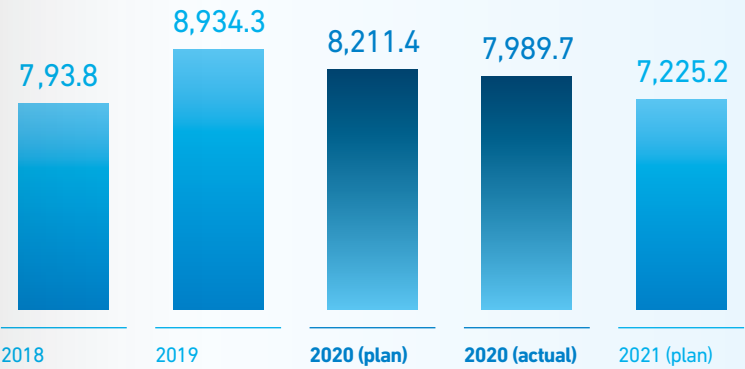
In 2020, the share of procurement from local (Russian) suppliers amounted to 99.9% of the procurement in monetary terms. 204-1

In 2020, the share of procurement from small and medium-sized enterprises (SMEs) amounted to 59.1% of the procurement in monetary terms.

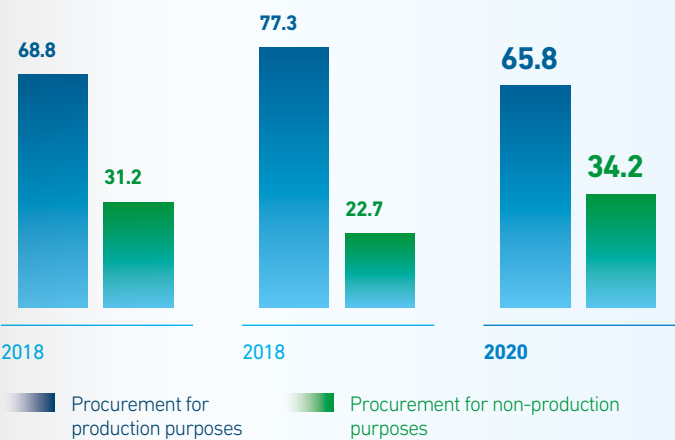
Strategic Report  
Procurement



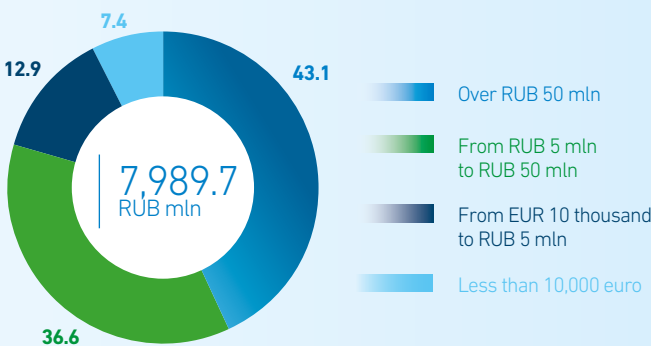
Total Value of Procurement Procedures of Unipro PJSC, RUB mln



Procurement Structure by Categories, %



Procurement structure by cost criterion in 2020, %



Procurement within the Repair and Reconstruction of Unit No. 3 of Berezovskaya GRES

In 2020, 346 procurement procedures were carried out with a total value of RUB 2,061.7 mln in order to carry out reconstruction and repair of unit 3 of Berezovskaya GRES and to construct a fuel feed unit. Of that amount, 93 procedures were carried out by way of procurement from a single supplier in the amount of RUB 1,846.4 mln (89.6% of the total procurement in monetary terms) due to the extension of the validity period of existing contracts caused by the increase in the period of work at power unit No. 3 of the Berezovskaya GRES. The share of procurement from local (Russian) suppliers amounted to 99.7% and from the SMEs to 83.8% of the procurement in monetary terms

# Innovative business process support

## Importance of innovative and digital technologies

Global digitalization sets new pace of development for manufacturing companies. 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. The process of building a “smart enterprise” has begun.

Digital transformation at Unipro is a meaningful, strategically driven process of change in the business which includes a set of transformations through the introduction of an innovative culture, adaptation of the business model, widespread use of data, focus on customers and value management.

## Results of Implementation and Improvement of Information Technologies in 2020

In order to form a modern process digital platform for further business development, improvement of efficiency of business processes due to their standardization and optimization using the best practices introduction of the Microsoft Dynamics 365 integrated information system began in 2020.

Furthermore, to avoid the risks related to the termination of vendor support and to ensure conditions for enhancement of opportunities of working with information systems transition of budgeting process to the IBM Planning Analytics platform was completed.

Strategic Report

Innovative business process support

Digitization of the operational and dispatching control was carried out by means of implementation of the information system of electronic operations logs.

The works for transition of a number of digital technologies proven at the pilot stages were carried out.

The project of updating the corporate portal was implemented, within which a new interface for the corporate portal was developed, the current services were restructured and optimized and new services were developed.

Within the anti-COVID measures that provide for transferring the Company’s employees to teleworking, the IT department specialists arranged about 600 teleworking places for the Company’s employees in next to no time in order to maintain conditions contributing to the high-quality fulfilment of their functional duties by employees.

More than 120 de-personified workplaces were arranged for the employees in the office of the Headquarters according to new epidemiological standards. Such workplaces could be preliminarily booked by the employees.

In order to ensure communication of the employees and to improve the availability of in-house corporate information resources and systems of the Company, the bandwidth of Internet access channels was increased in the Headquarters in Moscow and at the power plants in the regions.

The maturity of the Company’s IT infrastructure made it possible to respond to the challenges of the pandemic and to ensure that the employees were immediately transferred to teleworking.

## 2021 and Midterm Plans

The plans for 2021 are to stabilize the operation of Microsoft Dynamics 365 and to further develop digital initiatives. The key focus is to ensure the operational excellence by identifying processes that have the greatest potential for cost reduction and communications improvement. The priority areas of that focus will primarily include the following solutions:

- robotic automation of processes;
- digitalization of internal interfaces (joints) and interaction with information consumers;
- increase in the availability of data and its use in decision-making;
- reducing the number of steps when running processes in the information systems;
- transformation of processes that involve a large number of recurring actions.

The Video Analytics project should be highlighted among the wide range of digital initiatives planned for the implementation in 2021. The project objective is to increase the performance by:

- identifying deviations of the actual productive working time of the brigades from the target time;
- analysis of the reasons for deviations;
- developing corrective activities;
- improving the quality of repair planning.

The Subscriber’s User Account Implementation project will provide the customers being Unipro PJSC subscribers with round-the-clock access to their user account data, i.e. viewing fee accruals, printing receipts, transferring meter readings, paying for the services by a bank card and sending messages to the service company. The effects from the project implementation will be as follows: increased efficiency in interaction with the subscribers, unified electronic document flow with the subscribers in the one stop shop mode, increased openness and availability of information on applicable tariffs and procedures for accruing the value of services, possibility of prompt provision of individual recipients and general public with information on emerging events, news, announcements regarding various areas of housing and public utilities, changes in the legislative or regulatory framework.

In 2021, it is planned to modernize the virtualization platform and to implement a number of other infrastructure IT projects.

In the mid-term, the digitalization at Unipro will be focused on achieving the target vision of the function within the Smart Enterprise.





# Sustainable Development



Smolenskaya GRES employees and Ozerny Secondary School high-schoolers have joined the All-Russian "Clean Coast" campaign held on the Environment Day



## Smolenskaya GRES

is the second largest power plant in the region. It is rightly viewed as one of Russia's most cost-efficient and reliable power plants

# Sustainable Development Management

102-31

As an efficient producer of the electric power necessary for the society, Unipro PJSC is well aware of its economic, environmental and social responsibility.

Unipro PJSC 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.

There are many definitions of the corporate social responsibility, but Unipro PJSC 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 law and is consistent with the international norms of conduct;
- integrates into the activities of the entire organization 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.

The Company implements a comprehensive approach to the management of labour, development of its employees, environmental and industrial safety, and support of populations in the areas of its presence.

In 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: during 2020, the draft Articles of Association<sup>13</sup> were prepared according to which the definition of the ESG strategy falls within the competence of the Board of Directors.

At the meeting of the Audit Committee of the Board of Directors of Unipro PJSC, the members of the Committee raised the ESG issue and requested to pay attention to the disclosure of that issue when preparing future annual reports.

The responsibility for arranging for control, methodological support and statutory regulation of the Unipro PJSC ESG activities is currently not imposed on one person **102-19**, the dedicated units of the Company carry out sustainable development activities in their functional responsibility areas **102-20**:

- social responsibility is imposed on the HR Unit (the HR Director);
- interaction with the authorities in the regions of presence and creation of a favourable social environment for the efficient development of the Company is imposed on the Corporate

Sustainable Development

Sustainable Development Management

- Communications Unit (the Director for Public Affairs and Government Relations) and the Corporate Legal Unit (Corporate Governance, Legal and Property Director);
- electric power production, energy efficiency improvement and environmental responsibility is imposed on the Production Unit (member of the Management Board, Deputy General Director for Production);
  - charitable assistance is imposed on the Corporate Communications Unit (Director for Public Affairs and Government Relations).
- economic responsibility is imposed on the Finance Unit (Deputy Chairman of the Management Board, Deputy General Director for Finance and Economics);

## Internal Regulatory Documents Governing Sustainable Development <sup>14</sup>

Sustainable Development Aspect	Regulatory Documents
Sustainable and efficient production	Regulation on Production Risk Management of Unipro PJSC
Procurement activities	Regulation on Procurement of Unipro PJSC
Business ethics and anti-corruption	Code of Corporate Conduct of Unipro PJSC
Environmental impact	Environmental policy of Unipro PJSC
Occupational health and safety	Essential Occupational Health and Safety Rules Occupational Health and Safety Policy of Unipro PJSC
Charity	Unipro PJSC Corporate Communication Procedure Internal Communication Strategy of Unipro PJSC
Innovative development	Regulation on Investment of Unipro PJSC
HR	Regulation on Remuneration of Labour, Benefits and Other Social Payments for Moscow Representative Office (Headquarters) of Unipro PJSC Regulation on Remuneration of Labour, Benefits and Other Social Payments for Top and Middle Managers of Unipro PJSC Regulation on Remuneration of Labour, Benefits and Other Social Payments for Vehicle Drivers of Moscow Representative Office (Headquarters) of Unipro PJSC Regulation on Remuneration of Labour for Administrative and Managerial Staff of Branches of Unipro PJSC Regulation on Remuneration of Labour for Production Staff and Workers of Branches of Unipro PJSC Regulation on Corporate Support with Housing Improvements for Employees of Unipro PJSC Regulation on Corporate Pension Provision for Employees of Unipro PJSC Collective bargain agreements of branches of Unipro PJSC Regulation on Awards and Procedure for Awarding at Unipro PJSC

<sup>13</sup> In the version submitted for approval to the Annual General Shareholders' Meeting as of year-end 2020.





<sup>14</sup> In 2020, the Company started developing the ESG Policy which will determine the principles, objectives, tasks and approaches to the sustainable development management.



In 2005, the Company expressed its commitment to the UN Global Compact as the most ambitious sustainability initiative for business. Unipro PJSC confirms its commitments to honour human rights, employment relations, environmental protection and anti-corruption undertakings. **102-12**

The Company’s major shareholder — Uniper Group — treats sustainable development as the overarching priority and integrates it in all aspects and areas of its activities. Uniper Group has developed and approved the Group Sustainable Development Strategy based on the UN Sustainable Development Goals (SDG) by identifying the areas of highest relevance to its business. Unipro PJSC supports the Group’s initiative and is planning to contribute to the achievement of the selected SDG.

Unipro Activities to Achieve the SDGs

Goals	Tasks
	Ensuring universal access to affordable, reliable and modern energy supply, improving energy efficiency
 	Ensuring the transition to sound consumption and production patterns
	Reducing impact on the climate

Sustainable Development

Sustainable Development Management



In 2021, the Board of Directors of Unipro PJSC expects to consider joining the UN Global Compact

2020 Results

Installed capacity  
**11,245.1 MW** **EU1**

Actual power generation  
**41,746 mln kWh** **EU2**

Plans for 2021

To improve the reliability of energy supply to consumers and to reduce the carbon footprint, Unipro is going to further modernize the operating efficient steam power equipment

The Company is also considering its further participation in modernization auctions and developing renewable energy sources projects

Reducing power consumption **302-4** :

<b>1,191 thousand cub m</b> of gas conservation	<b>439 Gcal</b> of heat power conservation
<b>190 ton of fuel</b> equivalent of liquid fuel conservation	<b>3,737 thousand kWh</b> of electric power conservation
<b>1,651 ton of fuel</b> equivalent of solid fuel conservation	

Direct greenhouse gas emissions,  
**20,673.7 thousand tons of CO2 equivalent** **305-1**

Emissions of NO<sub>x</sub>, SO<sub>x</sub> and other significant pollutants into the atmosphere,  
**40.8 thousand tons** **305-7**

Developing and taking measures for conservation of power and improving energy efficiency

Development of additional steps to mitigate the Company’s impact on the climate

Goals

Tasks



Ensuring healthy lifestyle and promoting well-being for all people of all ages



Ensuring overarching and fair quality education and promoting lifelong learning opportunities for all



Ensuring a decent level of wages for all employees, regardless of their age and gender



Reducing corruption and bribery in all their forms



Sustainable Development

Sustainable Development Management

2020 Results

**0 cases**  
of occupational diseases **403-10**

Unipro transferred **RUB 7 mln** to medical institutions in the regions of its presence for combating the coronavirus infection **203-2**

**3 accidents**  
with own staff **403-9**

Average number of training hours per employee **404-1** :

Managers	Specialists and employees	Workers:
<b>150.6 hours</b>	<b>80.2 hours</b>	<b>89.5 hours</b>

Subject to the region of presence, the wages of entry-level employees correspond to the minimum wage rate (MWR) or exceed it by more than 4.5 times **202-1**

The total number of newly hired employees is 366 **401-1**

The full-time employees are provided with the following benefits: a full package of benefits, guarantees and compensations in accordance with the law and additional benefits, guarantees and compensation such as **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;
- other

In the reporting period, no confirmed cases of corruption were identified in the Company **205-3**

90 managers of Moscow Representative Office and the branches were trained on the Culture of Ethical Business and Combating Fraud and Corruption **205-2**

Plans for 2021

Improving precautions against work-related injuries, disease and improving labour conditions of the employees

In 2021, Unipro PJSC sets a limit of TRIF (Total Recordable Incident Frequency) (own staff + contractors) of ≤ 1.30 for the Company and its branches, of 0 for the Headquarters

Further training, retraining and advanced training of the staff

Unipro PJSC will continue to support educational organizations in the regions of operation of the Company

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

Further development and improvement of the compliance management system, including the adoption of additional regulatory documents governing anti-corruption processes

In 2021, the training course (e-learning) will be updated and repeated training will be carried out for all Unipro employees



# Ensuring Decent Labour Conditions

## Human Capital Management and Basic Characteristics of the Staff

Business development depends entirely on the professionalism, high responsibility and good faith conduct of the employees, therefore, the human capital is the most important factor in the success of the Unipro activities.

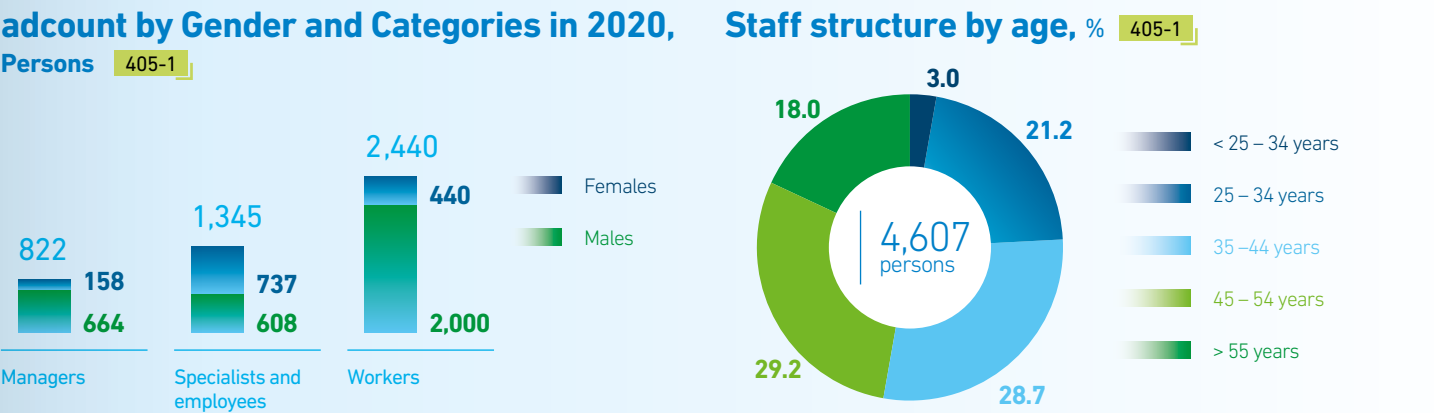
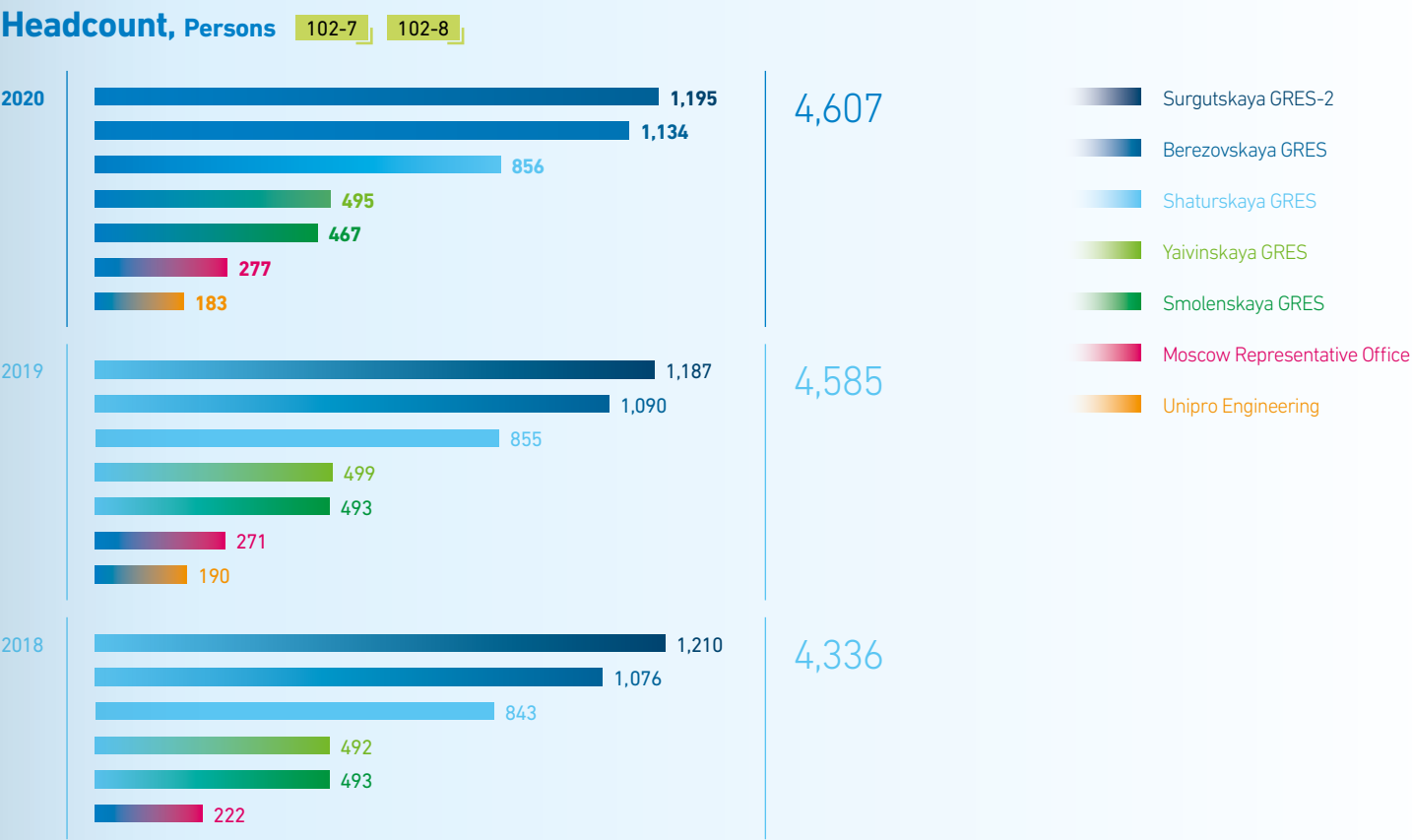
The Company power facilities employ professionals with vast production experience and extensive engineering expertise. The Unipro management is focused on continuous improvement of labour relations and social development, creating conditions for efficient and safe work, ensuring career progress, a decent 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: 4,607 persons as of 31 December 2020, which is by 0.5% higher than the last year. The headcount increased largely due to the employment of workers who were the staff of a liquidated contractor that was engaged in the reconstruction of power unit 3 of Berezovskaya GRES.

The structure of the Unipro staff broken down by gender, age and category of the employees is determined by specific features of the industry. Thus, the majority are men (71.0%): men are more than women by 4.2 times among managers and by 4.5 times among workers.

At the same time, 54.8% of specialists and employees are women. The share of young employees (under the age of 35) is 24.2% of the headcount. One of the Unipro priority tasks in the staff management is to involve young specialists.



Most of the Unipro employees are employed on a full-time basis (99.8%) and on an open term employment contract (95.3%). There are no seasonal variations in the staff figures.

## Headcount by Type of Employment and Employment Contract in 2020, Persons

Gender	Full time employment	Part-time employment	Open term employment contracts	Term employment contracts
Males	3,269	3	3,172	100
Females	1,330	5	1,219	116
Total	4,599	8	4,391	216

Staff Rotation and Recruitment

An important 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.

Recruitment at the Company is mostly effected by the HR Unit on a on-going basis without engagement of recruitment agencies. In 2020, almost half (45.7%) of vacancies were filled by internal transfer.

When hiring its staff, the Company provides in full and in accordance with the law for an approach that excludes any discrimination or harassment on any other grounds, including nationality, gender, age.

Despite the difficult epidemiological situation, the involvement of dedicated young specialists was kept at the same level. The Company hired 45 young specialists being graduates of dedicated universities (25 persons) and secondary specialized colleges (20 persons), most of whom were relocated to the Unipro branches from other regions. The Company offers a competitive relocation package for young specialists, which includes: payment for tickets to the branch, relocation allowance and residential lease for a period of 3 years.

Efficient human resources management and various methods of staff selection that are traditionally applied by Unipro PJSC allow to keep a high staffing level. In 2020, the number of employees quitting their jobs<sup>15</sup> varied from 3.9% at Shaturskaya GRES to 14.6% at Smolenskaya GRES, the average for Unipro was 8.1%.

As part of activities to develop the brand, Unipro as the employer:

- held more than 35 career events at educational institutions;
- mastered online platforms and groups of targeted higher education institutions in social media;
- more than 5,000 persons took part in the Company’s career events;
- Unipro presentations and master classes on career sites of key higher education institutions

<sup>15</sup> It is calculated as the ratio of the number of employees who left the Company to the headcount as of 31 December 2020, multiplied by 100.

In 2020,  
more than

600 vacancies

were closed at Unipro

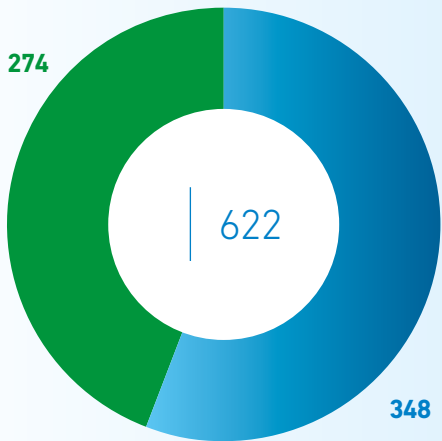
about

70 new staffing positions

were entered to the structure.  
274 vacancies of the total number  
were closed by internal transfer, and  
348 vacancies were closed by head  
hunting in the labour market

Vacancies Filled in 2020,  
Persons

- External recruitment
- Internal transfer



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Total Number of Hired and Dismissed Employees in 2020 by Age Group and Gender,  
Persons 401-1

	<25 years		25–34 years		35—44 years		45—54 years		>55 years		
Branch/ subdivision	m	f	m	f	m	f	m	f	m	f	Total
Recovery											
Berezovskaya GRES	18	6	24	15	23	14	12	7	11	26	156
Smolenskaya GRES	11	3	9	3	6	2	5	3	1	1	44
Surgutskaya GRES-2	10	1	15	6	9	6	6	1	2	1	57
Shaturskaya GRES	11	4	9	0	6	1	1	2	0	0	34
Yaivinskaya GRES	7	3	9	2	8	1	5	3	2	1	41
Headquarters	0	2	2	5	5	4	3	1	1	0	23
Unipro Engineering	0	1	0	0	4	0	3	0	2	1	11
Total	57	20	68	31	61	28	35	17	19	30	366
Dismissed											
Berezovskaya GRES	8	2	16	4	11	7	9	1	32	22	112
Smolenskaya GRES	10	1	10	2	7	3	3	6	18	8	68
Surgutskaya GRES-2	2	0	9	5	2	9	6	1	11	5	50
Shaturskaya GRES	1	0	4	1	8	0	3	2	13	1	33
Yaivinskaya GRES	2	0	8	0	4	2	6	1	12	6	41
Headquarters	0	1	3	3	2	2	3	1	0	1	16
Unipro Engineering	0	0	4	1	6	0	4	0	3	0	18
Total	23	4	54	16	40	23	34	12	89	43	338

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 employees competencies in accordance with the requirements for the positions held by them and for the purpose of their transfer within the Company.

In 2020, 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. The main types of compulsory training are:

- 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 (-35% against 2019);



- short-term training for no more than 2 weeks (+ 69% against 2019);
- advanced training (-48% against 2019);
- training for the second job (+ 9% against 2019).

In 2020, the employees of Unipro PJSC completed 3,958 different types of training, which is by 18% less than in 2019 (in average).

Results of Training of Employees of Unipro PJSC

Branch	Training in accordance with the requirements of state standards and rules	Short-term training	Advanced training (at least once every 5 years)	Retraining	Total (by branch)	% to 2019
Moscow Representative Office	245	458	34	0	737	+29
Berezovskaya GRES	330	232	69	49	680	-34
Smolenskaya GRES	373	115	46	17	551	-5
Surgutskaya GRES-2	593	199	59	50	901	-41
Shaturskaya GRES	334	184	90	50	658	+3
Yaivinskaya GRES	254	148	22	7	431	-13
Total (by type of training)	2,129	1,336	320	173	3,958	-18

In 2020, the main focus was on online training of the Unipro PJSC employees due to their transfer to teleworking. The basic online training programs are:

- Teleworking Team Management, 60 managers of Moscow Representative Office and the branches;
- Employee Performance Management within the Manager’s Core Functions, 16 managers of Moscow Representative Office and the branches;
- Staff Incentives, 87 line managers of the branches and the talent pool;
- Time Management, 268 line managers of the branches and the talent pool;

- Mentoring and Feedback, 68 line managers of the branches and the talent pool;
- Communication. Conflict Management, 29 heads of Moscow Representative Office and the branches;
- Project Management, 19 heads of Moscow Representative Office and the branches;
- Systematic Approach to Achieving Results, 16 heads of Moscow Representative Office and the branches;
- Self-Regulation under Pressure, 150 employees of Moscow Representative Office and the branches.

The survey of participants demonstrated that over 90% of respondents that took part in the programmes referred to above were planning to use the skills and knowledge they had acquired in their work and recommend them to their colleagues

Sustainable Development Ensuring Decent Labour Conditions

Alongside with the programmes above, other training projects for various subdivisions of the Company were implemented in the reporting year:

- Culture of Ethical Business and Combating Fraud and Corruption, 90 managers of Moscow Representative Office and the branches; 205-2
- Qualities of an Instructor/Expert, 43 employees of Moscow Representative Office and the branches;
- Practical Issues of Testing Laboratories (Centres) Activities. Criteria for Accreditation in the National Accreditation System. General Requirements for the Competence of Testing Laboratories, 9 employees of the Production Unit of Moscow Representative Office and the branches;

- Normative, Technical and Legal Regulation of Safety. State Fire Supervision. Assessment of Protected Objects (Products) Conformity to Fire Safety Requirements. Fire Protection Projects for Building Structures. Fire Fighting Equipment. Fire Alarm and Protection Systems. Fire Safety at Fuel and Energy Facilities. Fighting Fires and Rescue Operations, 18 employees of the Production Unit of Moscow Representative Office and the branches;
- Theory and Practice of Calculating Short-Circuit Currents and Protection Installations, 10 employees of the Production Unit of Moscow Representative Office and the branches.

275 employees of Unipro PJSC were connected to the Mann, Ivanov and Ferber corporate electronic library and 199 employees

were granted access to video recordings of the BBI Lecture Hall, where they could listen to lectures on MBA programs of the best business schools in the world

The Company arranged for the comprehensive training on the procedure for approving, updating and changing heat and water supply schemes for the Tariff Department. Those schemes affect the forming of tariffs and the investment programme.

The legal basis for developing, updating and approving such schemes, the sequence of processes and the regulatory deadlines were brought to the notice of the workmates. In the course of training, recommendations were provided how to interact with public and executive authorities while developing, approving and updating the schemes. The employees of Unipro PJSC got a general idea of possible ways to appeal against actions and decisions of executive authorities when developing, approving and updating the schemes

Skills Development and Education Programmes 404-2

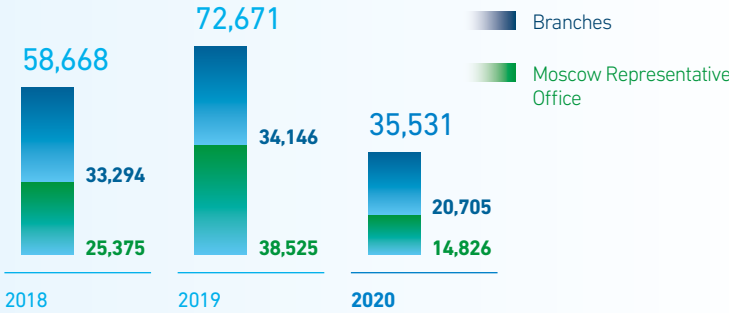
Training Form	Frequency
Advanced training	At least once every 5 years
Vocational education and training	In accordance with the requirements of the supervisory authorities, if it is necessary to obtain a new profession: once per year, once in three years, once in 5 years
Professional retraining	As required according to professional standards and training plans
Corporate training	Annually in accordance with the training plan and the Unipro Leader programme
In-house production and technical training	Monthly for the operating staff in accordance with the schedules
Short-term training programmes (workshops, conferences, forums)	Annually in accordance with the training plan
E-learning	Annually in accordance with the training plan

Average Number of Training Hours per Employee in 2020 404-1



In 2020, the expenses for the human resources development of Unipro amounted to RUB 35,531.2 thousand, which is almost two times lower than in the previous reporting period. In 2020, the training budget was cut due to the pandemic. Compulsory education programmes were implemented, and personal performance skills programmes were in the online format.

Staff Development and Training Expenses, RUB thousand



In 2020, an online training event on the legal basis for the use of photographs of citizens and intellectual property items in the Company's activities was held for the Corporate Communications Department and Heads of the Press Centres of the branches



Engagement

In October 2020, Unipro conducted an engagement survey with 3,774 employees, which is 85% of the target headcount.

In December 2020, the survey results were submitted to the Company's management. It was decided to draw up engagement plans of key subdivisions in Q1 2021

EMBA Programme

Under the EMBA programme Operational Excellence in the Digital Age, 16 managers of the Production Unit and talent pool members to fill management positions received training in final module No. 6 Building a Modern Operating Model, and theses were successfully defended before the General Director of Unipro PJSC and top managers on the following subjects:

- Improving Efficiency and Effectiveness of Investment Projects implementation by the Example of a Power Industry Company;
- Improving the Efficiency of the Staff Management System through Digitalization of Core Processes;
- Improving the Performance of Repair and Maintenance Staff of a Power Industry Company;
- Cost Optimization when Using Automotive and Motor-and-Tractor Equipment in the Branches of Unipro PJSC

Training in Occupational Health and Safety Management System

In 2020, the Company held training for its employees while preparing for certification of the Health And Occupational Safety Management System for its compliance with ISO 45001:2018. The training objective was to study the main changes in the existing Health and Occupational Safety Management System of Unipro PJSC made in accordance with the requirements of ISO 45001:2018.

The training was completed by:

- top management of the Company, 11 persons;
- top management of the branches, 29 persons;
- Heads of Production Units of the branches, 72 persons;
- Heads of non-production units of the branches, 70 persons;
- internal auditors of the Health and Occupational Safety Management System, 29 persons;
- Heads of subdivisions of Moscow Representative Office, 30 persons



Staff Assessment

The Unipro employees perform critical functions to ensure the reliability of electric power production. This sets special requirements for assessing the knowledge, skills and abilities of the staff. The professional standards of the electric power industry are a benchmark in the system of training, development and assessment of the qualifications of the Company’s staff.

360 Degrees Feedback Programme

The 360 Degrees Feedback 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 is:

- Heads of the Headquarters;
- 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.

Share of Employees for whom Periodic Assessments of Performance and Career Development were Carried out in 2020, % of the Total Number of Employees in the Specified Category 404-3



Sustainable Development  
Ensuring Decent Labour Conditions



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 branch heads).

By assessment results, the programme participants draw up an individual development plan.

In 2020, the percentage of programme participants appointed to key positions in the Company amounted to 73% at the target value of 70%. Rating “High Potential” was assigned to 79% of submitted personal development plans at the target value of 80%.

Efforts of Youth Associations

The youth association of Unipro PJSC includes 6 youth organizations of each of the five branches of the Company and the Headquarters, that are aimed at achieving professional and innovative potential, career and professional growth, solving social issues, promoting health and developing healthy leisure activities for the company’s youth, cooperation with

city organizations, busy participation in pursuing the city and district youth policy.

In 2020, the activities of youth organizations of the branches were partially carried out in the online format:

- more than 60 projects were developed and implemented by members of the youth associations of the branches;
- more than 2,000 employees took part in the activities carried out by the youth associations;
- a team of 10 young specialists of Unipro PJSC took part in the CASE-IN International Engineering Championship, the Energy special shift league in October;
- 25 young specialists took part in an online forum arranged by the All-Russian Industry Union of Employers of Enegry Suppliers (Union AEES).

Staff Remuneration System

Transparent and honest relations with employees lay at the basis of Unipro PJSC HR policy. Fair remuneration, growth and development opportunities, and social partnership require mutual respect and consideration of the interests of the Company’s employees and management, as well as compliance with the laws and other regulations by the parties.

Results of Assessment of Employees of Unipro PJSC

Branch	Appointments	Key Positions	% of Appoint-ments to Key Positions	Participants of High Potential Rating	Individual Development Plans	% of Individual Development Plans that were assigned the High Potential Rating
Berezovskaya GRES	12	10	83	70	61	87
Surgutskaya GRES-2	14	12	86	72	41	57
Yaivinskaya GRES	8	4	50	25	21	84
Shaturskaya GRES	9	7	78	53	45	85
Smolenskaya GRES	9	5	56	24	24	100
Total, Unipro PJSC	52	38	73	244	192	79

In Unipro PJSC, the main regulatory documents governing the relations among the employer and employees are the Collective Bargain Agreements of the Company's branches and the Regulations on Labour Remuneration. 102-41 Those documents were developed on the basis of the Labour Code of the Russian Federation on the principles of regulation of social and labour relations and regional specific features of the Company's branches.

Unipro PJSC employees' salary comprises a fixed and a variable part. The fixed part is set depending on the employee's qualification and position, while bonuses and incentives are paid depending on performance.

The Unipro incentive system is based on the pay for performance principle. The amount of the employee's bonus is subject to the Company's KPIs and the employee's individual KPIs. When setting the Company's KPIs and the individual KPIs of the employees, the strategic goals of the Company are taken into account.

Overall, the employees' average salary is similar to salaries paid by companies of the same sector in respective regions of the branches. Subject to the region of presence, the wages of entry-level employees correspond to the minimum wage rate (MWR) or exceed it by more than 4.5 times.

Ratio of Standard Entry-Level Wages for Employees of Different Genders to the Established Minimum Wage Rate in Significant Regions of Unipro Activities 202-1

Region	Entry-Level Salary of Employees (Gender), RUB		Minimum Wage Rate in the Region, RUB	Ratio of the Minimum Wage to the Minimum Wage Rate <sup>16</sup>
Perm Territory	Grade 3 Fuel Feed Machinist (f)	25,506.9	13,949.5	1.8
Perm Territory	Grade 4 Boiler Equipment Auxiliary Operator (m)	31,578.7	13,949.5	2.3
Krasnoyarsk Territory	Grade 1 lifter (f)	24,024.8	19,408.0	1.2
Krasnoyarsk Territory	Grade 3 Chemicals Preparation Operator (m)	29,908.8	19,408.0	1.5
Krasnoyarsk Territory	Housekeeping Manager (f)	56,816.6	19,408.0	2.9
Krasnoyarsk Territory	Grade 4 Loader Operator (m)	35,782.4	19,408.0	1.8
Smolensk Region	Grade 2 Switch Control House Operator (f)	19,102.1	12,130.0	1.6
Smolensk Region	Grade 2 Walker of Hydraulic Ash Removal and Ash Disposal Areas Trace (m)	26,853.4	12,130.0	2.2
Moscow Region	Grade 2 Switch Control House Operator (f)	36,262.5	15,000.0	2.4
Moscow Region	Grade 4 Vehicle Repairman (m)	34,314.2	15,000.0	2.3
Khanty-Mansi Autonomous District	Grade 3 Power Plant Chemical Water Treatment Operator (f)	84,810.2	26,686.0	3.2
Khanty-Mansi Autonomous District	Grade 3 repairman for steam and gas turbine equipment (m)	43,611.7	26,686.0	1.6
Moscow	Technician (f)	52,808.5	20,361.0	2.6
Moscow	Vehicle driver (m)	92,240.3	20,361.0	4.5

<sup>16</sup> Times.

Sustainable Development Ensuring Decent Labour Conditions

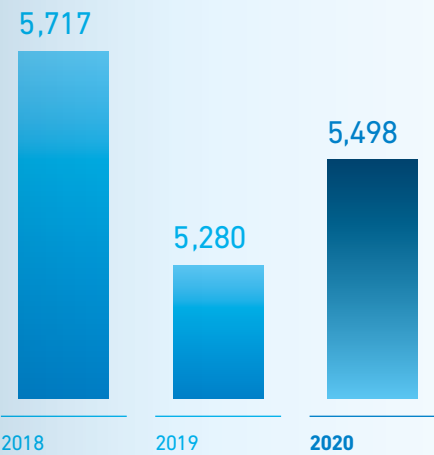
Unipro observes the principle of equality and non-discrimination based on gender: the ratio of salaries for men and women is 1/1 for all categories of employees.

Payroll expenses account for 77.0% of the total HR costs. Payroll expenses include all expenses associated with the payment of salaries, with due regard to estimated liabilities. At year-end 2020, the Unipro expenses associated with the payment of salaries dropped by 4.1% as compared to 2019 and amounted to RUB 5,498 mln (58.0% of the Company's controlled expenses).

Employees' official salaries are subject to indexation and may also be revised depending on the employee's KPI in the relevant period within the limits of the payroll budget.

This approach to measuring salaries provides each individual employee with a clear idea of the matters within his/her responsibility area and of the things he/she needs to do to secure a high evaluation of his/her performance and, consequently, a higher salary and enables Unipro to recruit and retain top-end professionals.

Payroll expenses, RUB mln



Social security and benefits

Unipro PJSC provides its employees with a full social package, guarantees and compensations stipulated by the law (e.g., increased salary for employees working in harmful and/or hazardous work environment, working at night, etc.), as well as additional benefits, guaranties and compensations, such as 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;
- others.

In 2020, the term of the Collective Bargain Agreements of the branches was extended for 1 year 102-41.

In 2020, the attention of the social partnership was focused as well on:

- implementing measures to counter the spread of the coronavirus infection COVID-19;
- preparing and holding of sports and cultural online events.

100%

of Unipro employees are insured against accidents and diseases. The insurance coverage is valid 24 hours a day



Corporate Pension Scheme

Unipro strives both to provide its employees with stability and development at present, and to ensure a comparable quality of life in the future after they retire.

The Company' non-state pension system (NPS) was implemented in 2005 and comprises two basic pension schemes: corporate and parity.

The corporate scheme extends to the 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. 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 752 mln<sup>18</sup>.The amount of funds deposited with Otkritie (NPF) is about RUB 40 mln.

201-3



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.

Number of Employees Eligible to Retire in the Next 5 and 10 Years, by Category<sup>17</sup> EU15

Indicator	Within 5 years		Within 10 years	
	persons	%	persons	%
Managers	112	13.6	208	25.3
Specialists and employees	122	9.1	250	18.6
Workers	332	13.6	649	26.6
Total	566	12.3	1,107	24.0

<sup>17</sup> Retirement age means pension qualification both on general and preferential terms.

<sup>18</sup> 5% of the liabilities are covered by assets specially allocated for that purpose. The liabilities were measured using the projected unit credit method in accordance with IFRS (IAS) 19. The asset value was provided to the NPF. The measurement was carried out as of 31 December 2020 based on the data on participants and asset value as of 30 September 2020.

Sustainable Development  
Ensuring Decent Labour Conditions



Employees Housing Improvements

In an effort to ensure stability of its employees, Unipro annually allocates funds to the employees of the branches for corporate support in improving their housing conditions. In 2020, 47 employees of the branches who do not own any housing or are recognized as in need to improve their housing conditions were granted interest-free loans under that programme.

The priority is annually 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.

This benefit allows the employees to purchase their own housing and to get rid of the need to pay huge interest to banks, which undoubtedly increases the quality of living of the employees and results in high value for the Company.

Employees' Rights, Interaction with Trade Unions

The branches of Unipro PJSC implement social partnership in the field of labour in accordance with the current legislation of the Russian Federation.

The Unipro employees are able to fully exercise their right to freedom of association. Trade union cells carry out their work at 5 branches of the Company, the number of their members varies in the different branches and is: 6% at Berezovskaya GRES, 42% at Smolenskaya GRES, 55% at Yaivinskaya GRES, 58% at Surgutskaya GRES-2 and 62% at Shaturskaya GRES. 407-1

The employees' rights are determined by the current legislation, employment contracts, collective bargain agreements and other local normative acts of the Company and are observed by the employer in full.

47 branch employees  
were granted interest-free loans to improve their housing conditions in 2020

the total loans amounted to

75.3 RUB mln



Corporate culture

The Company has a friendly corporate culture and an atmosphere of appreciation, care and recognition of everyone’s achievements. The Company’s corporate culture is based on the “Unipro Path” concept geared towards staff

capacity building and support and motivation of employees. The Company continues to promote the healthy lifestyle culture among employees thorough implementation of various sport and development programmes.

Line principles of Unipro PJSC	Support and encourage	Stop	Start
<div>LEADERSHIP</div> <div>Grow and empower people</div>	<div>Valuing our people and their capabilities</div>	<div>Being inconsistent</div>	<div>Taking responsibility</div>
<div>TEAMWORK</div> <div>Become one team and simplify the work</div>	<div>Work together</div>	<div>Think in silos</div>	<div>Simplify the complex</div>
<div>YOUR INDIVIDUAL CONTRIBUTION</div> <div>Act as if it is your own company</div>	<div>Striving for excellence</div>	<div>Stick to the comfort zone</div>	<div>Being entrepreneurial</div>

HEROES AT HOME Online Marathon

In 2020, due to the epidemiological situation, sports events and socially oriented programmes were transferred to the online format.

Unipro continued to develop its programme of encouraging its employees to keep a healthy lifestyle. In November 2020, a 4-week HEROES AT HOME online marathon was held, where, competing in team, branch or individual competitions, the employees ate healthy food, had regular sports training, read books on the recommendations of other participants, answered the questions of an intellectual quiz together with their teams

Occupational Health and Safety

Occupational Health and Safety Management 403-1 403-3 403-6

When carrying out all types of activities, Unipro PJSC undertakes to ensure the priority of preserving the life and health of the employees over the results of its production activities.

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 Unipro, 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.

Legislative requirements are defined in the List of Mandatory and Recommended Regulatory and Technical Documents that Establish Requirements for Arranging for Operation, Industrial, Environmental, Technical and Process Safety, Information Security of the Automatic Process Control System, Repair and Maintenance of Equipment, Buildings and Structures of Unipro PJSC, Occupational Health and Safety during their Operation.<sup>19</sup>



<sup>19</sup> Approved by order of Unipro PJSC No. 104 dated 18 June2020.



The corporate requirements for the Health and Occupational Safety Management System are defined in the local regulatory documents of Unipro PJSC:

- Occupational Health and Safety Policy;
- Regulation on the Health and Occupational Safety Management System;
- Procedure of Hazard, Threat and Opportunity Identification, their Risk Assessment and Management Measures Determination;
- Safety Rules for Contractors.
- Procedure for Planning and Carrying out an Internal Audit of the Health and Occupational Safety Management System;
- Regulation on Analysis of the Health and Occupational Safety Management System by Top Management;
- Procedure for Reporting on the Health and Occupational Safety Management System;
- Procedure for development of occupational health and safety instructions;
- Procedure for Assessing the Safety of Work in the Branches;
- Incident Reporting and Investigation Procedure;
- Essential Occupational Health and Safety Rules;
- Regulation on Work with the Staff.

The occupational health and safety at Unipro PJSC are arranged by the Occupational Health and Safety Unit under the supervision of the Director for Occupational Health and Safety.

## Unipro approved the Strategic Plan for Occupational Health and Safety for 2020–2023,

on the basis of which the Occupational Health and Safety Plan of the Company (level 1) and of the branches (level 2), as well as the Plan for the Staff Health Protection for 2020 are in force

The organizational and methodological work under the Health and Occupational Safety Management System is carried out and the implementation and the creation of safe working conditions in the branches are controlled by the Occupational Health and Safety Function, which solves the following tasks:

- arranging for and coordination of the occupational health at the branch;
- improving precautions against work-related injuries, disease and improving labour conditions of the employees;
- developing measures to improve labour conditions and occupational health and safety based on proposals of the employees;
- control over the compliance with legislative and other regulatory legal acts on the occupational health and safety by the branch employees;
- advising the branch managers and employees on occupational health and safety issues;
- analysing and assessing the quality of functioning of the branch Health and Occupational Safety Management System;
- taking part in the investigation of all incidents that occurred at the branch, consideration of violations of occupational health and safety rules, norms and instructions on labour protection;
- analysing expenses for the occupational health and safety of the branch;
- administration of a special assessment of working conditions.

The occupational safety management tasks are fulfilled at all management levels in accordance with the functions of managers and performers, their rights and obligations enshrined by enactments, resolutions, orders, the Company’s Articles of Association, regulations, instructions and other regulatory documents.

## Hazard Identification Process, Risk Assessment and Accident Investigation

403-2

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 (SAWE) is being held at all workplaces.

Special assessment of work environment was carried out at 3,287 workplaces. The assessment results confirmed that there are no workplaces with harmful and/or hazardous working conditions in the Company (classes 3.3 and 3.4). To further mitigate the impact of the harmful and/or hazardous production factors on the employees, each branch of the Company has developed and adopted Action Plans to Improve Working Conditions at Workplaces.

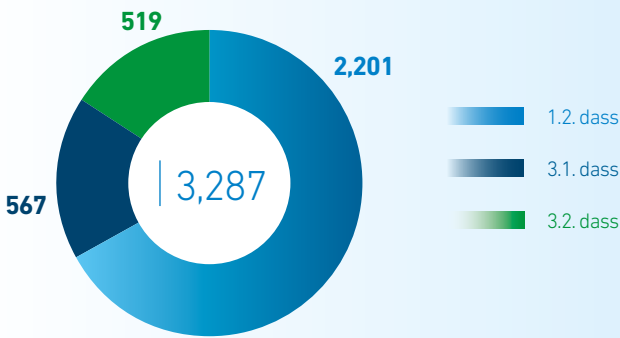
While preparing for the certification for compliance with the requirements of international standard ISO 45001:2018, an unscheduled identification of hazards, threats and opportunities and an assessment of their risks was carried out at all workplaces in 2020. By results of the unscheduled identification, the following was developed:

- Risk assessment maps for each workplace;
- Register of hazards and risks in the field of occupational health and safety of the branch;
- Register of threats and opportunities in the field of occupational health and safety of the branch.

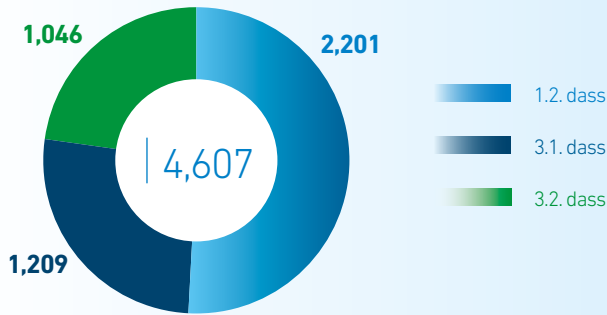
Based on the threats and opportunities identified, measures were developed to mitigate the risks and to increase the opportunities in the field of occupational health and safety of the Company.

In 2020, the unscheduled hazard identification and risk assessment established that the risk levels are acceptable, provided that the necessary control measures are taken, and the implementation of any additional management measures is not required.

Distribution of workplaces by class of working conditions



Distribution of employees by class of working conditions



According to the Procedure for Risk Assessment before the Commencement of Work under Work Permits and Dynamic Risk Assessment in the course of Work, all work permits are subject to the risk assessment before the commencement of work and the dynamic risk assessment in the course of works. In case high risks of injury are identified, the work permit or the works are suspended until the measures are taken to mitigate the level of risk to permissible values

The Unipro PJSC employees can report on the identification of emerging health risks or dangerous situations as follows:

- immediately to their line manager, to the Occupational Health and Safety function of the branch;
- by filling out a Feedback Form and sending it to the Occupational Health and Safety function of the branch;
- when holding monthly Occupational Health and Fire Safety Days, Occupational Health Hours, meetings with the contractors;
- when holding quarterly meetings of pass through rotation shifts;
- when holding panel discussions with operating and maintenance staff of the branches with the participation of the Director for Occupational Health and Safety.

The provision of information on hazardous conditions and situations by the employees is encouraged within the bonus plan and the standards in force at Unipro PJSC: the Regulations on a Competitive Reviews on Occupational Safety and Health in Branches and the Regulations on the Safety Star Competition in Branches .

Unipro has introduced the process for the participation of employees and their representatives in consultations and communications regarding

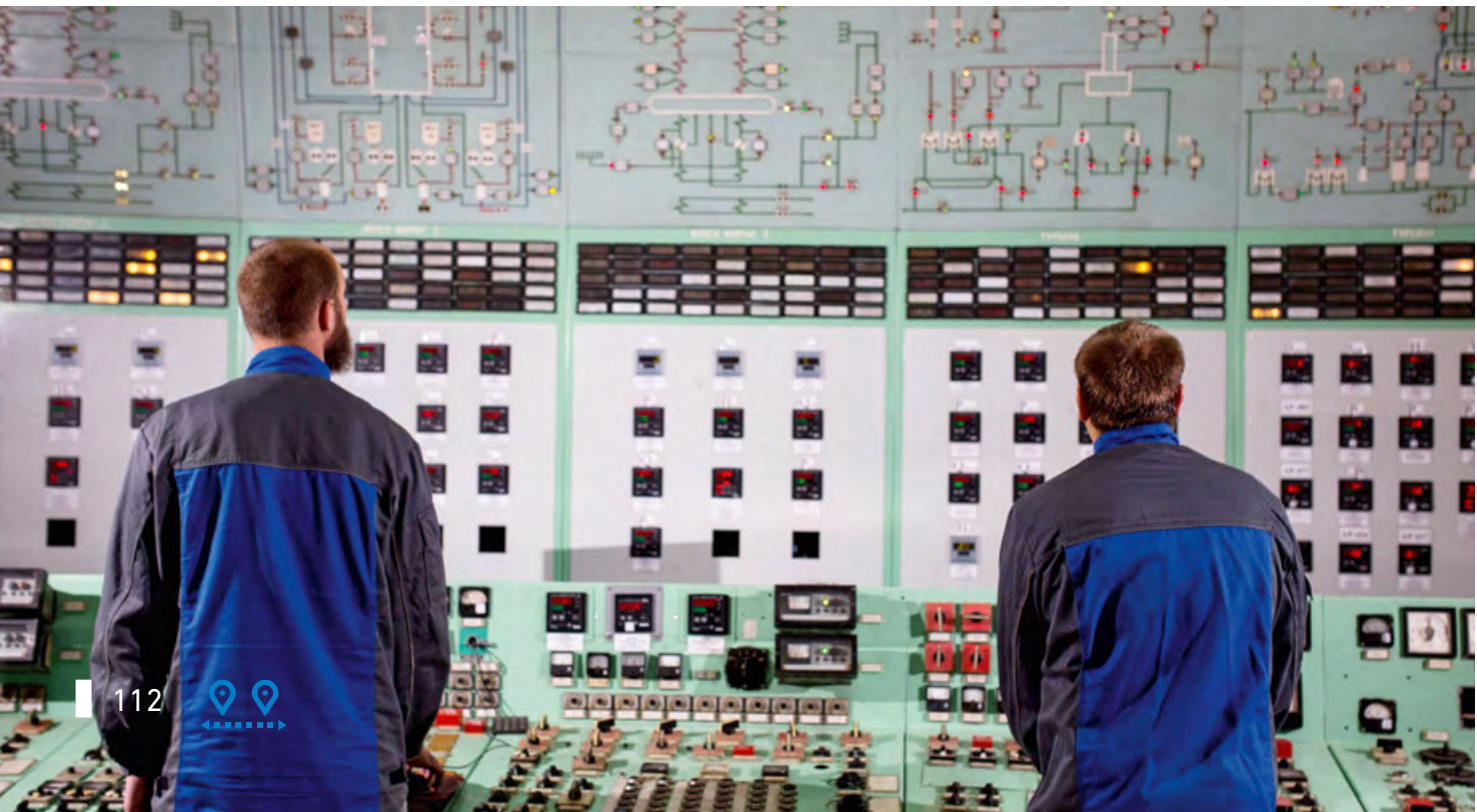
occupational safety and health issues. The Company's management engages the employees who do not hold executive positions in decision-making on the Health and Occupational Safety Management System in relation to 403-4:

- identifying mechanisms for their participation and consulting;
- hazard identification and risk assessment;
- identifying competency, training and training assessment needs;
- determining the information that must be communicated and how it needs to be done;
- determining management measures and their efficient use;
- investigating incidents, non-conformities and determining corrective actions.

The incident investigation procedure includes the following steps:

- identification of immediate causes of the incident;
- analysis of root causes of the incident;
- development of recommendations and corrective actions to prevent such incidents in the future.

The corrective actions developed as a result of the investigation of incidents are included in the local regulatory documents of Unipro PJSC.



## The Leadership Committee for Health, Safety and Environment works in the Company on a quarterly basis

The Leadership Committee is an advisory body consisting of the top managers of the Company, the primary objective of which is to ensure that the 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 committee members are determined by order of the General Director.



### The tasks of the Leadership Committee are as follows:

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

In total, 4 meetings of the Leadership Committee were held in 2020, at which 31 decisions were made

that were aimed at improving health, safety, industrial safety and environment protection.

Occupational Health Working Teams chaired by the Directors of the Branches work 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 2020, 57 meetings of the Occupational Health Working Teams were held in the branches of Unipro PJSC in total, 273 decisions were made

403-4



### Occupational Health and Safety Training for the Employees 403-5

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.

To automate the training process, check expertise, and assess the Unipro staff in occupational safety, technical maintenance, fire and industrial safety, OLIMPOKS: Enterprise training & control system is applied.

### The Essential Occupational Health and Safety Rules

were developed and implemented at Unipro. They are simple rules that allow eliminating major threats to the life and health of the Company's employees, contractors' employees and third parties during the work in the Company's premises

The scope of occupational health and safety knowledge is determined by job descriptions and occupational health and safety instructions that are developed in accordance with the requirements of internal regulatory documents.

The results of training events in 2020 are as follows:

- 241 employee was trained as part of learning the main changes in the effective Health and Occupational Safety Management System of Unipro PJSC that were made in accordance with the requirements of ISO 45 001:2018;
- The Company administered an online training in Occupational Health and Safety Leadership to 190 Heads of the branch structural subdivisions to build up leadership and practical skills

- in efficient occupational health and safety management;
- the results of the competences evaluation were used to develop and implement personal development plans for the heads and specialists of the occupational health and safety departments of the branches.
  - the employees are trained on an ongoing basis in TOP-5: work with electric power installations, hot works, confined spaces, work at height, work with hoisting equipment;
  - measures in terms of interaction with the contractors in the field of occupational health and safety.



In 2020, 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

### Occupational Health and Safety of Contractors

Personal injuries of the contractors' staff are prevented in accordance with the Safety Rules for Contractors.

In 2020, the contractors' employees attended induction, orientation, and target briefings.

The contractors' employees were notified of all incidents and occupational safety breaches at the branches of Unipro PJSC and Uniper.

The branch Directors convened monthly meetings with the occupational safety managers and specialists of the contractors at which the reasons for the breaches identified were analysed.

12 Days of Occupational Health and Fire Safety were held together with representatives of the contractors. In the course of those events, the contractors workplaces were inspected and the contractors employees were trained on the non-conformities identified by such inspections



For the employees, the training programmes are free, they are paid from the Training and Development Department budget that is planned on an annual basis. Furthermore, the Production Safety Department has developed free programmes that are not paid from the Company's budget. The training is conducted during official business hours.

When the training is completed, its participants fill out a feedback form which includes questions about:

- novelty of the information included in the training programme;
- applicability of the knowledge and skills obtained during the training;

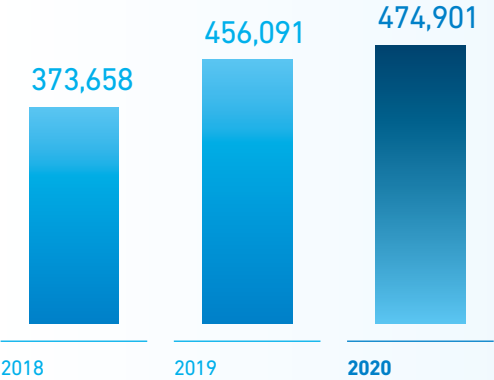
- willingness to apply such knowledge and skills in the course of work;
  - impact of the training program on the performance;
  - willingness to recommend the programme to workmates;
  - assessment of the actions of the programme coach.
- The feedback results make it possible to improve the educational system, to make changes to the training programmes taking into account the wishes and recommendations of the employees.

Occupational Safety Expenses

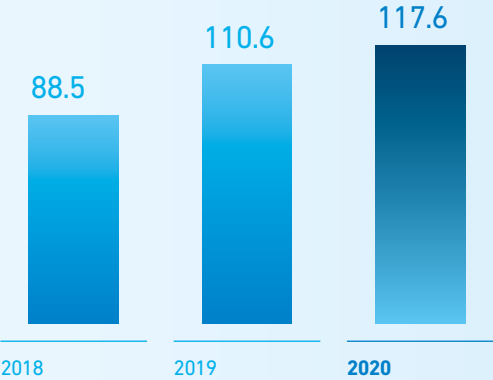
The Company annually allocates a lot of funds for its measures related to the occupational health and the prevention of industrial injuries. In the reporting period, Unipro allocated RUB 474.9 mln to take those

measures, that is by 4% more than in 2019. In terms of one employee, the occupational health and safety expenses averaged RUB 117.6 thousand per person.

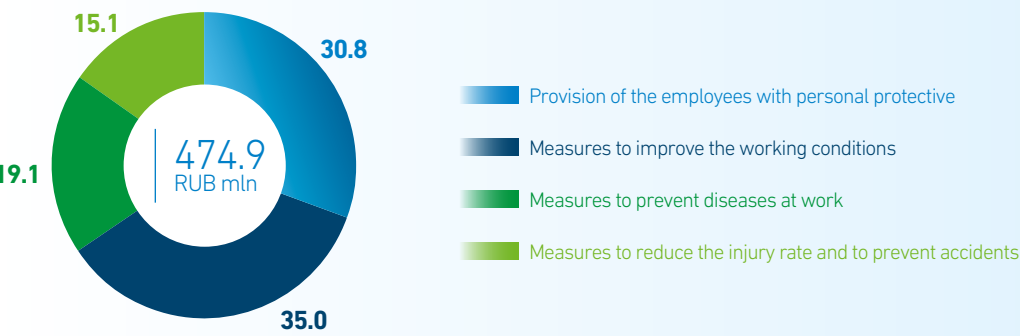
Occupational health and safety expenses, RUB thousand



Occupational health and safety expenses, RUB thous. per person



Structure of occupational health and safety expenses in 2020, %



Core Results of Occupational Health and Safety in 2020

In 2020, Unipro PJSC secured a strategic target – zero workplace fatalities among its own and contractor employees.

Total recordable incident frequency (TRIF) amounted to 0.25 with a threshold value <1.4. Meanwhile, the number of incidents involving lost time injuries reduced from 7 to 4, as compared to 2019, and the Berezovskaya GRES Power Unit No. 3 repair and reconstruction works project recorded zero incidents involving lost time injuries. The accidents resulted in injures to three operating employees and one supporting employee (all victims are men). 403-9

Sustainable Development Occupational Health and Safety

In 2020, the key areas of occupational health and safety development were:

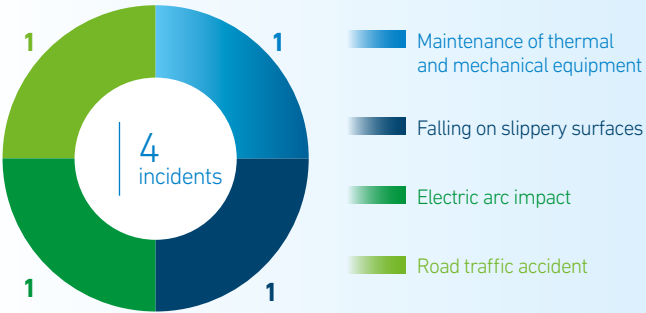
- transition to a new level of managing the Occupational Health and Safety Management System with further certification for compliance with the requirements of ISO 45001:2018;
- leadership and involvement of the employees in occupational health and safety;
- focus mitigation of high risks of injury to the staff in the TOP-5 areas (work with electric power installations, hot works, confined spaces, work at height, work with hoisting equipment).

The following was done while preparing for the certification of the Health and Occupational Safety Management System of Unipro PJSC for compliance with the requirements of ISO 45001:2018:

- the Occupational Health and Safety Policy was revised;
- the internal regulatory documents of the Health and Occupational Safety Management System were revised;
- the employees were trained on the main changes in the effective Health and Occupational Safety Management System;
- off-schedule hazard identification and risk assessment conducted at all work stations;
- the threats and opportunities in the field of occupational health and safety were identified;
- the internal audits and pre-certification audit of the Health and Occupational Safety Management System were carried out.

The Centres of Competence in the TOP-5 areas developed Action Plans to Mitigate the Risks of Injury in the TOP-5 Areas, and proposals describing the best practices for safe work were drafted for the Company’s unified standard.

Distribution of Total Recordable Incidents by Immediate Cause



ISO 45001:2018 re-certification audit of the Unipro business resulted in success in 2020

The repair and reconstruction works project of power unit 3 of Berezovskaya GRES continued to implement the programme for visual identification of staff competencies by applying appropriate stickers on protective helmets, an occupational health and safety adaptation programme was introduced which culminates in the issue of Safety Passports to the employees and the official permit to work on the project.

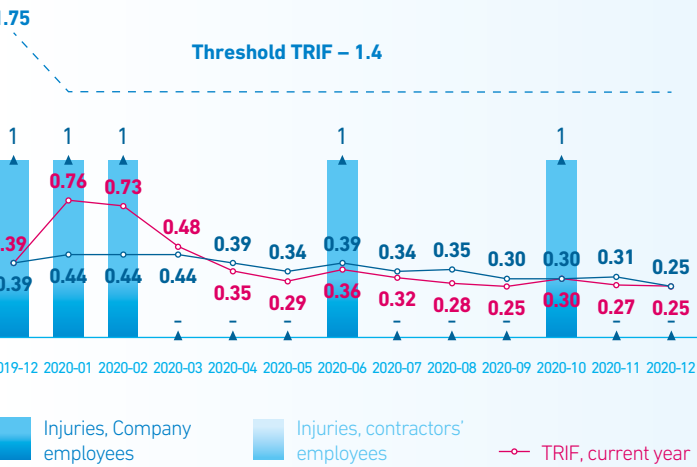
The number of violations identified in 2020 decreased by 34.7% as compared to 2019

In accordance with the revised Procedure of Hazard, Threat and Opportunity Identification, their Risk Assessment and Management Measures Determination; in 2020, Unipro PJSC carried out the following:

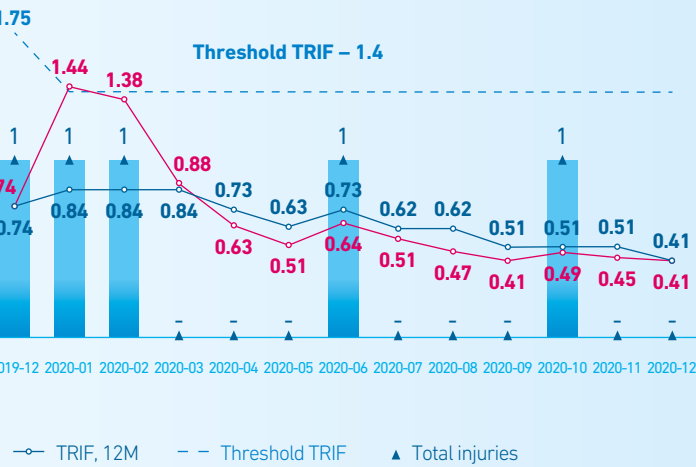
- unscheduled hazard identification and risk assessment. As a result, the risk levels are now considered acceptable, provided that the required control actions are taken.
- identification of threats and opportunities in the field of occupational health and safety. Measures to manage the threats and opportunities identified were determined



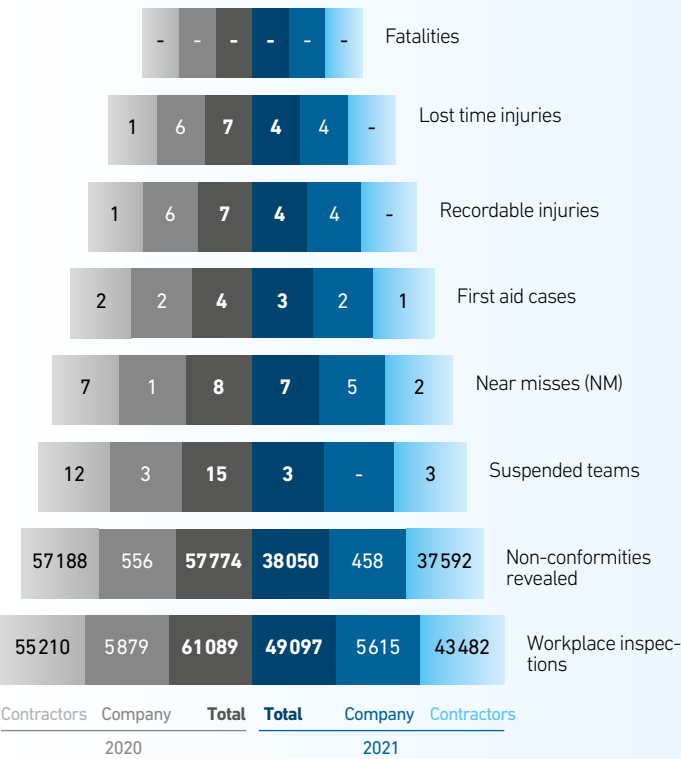
Dynamics of the Total Recordable Incident Frequency (TRIF) in 2020 with the Unipro Engineering projects



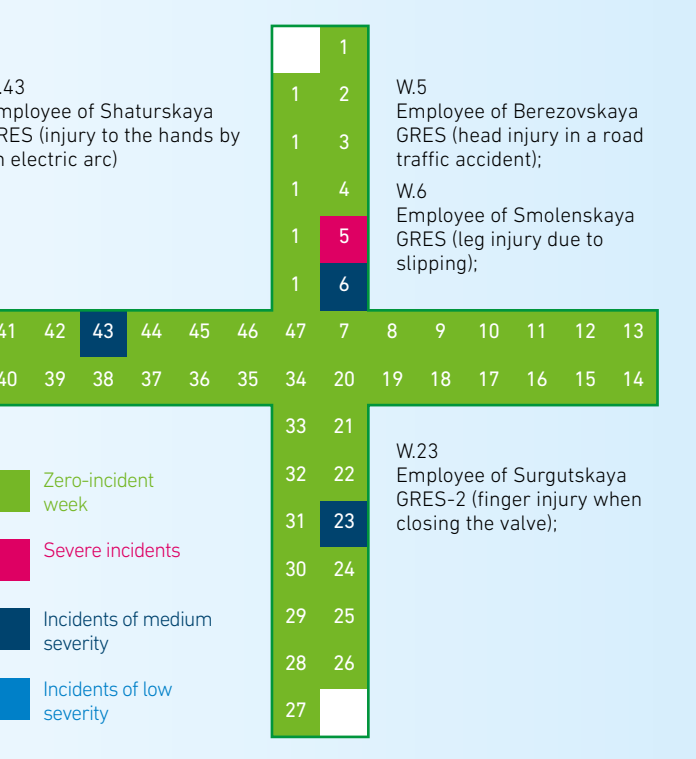
Dynamics of the Total Recordable Incident Frequency (TRIF) in 2020 without the projects of the Engineering branch (unit No. 3 of Berezovskaya GRES, Fuel Receiving Station)



Key Occupational Health and Safety Indicators for 2020



Distribution of total recordable incidents (TRI) involving lost time injuries in 2020



In 2020, the number of near misses resulting in suspended work reduced 5 times as compared to

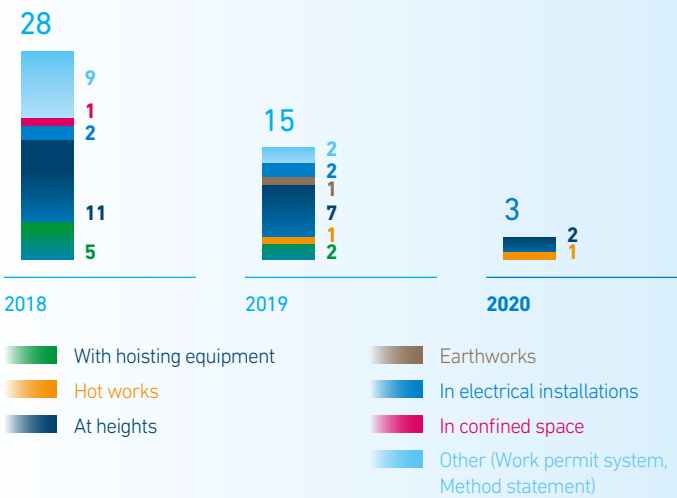
the same period of 2019. The violations identified are related to hot works and work at height.

Sustainable Development Occupational Health and Safety

All incidents involving lost time injuries, near misses and accidents that occurred were investigated, with root causes determined, corrective/pro-active actions developed, and notifications provided to the relevant branch and contractor employees.

In 2020, no occupational diseases were recorded at Unipro. In the reporting period, the Company did not receive any information on occupational diseases of the contractors employees 403-10. At the same time, Unipro keeps a record of the hazardous factors that entail the risk of occupational diseases on an ongoing basis.

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



List of Hazards (Hazardous Factors) Entailing the Risk of Occupational Diseases

Hazardous Factors	Ways to Identify	Actions to be Taken
Industrial noise	Revealing bilateral sensorineural hearing loss during regular examination and when referring to audiologists	<ol style="list-style-type: none"><li>1. Use of ears personal protective equipment;</li><li>2. Correct design of production facilities;</li><li>3. Creation of special rooms for rest where there is no noise (i.e. protection by time);</li><li>4. Medical examinations for persons working in the industrial noise conditions, once a year;</li><li>5. In-depth medical examinations, once every 5 years;</li><li>6. Reducing noise at its source of occurrence, i.e. reduction of the noise level caused by the equipment and spreading throughout the production facilities. Including the use of sound-absorbing coatings and screens on the equipment</li></ol>
High air temperature in the production premises and outdoors	When the employees visit the branch health unit having symptoms of overheating of the body (heat stroke, heat collapse, heat cramps, heat dehydration)	<ol style="list-style-type: none"><li>1. Air conditioning of the premises, use of split systems);</li><li>2. A rational combination of work and rest, being in the fresh air or in cool rooms during routine breaks in work;</li><li>3. Use of protective clothing;</li><li>4. Medical examinations for persons working in the conditions of high temperature and heat radiation, once every 2 years;</li><li>5. In-depth medical examinations, once every 5 years</li></ol>
Physical overwork	When the employees visit health units, refer to doctors at the place of residence or in the course of medical examinations due to symptoms of osteoarthritis of joints with dysfunction (shoulder joints, elbow joints, knee joints), as well as pain in the lower back and cervical spine with dysfunction	<ol style="list-style-type: none"><li>1. Replacing human manual labour with robotics;</li><li>2. A rational combination of work and rest, using routine breaks in work;</li><li>3. Medical examinations for persons working in the conditions of physical overwork, once a year;</li><li>4. In-depth medical examinations, once every 5 years</li></ol>

In 2021, a limit of TRIF (Total Recordable Incident Frequency) (own staff + contractors) of Unipro PJSC should not be more than  $\leq 1.30$  for the Company and its branches and should be 0 for the Headquarters.

At the same time, the focus should be on creating and maintaining the conditions under which the staff reports all incidents, including events that did not result in an injury.

Implementation of the Occupational Safety and Health Plan in 2020

Unipro implements the Occupational Safety and Health Plan regularly and on an annual basis in 5 key areas:

- Leadership and commitment
- Risk management
- Staff development
- Performance monitoring
- Staff involvement

The Occupational Health and Safety Enhancement Plan for 2020 was implemented 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.

The detailed results of and the key measures for fulfilling the Occupational Health and Safety Plan in the reporting period are set forth in the interactive version of this Annual Report



Occupational Safety

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

The Industrial Safety Policy sets the Company’s objectives and obligations to mitigate the risk of accidents at hazardous production facilities and the Company’s industrial safety obligations.

Unipro PJSC Industrial Safety Policy is posted on the Company’s official web-site



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 improvement of the Industrial Safety and Health Management Systems
- Implement the annual industrial safety management plans

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 II Class in the Company. The ISMS requires planning and followup 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 changing circumstances.

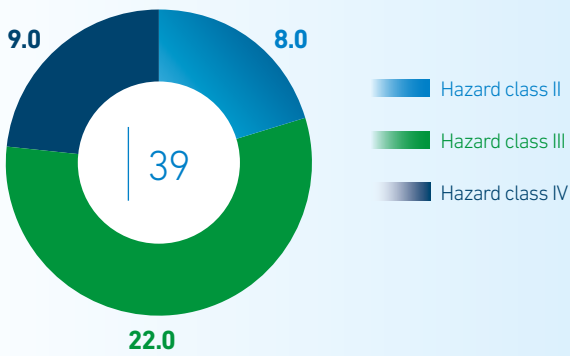
Operation of hazardous production facilities (“HPF”) is controlled by the Company in accordance with the Regulation on Production Control over Compliance with the Industrial Safety Requirements at Hazardous Production Facilities of Unipro PJSC in 4 stages as per the annual production control plan<sup>20</sup>.

A detailed industrial safety responsibilities matrix in Unipro is provided in the interactive version of this Annual Report



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

HPF distribution by hazard classes



<sup>20</sup> Approved by Order of the General Director No. 129 dated 16 July 2020.



Distribution of HPF, equipment, buildings and structures, and hydraulic structures in 2020

Branch	HPF	Equipment	Buildings and structures	Hydraulic structures
Yaivinskaya GRES	8	549	134	13
Surgutskaya GRES-2	6	1,058	220	1
Berezovskaya GRES	6	980	201	26
Shaturskaya GRES	14	735	454	1
Smolenskaya GRES	5	389	108	3
Total	39	3,711	1,117	44

All the HPF and hydraulic structures are insured in accordance with Federal Law "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" No. 225-FZ dated 27 July 2010 and the current rules for mandatory third-party liability insurance of the owner of a hazardous production facility against damage resulting from an accident at the hazardous production facility.

Regarding the HPF of hazard class II where hazardous substances are produced, used, processed, generated, stored, transported, destroyed in the quantities specified in Appendix 2 to the said Federal Law, industrial safety declarations (hereinafter referred to as the "ISD") were developed, safety expert review of ISD was conducted, opinions of safety expert reviews of ISD were entered into the state register of opinions, ISD were entered into the state register of declarations.

Process Safety Improvement Results in 2020

To ensure safe operation of HPF, 348 expert reviews of industrial safety were conducted in 2020 as per the schedule, aimed at extending the lifetime of 260 equipment units and 88 buildings and structures operated at HPF.

The staff certification process has been implemented and is used in accordance with the requirements of the "Regulation on Staff Certification in Industrial Safety, Safety of Hydraulic Structures, Safety in the Electric Power Industry" approved by Resolution of the Government of the Russian Federation No. 1365 dated 25 October 2019 — using the "Single Testing Portal" information system.

In November-December 2020, the procedures for reissue of the license for the operation of fire, explosion and chemically hazardous production facilities of I, II and III Hazard Classes were completed by adding 46 addresses of places of activities in relation to Berezovskaya GRES thermal networks into the license (regarding the places of activities which were not previously specified in the license).

Sustainable Development Occupational Health and Safety

With regard to the equipment to be operated as part of Berezovskaya GRES Power Unit 3:

- The expert reviews of industrial safety were conducted in relation to 8 equipment units (opinions were entered into the register of opinions);
- 7 equipment units were assessed for their conformity to the Technical Regulation of the Customs Union "On Safety of Equipment Operating under Excessive Pressure" (TR CU 032/2013) (documents confirming the conformity to TR CU 032/2013 were received);
- 8 equipment units underwent a commissioning check of readiness with the participation of the inspector of the Yenisei Department of Federal Environmental, Industrial and Nuclear Supervision Service of Russia (Rostekhnadzor);
- a documentary commissioning was carried out based on the results of the readiness check of 10 equipment units controlled by Rostekhnadzor;
- 6 equipment units were registered with the Yenisei Department of Rostekhnadzor.

A declaration of industrial safety was developed for the HPF "GRES Main Building Site" (Berezovskaya GRES), Reg. No. A58-70689-0020. The expert review of industrial safety was conducted in relation to the ISD, the opinion of safety expert review was entered into the register of opinions. The ISD was entered into the register of declarations under Reg. No. 20-20(00).0375-00-ДП on 17 November 2020.

In accordance with the approved production programmes, comprehensive activities have been 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 2020 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 the Industrial Safety Management Automated Information System (ISMAIS) in 2020.

Based on the experience of operating the existing components of the ISMAIS, the following modules were improved and adjusted: planning of activities based on the findings of examinations/surveys, an electronic log of production control.

The improved modules allow:

- to plan the measures required by opinions of safety expert reviews and/or based on the inspection findings by setting the work stages and following up their further implementation;
- to ensure proper control over timely implementation of the measures suggested based on the findings of the expert reviews of industrial safety and/or inspection;
- to record the results of the HPF inspections made as part of Stage II and/or III of production control over compliance with the requirements of industrial safety of the HPF in the ISMAIS and to monitor the elimination of any identified inconsistencies in the ISMAIS.

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

2021 and Midterm Plans:

- methodological support of the comprehensive audit planned by Rostekhnadzor in 2021 in respect of 30 HPF for the purposes of state supervision in industrial safety;
- methodological support of works carried out in relation to the equipment during repair and reconstruction works at Berezovskaya GRES Power Unit 3 as required by the Technical Regulations and Federal Regulations and Rules regarding the industrial safety ("FRR");
- further development and analysis of the newly introduced FRR, as well as comprehensive surveys of HPF to compare the actual state with the requirements of the newly introduced FRR, development of remedial measures (before eliminating inconsistencies) and determining the remedial periods for the existing inconsistencies;

- updating of HPF descriptions;
- holding of the annual quantity of expert reviews of industrial safety;
- performing the activities of comprehensive programmes to bring HPF in compliance with the requirements of the ChHPF FRR and EOuP FRR.
- further configuration and implementation of ISMAIS modules, including further development of the report form of the annual report on industrial safety to be unloaded (due to the entry into force of Rostekhnadzor Order No. 518 of 11 December 2020), revision and adaptation of “Certification” section in the “Personnel” module, updating of the “Library of regulatory and technical documents” module (due to the “regulatory guillotine”), implementation of the “Electronic log of PC” module.

Provision of Security and Anti-terrorism Measures at the Facilities

Special attention is paid to the issues of security and anti-terrorism protection of the Unipro facilities. The Company systematically and progressively implements the measure<sup>21</sup> aimed at eliminating the potential threat of illegal actions and illegal entry of violators into the Company’s facilities.

In 2020, the Company continued to improve its security system at the Company’s facilities. Action Plans for Ensuring Anti-terrorism Protection of the Facilities, as well as the measures for prevention of risks of illegal intrusion at the Company’s facilities were updated.

Within the framework of implementing the investment programmes, the works on designing, refurbishment, and reconstruction of security engineering and technical devices installed at Unipro facilities were continued using state-of-the-art technologies and the existing best practices.

In 2020 a pilot project for construction of a group of security systems at the Berezovskaya GRES was completed. Previously, these units were introduced at PP Surgutskaya-2, Shaturskaya GRES and Yaivinskaya GRES. Their introduction was due to significant savings on routine maintenance and continuous maintenance of engineering and

technical security equipment, the number of which is significantly increasing as required by the applicable laws of the Russian Federation.

Commissioning of the safety groups at these facilities of the Company has demonstrated the actual efficiency in the arrangement and operation of engineering and technical means of protection installed at Unipro facilities, increased the effectiveness of the security system at the facilities, made it difficult for potential intruders to enter the facilities and created conditions for employees of the security department to respond in a timely manner to any emerging threats.

During the reporting period, almost all Unipro facilities carried out vulnerability analysis of the facility as a whole, identification of vulnerabilities, potentially dangerous areas and critical elements, as well as evaluated the effectiveness of the existing security system at the Company’s facilities.

Since the Department of Federal National Guard Troops Service( Rosgvardiya) for the Krasnoyarsk Territory and the Khanty-Mansi Autonomous Area officially notified of the impossibility of its participation in the work of the committee at these facilities of the Company due to pandemic restrictions, these activities have been postponed to 2021.

To determine the efficiency of the security system at the Company facilities, the Company conducted drills and assessed the facility safety efficiency jointly with the representatives of the Federal Security Service, the Ministry of Internal Affairs, and Ministry of Emergency Situations of Russia. The Company closely cooperates with regional anti-terrorism commissions of executive authorities of constituent entities of the Russian Federation.

Over the course of 2020, federal government supervision (oversight) authorities charged with the safety of fuel and energy complex facilities conducted scheduled and unscheduled inspections at the Company facilities that confirmed that all the activities and measures implemented by the Company comply with the legal requirements.

In the previous period, no unlawful intrusion acts were recorded at the Company’s facilities.

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Occupational Health and Safety

Results of Development and Training in Civil Defence and Emergency Management

In 2020, staff training in civil defence and emergency management was organised in accordance with the requirements of the directive documents. These activities were based on the requirements set in:

- Resolution of the Government of the Russian Federation No. 547 of 04 September 2003 “On Man-made and Natural Emergencies Training of the Population”;
- Resolution of the Government of the Russian Federation No. 841 of 02 November 2000 “On Approval of the Regulation on the Organisation of Civil Defence Training of the Population”;
- Guidelines for Organisation and Conduct of Course Training in Civil Defence and Emergency Management, approved by the Ministry of Emergency Situations of Russia No. 2-4-87-46-11 of 02 December 2015;
- sample programs of course training for officials and employees of the Civil Defence and the Single State Emergency Management System, personnel of the Non-regular Emergency Rescue Teams and Non-regular Civil Defence Teams, approved by the Ministry of Emergency Situations of Russia No. 2-4-71-8-14 of 22 February 2017.

To this end, at the beginning of the year, the results of civil defence and emergency management training of personnel were approved and objectives for 2020 were set. In coordination with local authorities, plans were formed for the recruitment of advanced training institutions and training centres for civil defence and emergency management.

All the branches established training groups for 2020 to train personnel on life safety issues, and employee training was organised. Training plans for all categories of branch staff were approved, the composition of training groups was approved, the leaders of group classes were identified, and training programs with trained personnel were approved.

To ensure high readiness of emergency response resources and facilities planned special training was held for Non-regular Emergency Rescue Teams and Non-regular Civil Defence Teams in accordance with the approved course training program under

the training module for the Non-regular Emergency Rescue Teams. The branch management personnel is trained in accordance with the approved course training program under the training module, the remaining categories of employees are trained according to 14-hour training module set for workers and employees.

Unipro PJSC branches have training resources and facilities that contribute to raising the awareness level of branch employees in civil defence and man-made and natural emergency management issues.

The classes for training of workers and employees, branch teams in civil defence and emergency management issues were formed in civil defence shelters of the station by orders of directors of PP Surgutskaya-2, Yaivinskaya GRES, Shaturskaya GRES and Smolenskaya GRES. The classrooms are equipped with all the necessary teaching aids, benches, and video learning tools.

There are 144 posters and benches on civil defence and civil protection issues in the administrative and industrial premises of the stations. In 2020, video broadcasting was continued: about 150 videos were shown on issues related to fires, emergencies, civil defence and anti-terrorism on information boards (television screens). A set of posters on civil defence issues is actively used for the purposes of civil defence exercise.

In 2020 no accidents with injuries and deaths were recorded at Unipro assets EU25

In 2020 staff training in civil defence 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.

Training and professional development of management, senior officers and specialists in the protection of branch staff and adjacent territories against emergencies were carried out in 2020 in accordance with the approved annual development plan.

<sup>21</sup> The measures prescribed by the laws of the Russian Federation.



- In total, it was planned to train 299 employees, including:
- chairmen of the Committee of Emergencies and Industrial Safety — 2 prs, 2 prs trained (100 %);
  - function employees charged with civil defence issues — 1 prs, 1 prs trained (100 %);
  - senior officers and members of the Non-regular Emergency Rescue Teams — 159 prs, 159 prs trained (100 %);
  - senior officers and members of the Committee of Emergencies and Industrial Safety — 19 prs, 19 prs trained (100 %);
  - other employees to be trained — 118 prs, 118 prs trained (100 %).

The training classes were held in professional development institutions (13 employees), civil defence and emergency management training and methodological centres (53 employees), at workplaces (233 employees).

Training of workers and employees who do belong to non-regular teams was carried out in groups under

the supervision of their line managers, as well as by self-study of materials on emergency management at “Civil Protection Corner” benches and in civil defence and emergency management training classes.

In general, the plan for training and professional development of management, senior officers and specialists in the protection of branch staff and adjacent territories against emergencies was implemented in 2020.

Fire protection activities at the branch sites

For the purposes of fire safety all branches of Unipro made fire service contracts. Private fire safety divisions are engaged to provide the fire services. The total number of the fire-fighting and special purpose equipment is 22 units.

In 2020 the staff number of the fire units was increased to 310 persons. Such an increase in the staff number is accounted for by the fire safety division at Berezovskaya GRES, where the total staff number is to be increased up to 113 employees and the fire watch team is to reach 22 persons as part

Knowledge Assessment

The knowledge, skills and abilities of personnel in civil defence and emergency management issues are improved through drills and training sessions. Knowledge of the emergency procedures developed for the personnel, as obtained by all categories of trainees, is checked during training sessions and joint drills held at the facilities.

Actually during 2020, 65 drills and training sessions were conducted with the participation of 1,770 employees, including 1 integrated drill with participation of 215 persons, 7 headquarter exercises with participation of 251 persons, 13 special tactical training exercises with participation of 229 persons and 43 training sessions at the facilities with participation of 229 persons.

The drills and training sessions were held with special focus on practical exercise of the measures related to:

- notification of the staff, management personnel, emergency services;
- evacuation of the staff and gathering of the management personnel of the branch;
- practical exercise of the measures related to accident and emergency prevention and elimination.

In general, the quality of development and arrangement of the drills and training sessions is rated as adequate. According to the results of the drills and training sessions conducted, the management bodies are quite prepared for dealing with the civil defence and emergency problems

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of implementation of the Comprehensive Program for Fire Safety Enhancement at Power Unit 3.

A number of accidents involving fire outbreak have been recorded within the branch site and facilities for the reporting period. Most incidents occurred at the places of powdered coal deposits at the site and facilities of Berezovskaya GRES. Rapid response of fire safety divisions was organised for all incidents: fire response and activities of the fire safety divisions prove a high degree of readiness and prompt response. No open fires took place, no material or property damages were caused, and there were no injuries.

In 2020, the total number of response operations of fire safety divisions was 4,292 (an increase of 5% compared to the same period of the previous year), including 2 “fire alarm responses” to the stations in connection with fires, fire threats, fire alarms (a decrease of 71% compared to the previous year) and 55 “fire alarm responses” outside the station site (a decrease of 21% compared to the previous year).

During the reporting period, 61 planned station-wide fire-fighting trainings were conducted with the participation of fire safety divisions, where 2,054 employees of branches and fire safety divisions were involved.

In accordance with the contracts made, the fire safety divisions are engaged for the purposes of organisation and conduct of fire prevention activities to prevent fires, as well as to conduct an internal audit of fire safety.

The work of the divisions is aimed at preventing and eliminating the possible causes of fires, increasing the responsibility of branch officials and employees for compliance with the fire safety rules. The authorised divisions take preventive measures at the branch facilities and monitor the activities of the engaged contractors. This work is carried out in accordance with the approved regulations on fire prevention at the branch sites and facilities.

The key outcome of the fire prevention divisions’ activities was detection of 5,054 violations of the fire prevention rules; their number has decreased by 18 % as compared to the previous year. There were 609 violations of the maintenance of fire-fighting water systems (a decrease of 13%) and 61 failures

of fire alarm systems and false alarms (a decrease of 4%). The inspections revealed 22 violations of the maintenance and operation of fire hydrants (there are 298 fire hydrants in total), 570 violations of the rules for the storage and operation of primary fire extinguishing equipment (there are 6,401 fire extinguishers in total).

Violations of the fire prevention rules are recorded in the form of written proposals including their remedial period or are indicated orally. Follow up over the elimination of identified comments is also organized.

The technical condition of the sources of internal and external fire-fighting water supply is monitored on a daily basis.

Employees of the fire safety divisions are actively involved in the preparation and training of the management personnel and employees of the branches on fire safety issues.

During the reporting period, 2,750 introductory briefings were held on fire safety rules, including for contractors’ employees. 676 briefings on fire safety measures and 883 presentations on fire-related topics were conducted in labour collectives.

Generally speaking, the analysis of the activities of fire divisions showed that:

- the terms and conditions of fire service contracts were fulfilled in 2020;
- the fire accident preparedness level of the fire safety divisions is assessed as adequate;
- the fire prevention work is arranged at the facilities of the branches and carried out as required by the contracts.

# Environmental Responsibility

## Environmental Policy and Strategy

Environmental protection is a strategically important component of Unipro's activities. The Company considers the environmental protection as a prerequisite for doing business as a going concern.

Unipro's activities related to environmental protection and sustainable nature management are carried out in accordance with the approved Environmental Policy, which is based on the provisions of the federal and regional laws of the Russian Federation, as well as of the applicable international documents ratified in the country in accordance with the established procedure and the policies of Uniper Group.

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 regarding use of environmental protection technologies, mitigation of adverse environmental impact, management of environmental risks, and liaison with stakeholders, whether government authorities, non-governmental organizations, or even Unipro employees.

## Refining of Unipro Environmental Policy

The Company's environmental policy is reviewed and refined taking into account the changing circumstances, needs and internal affairs of the Company.

The amendments of the current laws of the Russian Federation are considered a major driver of such adjustments. In particular, the amendments introduced by Federal Law No. 219-FZ of 21 July 2014, which change the environmental regulation system and, in general, approaches to limiting the adverse environmental impact. It is also a waste management reform (Federal Law No. 458-FZ of 29 December 2014), which involves gradual introduction of new approaches in these areas.

Another major driver is the change of ISO 14001:2015, namely its requirement to establish a clearer framework for goal-setting in the policy itself.

And the third major driver is the revision of the environmental policy of the principal shareholder of the company (Uniper Group) both in connection with establishment of a new company, and revision of E.ON policy which was used as the basis for the development of Uniper environmental policy, mainly in terms of water use and greenhouse gas emissions. These aspects were also taken into account as part of Unipro PJSC activities. This includes reduction of water consumption, waste water processing, protection of water resources, which are the basis for the technological processes of the Company

## Sustainable Development Environmental Responsibility








To promote the objectives set out in the environmental policy, Unipro has adopted an environmental strategy that is updated on an annual basis and provides for the planning and scheduling of environmental protection activities for the next three years.

The environmental strategy provides for the activities required for upgrading the power plants to the best available technologies (BAT) (i.e. activities associated with incorporation of large-scale environmental protection projects into the Company financial

program) wherever applicable. Besides, the strategy contains certain clauses providing for transition to zero waste by minimizing waste generation and maximizing waste recycling. At the same time, one of the most relevant objectives is to develop a system of corporate carbon regulation: 2021 — elaboration of BAT Reference Document No. 48 on energy efficiency, 2022-2023 — implementation of measures and recording the carbon footprint reduction. It is planned to implement ISO 14080:2018 (Greenhouse Gas Management and Adaptation to Climate Changes).

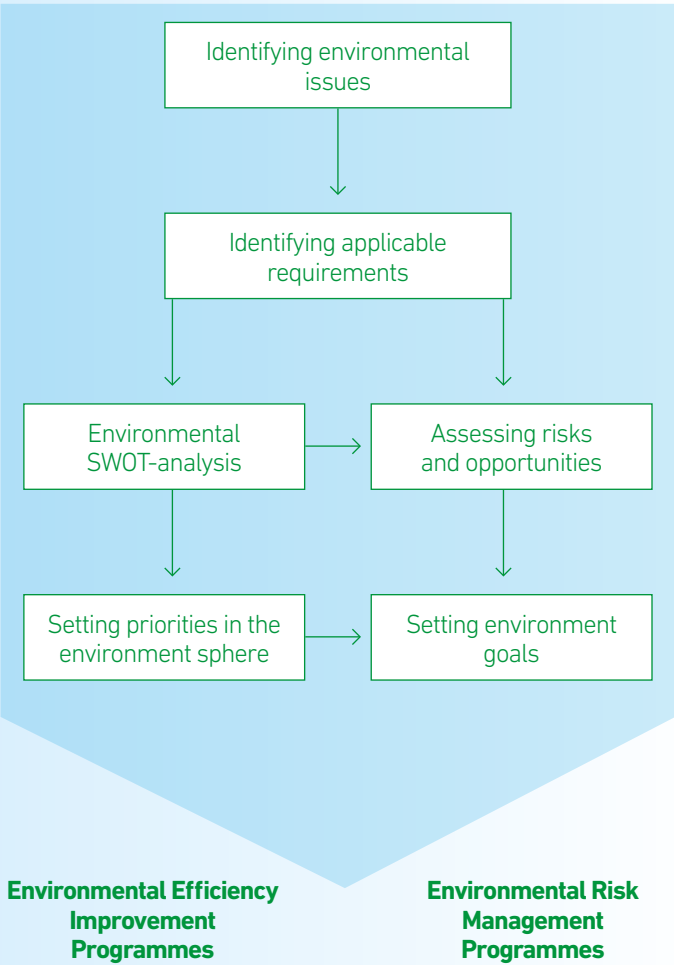
## Strategic Environmental Plan for 2021-2023

	2021	2022	2023
 Leadership and commitment	Quarterly Leadership Committee for health, safety, and environment (Branch HSE team – on a monthly basis)		
 Risk management	Implementation of compensatory measures under environmental risk management programs. Reconstruction of the sewage treatment facilities (STF) in Sharypovo		
	Obtaining of comprehensive environmental permits for Adverse Impact Class I facilities	Implementation of the ecological efficiency improvement programs (PP Surgutskaya-2, Beresovskaya GRES)	
	Development of the system of corporate carbon regulation: 2021 — elaboration of BAT Reference Document No. 48 on energy efficiency, 2022-2023 — implementation of measures and recording the carbon footprint reduction. Implementation of ISO 14080:2018 (Greenhouse Gas Management and Adaptation to Climate Changes)		
	Ecological researches on the feasibility study of applicable energy efficiency improvement technologies and carbon footprint reduction	Participation in the refining of the system of corporate carbon regulation	
 Capacity building		Explanation and implementation of Sustainable Development principles for environmental goals for responsible decision-making	
 Performance monitoring	Certification audit as per ISO 14001	Re-certification as per ISO 14001	Certification audit as per ISO 14001
	Internal audit of the environmental management system. Annual analysis of environmental management system operation Development and implementation of corrective activities		
 Involvement	Monitoring of personnel awareness and involvement in environmental issues (through interviews) Analysis of results, planning of goals and actions	Corporate environmental protection days based on the topics determined by the results of the involvement analysis (with training and development components)	
		Resumption of business games in “Sustainability” and “Energy Transition” for the personnel	



Unipro PJSC has developed environmental efficiency improvement programs for each power plant. The most far-reaching of these programs are obviously the ones developed for Adverse Impact Class I facilities. The programs developed for the other branches are aimed at improving the indicators to the extent possible given the age of equipment and physical possibility of implementing any additional environmental protection technologies there.

Environmental Impact Management Scheme in Unipro



Information about regulations and technical standards on Adverse Environmental Impact Class I-IV facilities is provided in the interactive version of this Annual Report



The existing environmental impact management scheme is developed through implementation of ISO 14001:2015 in Unipro PJSC. The environmental issue is the primary element of the management system (activities having a positive or negative environmental impact). The environmental issues are prioritized according to their significance, based on the established criteria.

Currently, Unipro PJSC uses the following criteria for assessing the significance of environmental issues:

1. Are there any violations of the legal requirements regulating the environmental issue (for emergency situations - was there any incident, accident)?
2. Is this issue covered by BAT?
3. Does the impact of this issue relate to Environmental Policy?
4. Does the issue have an impact on individuals outside of the Company?
5. Are there any significant costs associated with the issue?

There are two possible answers “yes/no” for each criterion. The significance of the environmental issue is determined as predominance of “yes/no” answers over the other answers. Depending on the number of “yes/no” answers for each of the criteria, environmental issues are rated by the scale:

- if the number of “yes” answers is 3 or more, the issue is significant;
- if the number of “yes” answers is less than 3, the issue is not significant;

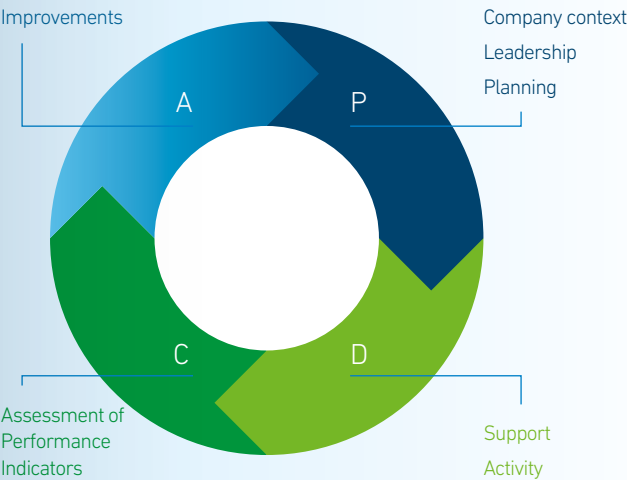
For significant issues, programs are developed to improve environmental efficiency (for Adverse Impact Class I facilities) or action plans for environmental protection (Adverse Impact Class II facilities).

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The updated version of ISO 14 001:2015 contributes to the formation of a risk-based approach to the environmental management system. The procedure for environmental risk management is developed based on the approaches adopted in ISO 31000 series. For details on environmental risk management see [Risk Management section](#).

Environmental management system

The Environmental Management System of Unipro uses the PDCA management cycle logic (Plan-Do-Check-Act)



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.

Mandatory requirements include the requirements 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’s branches through level 1 internal audits (at the

level of branches), level 2 audits (conducted by Headquarters representatives) and certification audits for compliance of the environmental management system with the requirements of ISO 14 001:2015, as well as environmental SWOT analysis.

Based on the identified deviations and risks, the environmental efficiency improvement programs (action plans for environmental protection) and environmental risk management programs with specific measures, assigned deadlines and responsible persons are developed.

All the said actions are integrated into PDCA cycle.

In late 2020, for purposes of validating its EMS certificate received in 2019, Unipro successfully passed its first EMS certification 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)



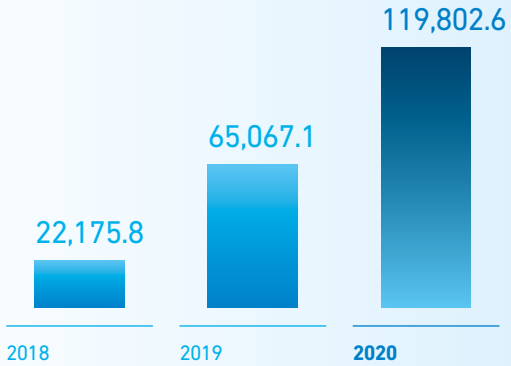
Unipro cooperates with the FSAU Research Institute Center for Environmental Industrial Policy and the BAT Bureau on working issues related to explanations and business games on the introduction of the best available technologies

Environmental Investments

The environmental expenditures depend on such factors as the need to comply with environmental regulations, to make repair and upgrade equipment, and on schedules for the implementation of issue-related events. These activities also include development of regulatory and permitting documents which depends on the legal term of the documents (in most cases it is 5 years).

In 2020 the total environmental investments were RUB 119,802.6 thous. More than half of the amount relates to financing of the construction of fish protection facilities at Yaivinskaya GRES and PP Surgutskaya-2; RUB 24,145,807 thous. — to reconstruction of the sewage treatment facilities in Sharypovo, RUB 4,855,624 thous. — to reclamation of two sludge dump basins at PP Surgutskaya-2, RUB 2,945,253 thous. — to activities under NO<sub>x</sub> emission reduction program at PP Surgutskaya-2. The current operating expenses were to RUB 14,835,549 thous. and are related to waste disposal services, instrumental industrial ecological control, development of supporting and permitting documentation.

Expenses for and investment in the environmental protection, RUB thousand



Key Environmental Measures Taken in 2020

Activity	Environmental effect	Deadline	Progress as of year-end 2020
Reconstruction of the sewage treatment facilities in Sharypovo	Ensuring the regulated waste water quality indicators for all indicators	2020-2023	Most main sections of the project part under consideration are completed, and it is planned to submit them to the state environmental expertise.
Implementation of automatic emission control at Berezovskaya GRES	Continuous monitoring of compliance of pollutant emissions with the established requirements	2018-2020	Construction and installation works were completed, and metrological certification of control channels was performed in January 2021.
Implementation of fish-protection facilities at PP Surgutskaya-2	Ensuring fish protection efficiency of at least 70 %	2018-2021	Construction and installation works has been completed, pilot operation, including the actual efficiency testing, has been started.
Implementation of fish protection facilities at Yaivinskaya GRES	Ensuring fish protection efficiency of at least 70 %	2018-2021	Construction and installation works has been completed, pilot operation, including the actual efficiency testing, has been started.



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Activity	Environmental effect	Deadline	Progress as of year-end 2020
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	Positive opinions of the state environmental expertise and the state town-planning expertise were obtained. Contractor selection procedure has been started.
NO <sub>x</sub> emission reduction at PP Surgutskaya-2	Reaching the emission level set by the technological indicators of the best available technologies	2019-2022	Works related to Units No. 2 and No. 5 have been completed. Draft Environmental Efficiency Improvement Programme has been made available for approval by the interdepartmental commission under the Ministry of Industry and Trade.

Energy Consumption and Energy Efficiency

A steady decrease in the specific consumption of conventional fuel for electricity supply is due to an increase in the total generation by the most economical CCGT power units in the total production balance. Total generation of the CCGT power units broken by years: 2018 - 22.4 %, 2019 - 23.4 %, 2020 - 26.0 %.

Fuel consumption per production (supply) of thermal energy makes up only 2.7 % of the total fuel consumption of the Company's power plants (97.3 % of fuel is spent on electricity production). Changes in the specific fuel consumption for heat supply are due to the difference in the operating modes of the equipment in the combined production cycle.

Unipro power plants take energy saving and energy efficiency improvement measures. The differences in absolute resource savings per years are due to the difference in the measures taken.



Energy intensity 302-3

Indicator	2018	2019	2020
Specific fuel equivalent consumption for electric power supply, g/kWh	301.3	299.3	296.9
Specific fuel equivalent consumption for heat power supply, kg/Gcal	170.4	171.4	174.6

Energy consumption reduction 302-4

Indicator	2018	2019	2020
Gas savings, thous cub.m	4,209	2,611	1,191
Liquid fuel savings, ton of natural fuel	0	0	190
Solid fuel savings, ton of reference fuel	4,111	1,305	1,651
Heat power savings, GCal	0	71	439
Electric power savings, thous kWh	0	1,029	3,737



In 2020, the power consumption made up 110.9 mln kWh, the heat power consumption – 93.3 thousand Gcal.

Volume of all energy resources used in Unipro PJSC in 2020

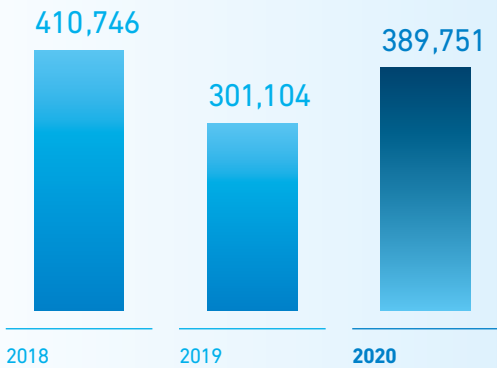
Energy resource typ	Consumption volume in kind	Consumption volume, RUB thousand
Nuclear power	–	–
Heat power	93.3 thousand Gcal	2,092.7
Electric power	110.9 mln kWh	97,926.7
Electromagnetic power	–	–
Oil	–	–
Motor gasoline	355.1 tonnes	
Diesel fuel	687.9 tonnes	517,879.3
Fuel oil	33.7 thousand tonnes	
Natural gas	9,244.6 mln m³	30,314,979.0
Coal	2,776.510 thousand tonnes	1,810,066.0
Oil shale	–	–
Peat	–	–
Other	–	–

Water use

Unipro uses water facilities in compliance with the applicable laws of the Russian Federation. The Company timely receives water use and water body protection permits in the relative executive authorities. The water withdrawal from water bodies by Unipro branches does not have a significant impact on water sources. 303–2

In 2020 the water withdrawal volume was 389,751 thous. cub. m. Most water withdrawn is consumed for industrial needs.

Water consumption, thous. cub. m 303–5

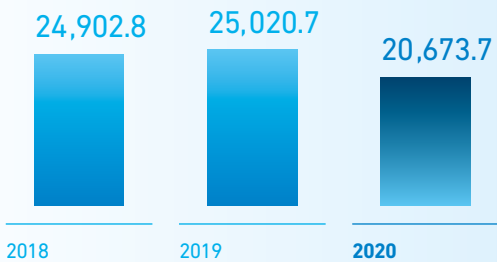


Emissions

Reduction of the gross emissions for all substances is mainly due to a decrease in electricity generation in 2020, as compared to 2019. In addition, nitrogen oxides emissions are reduced in PP Surgutskaya-2 branch following the initiation of the nitrogen oxides reduction program in 2019 to reach the technological indicators set by the best available technologies.

Regarding the climate policy, Unipro PJSC primarily ensures that greenhouse statements comply with the Russian laws and, starting from the reference period of 2018, verifies greenhouse statements through independent auditors in accordance with International

Direct GHG emissions, thous. t of CO2 equivalent 305–1



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Standard on Assurance Engagements (ISAE) 3410 “Assurance Engagements on Greenhouse Gas Statements” with a level of “reasonable assurance engagement” at the request of the main shareholder Uniper SE to confirm the reliability of environmental statements on greenhouse gases.

The Company plans to develop the system of corporate carbon regulation in 2021–2023: 2021 —

elaboration of BAT Reference Document No. 48 on energy efficiency and assessment of the existing potential to reduce greenhouse gas emissions through energy efficiency programs, from 2022 — implementation of measures and recording the carbon footprint reduction. In the future, the feasibility of implementing ISO 14080:2018 “Greenhouse Gas Management and Adaptation to Climate Changes” at the level of Unipro PJSC is also considered.

Air emissions of major pollutants, thous. t 22 305–7

Pollutant	2018	2019	2020
NO <sub>x</sub>	37.4	35.5	28.1
SO <sub>x</sub>	6.6	7.8	5.4
Solid particles	1.1	1.3	0.9
Other standard categories of air emissions used in the relevant regulations	8.5	6.5	6.4
Total	53.6	51.1	40.8

Waste

The Company prioritises minimisation of waste generation and maximum recycling as the key elements of waste management.

Most of the waste produced by the Company is non-hazardous wastes of classes IV and V. Ash and slag waste from burning of coal (hazard class IV) is disposed of in ash disposal areas at Company facilities based on a special license. The same procedure is used to dispose of ash and slag waste from burning of coal, which is referred to hazard class V (not subject to licensing).

The higher hazard category wastes were generated in significantly smaller volumes: I–III. Oil and petroleum product sludge in hazard class III is used as lubricants or transferred to specialised licensed providers for neutralisation (incineration).

Waste in hazard class II (sulphuric acid from batteries and sulphuric acid electrolyte sludge) is neutralised in special tanks based on a license.

Wastes in hazard class I (mainly waste containing mercury, including fluorescent lamps, mercury

Total mass of waste by treatment methods, t 306–2

Treatment Methods	2020
Extraction of valuable components, including energy production	1,727.3
Combustion in bulk	826.8
Landfill placement	7,387.1
Other method of disposal (placement at own waste disposal site)	95,102.1
Total	105,043.3

22 Guidelines for the calculation of nitrogen oxide emissions from flue gases from power plant boilers CO 153–34.02.304–2003, approved by Order of the Ministry of Energy of the Russian Federation No. 286 of 30 June 2003.  
Methodology for determining the gross emissions of pollutants into the atmosphere from boiler houses of thermal power plants, approved by RAO UES of Russia on 21 January 1998, is approved by the National Environmental Protection Committee of the Russian Federation (Letter No. 02–12/30–15 of 19 January 1998).

thermometers and other measuring equipment) is transferred to licensed providers for neutralisation (de-mercurisation).

### 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. [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 2020, lake stocking was carried out at Shaturskaya GRES. In October, the branch carried out another stocking operation on the Shatursky lakes: 929 species of silver carp were released into Lake Svyatoye. Shaturskaya GRES stocks the Shatura area lakes with baby fishes every year to restore the local ecosystem.

More than 90 % of wastes is placed at its own waste disposal sites, about 7 % – in landfills, 2 % – extraction of valuable components (including energy), 1 % – combustion in bulk.

According to the established rules, the fall is the best season to stock lakes with fish, because the survival rate is relatively high. The baby fishes have been delivered to their new habitat in a special vehicle equipped with containers with oxygen frames. The place was inspected before their release. There was a check whether the artificial environment matched the natural environment, the temperature conditions and noise wave level were recorded. Baby silver carps were released to the water body by means of a special release hose.

Within the reference period the fish protection facilities were completed at PP Surgutskaya-2; full-scale tests of the actual fish protection efficiency under the program agreed with Rosrybolovstvo were started. The technical solution involved the use of a combined FPD with bottom electrodes, pontoon sections and a baffle boom.

Also in 2020, the construction of fish protection facilities was completed at Yaivinskaya GRES. The technical solution was an air bubble curtain with a floating boom.



### Two fish protection projects

once again demonstrate how multifaceted the production activities of Unipro PJSC branches are, and what various tasks the Company's specialists have to solve together with design and construction organisations.

Protection of aquatic bioresources shall be provided both by ensuring the regulatory quality of water in water bodies used by the power plants, and by measures designed to protect against direct mechanical damage of aquatic inhabitants, especially baby fish. The designers carefully calculated and justified the guaranteed fish protection efficiency of the facilities at both branches, to ensure zero-pass of fish into the water-intake structures, which it will no longer be able to leave due to high speeds and flow turbulence. This was a truly fascinating and interesting engineering challenge. Now Unipro faces an equally important stage of instrumental confirmation of its effectiveness

## Social Activities and Contributions to the Regions of Presence

### Approaches and Major Lines

Unipro makes a significant contribution to the development of the regions where it operates. The social projects being implemented and funded address specific problems of the relative regions, as well as contribute to the acceleration of their economic and social development.

As a socially responsible company, Unipro annually implements a comprehensive social investment program aimed at improving the quality of life of people in all regions where its enterprises operate and educating a new generation of professional power engineers.

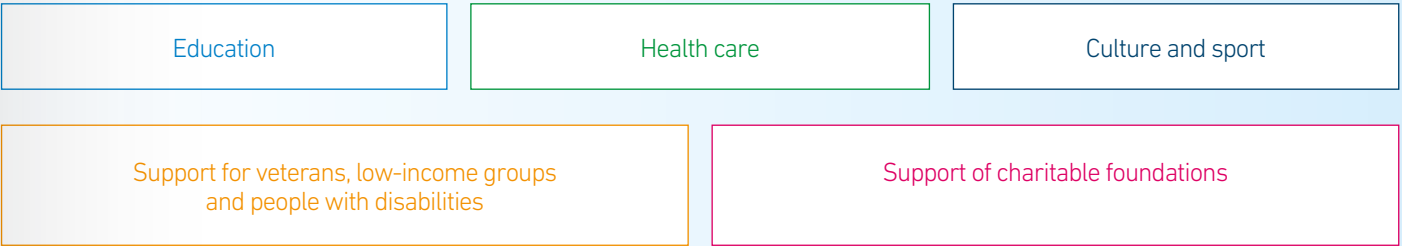
The Company's 2020 Social Investment Program was developed in accordance with the Regulation on Social Investment Policy, which sets the guiding principles of Unipro's charitable and sponsorship activities.

The objectives of social investments are as follows:

- 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 of Unipro PJSC to the social environment in which it operates;
- Creating a favourable environment in the staff to facilitate improvements in the loyalty of the staff and appeal of the Company as an employer.

The main principles of the comprehensive social program are transparency, targeting and efficient use of funds.

### Priority Areas





Unipro carries out its charitable activities in two basic forms.

Charity is a type of Social Investments as permitted by the applicable law 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.

Sponsorship is a type of Social Investments as permitted by the applicable law of the Russian Federation providing for contractual partnership with a company or event organizers 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.

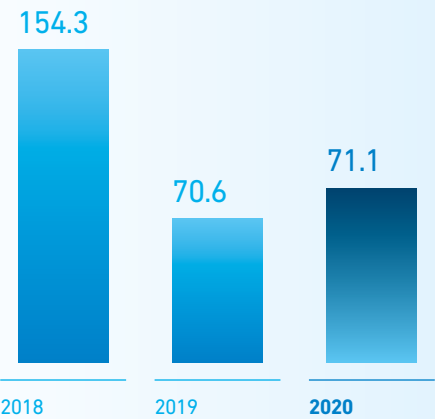
Public health projects and initiatives, educational projects, cultural, and sports projects shall be prioritized for nomination as potential beneficiaries of charity support or sponsorship in Unipro. Besides, the Company provides charitable assistance to veterans of the Great Patriotic War, veterans of power plants being part of the Company group, home front workers and persons involved in local armed conflicts, as well as the Company former employees who receive state-provided pension and who are in distress. All the assistance is targeted and carefully considered. 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 Unipro’s support.

The total social investments of Unipro for recent three years are

296 RUB mln

Social investments, RUB mln



Every year Unipro implements more than 50 socially important charity projects. In 2020 the assistance was addressed to:

20 preschool secondary and higher educational institutions

5 health care institutions

10 cultural institutions and 10 sports projects

Support for veterans, low-income groups and people with disabilities

4 charitable foundations and 2 festivals

Results of the existing social projects 203-1 203-2

Education

Support of education is one of social priorities of Unipro PJSC. As part of the charitable assistance program, the Company implements a wide range of educational projects.

In 2020 all branches provided financial assistance to the project “Career Begins at School», RUB 2.3 mln were allocated for its development.

Thanks to Smolenskaya GRES’ support last year computer and multimedia equipment was updated in the energy class of the secondary school in the village of Ozerny. Twelve students of the school studied in the energy class in 2019-2020 in the direction of “Instrumentation Operator”. After completing these courses, ten students entered the Smolensk Regional Technological Academy after the ninth grade choosing the specialty of “Instrumentation and Controls Operator” and “Technical Operation and Maintenance of Electrical and Electromechanical Equipment”.

Yaivinskaya GRES allocated financial assistance to Municipal Budgetary General Education Institution “General Secondary School of Yaiva Village”. Due to the small number of students in senior classes in the Village of Yaiva, it was decided to start occupational guidance of schoolchildren, starting from the secondary school. For this purpose, testing was organised, which revealed children’s interest in certain areas of study for the subsequent in-depth study of specialized subjects.

In 2020 Surgutskaya-2 GRES also supported the project, taking care not only of the educational activities of the students of energy classes, but also of their health: Unipro financed the workout platform purchase.

A special computer for video editing and two interactive panels for classrooms were purchased for the Shatursky Lyceum. The “Historical Dictation” turned out to be an interesting and useful event for the students. The arranging for and the holding of the first educational event of this kind in Shatura was initiated by the management of Shaturskaya GRES. It was aimed at checking the level of knowledge of the

Russian language among the future power engineers, and making the children interested in the history of their native land. Much work has been done for the specialised educational institution – Shatursky Energy Technical School, where a classroom was repaired and equipped with all the necessary furniture in 2020.

Berezovskaya GRES implements the project “Career Begins at School” in cooperation with the Polytechnic Institute of the Siberian Federal University. The allocated funds were used to modernise the training base of the Department of Heat and Power Engineering, and laboratory equipment was purchased for students of energy classes.

All first-grade pupils of the village of Yaiva received stationery sets as a gift from the GRES by September 1, and kindergarten No. 23 was able to purchase methodological and technical support for children’s design engineering.

Shaturskaya GRES provided charitable support to kindergarten No. 5 located in Kerva microdistrict. The funds have been allocated to procure locker room furniture.

Thanks to Smolenskaya GRES, cosmetic repairs were made in the premises of the kindergarten “Skazka” (Ozerny Village) and the Dukhovshchinsky Social Minor Rehabilitation Centre “Lastochka”. While the kindergarten “Kolokolchik” replaced the old children furniture in one of the groups. In addition, assistance was provided to the Federation of Ship Modelling Sports of the Smolensk Region for holding competitions in ship modelling “Anatoly Lebedev Cup” in the village of Ozerny and to the Odyssey ship modelling club for the purchase of a 3D printer and components for models

Healthcare

The social investment program of Unipro PJSC includes a number of measures to support medical institutions in the regions where the power plants operate.

In 2020, Unipro PJSC provided additional assistance to medical institutions in Sharypov (the Krasnoyarsk Territory), Surgut and Berezniki (the Perm Region) to combat a new coronavirus infection, allocating about RUB 7 mln for this purpose.

The Sharypovskaya district hospital received 10,000 disposable masks, 5,000 disposable gloves, reusable filter masks, screen masks, non-contact thermometers, sanitary sprayers, a large batch of antiviral drugs and protective anti-epidemic suits, as well as anti-Covid medications. In November, the hospital received a gift from Unipro – a new ambulance.

Yaivinskaya GRES made a very important investment by providing assistance to the State Budget Institution of Healthcare of the Perm Region “E.A. Wagner Regional Hospital” in Berezniki. Two blood gas and electrolyte analysers were purchased for COVID-departments.

PP Surgutskaya-2 provided assistance with personal protective equipment for the doctors of Budgetary Institution Surgut City Polyclinic No. 3 of the Khanty-Mansiisk Autonomous District-Ugra.

Smolenskaya GRES allocated funds for the purchase of medical equipment for Ozernenskaya District Hospital No. 1 – a portable microprocessor spiograph, two electrocardiographs, and an automatic hematology analyser.

Financial assistance was also addressed by PP Surgutskaya-2 to Surgut City Polyclinic No. 2. In such challenging times for the city’s health care institutions, the said support has become very significant for primary care institutions. The funds transferred by the branch were used to purchase medical furniture, a device for drying medical clothes and irons. Surgut City Polyclinic No. 1 has purchased construction materials for repair.

In 2020, a three-year project was completed to transfer the children’s health camp “Ingol” to the Sharypovsky district. The camp was transferred as non-core property for the power plant to the Sharypovo authorities in 2018. Since the district budget is approved for a three-year period, and there were no funds for the camp support, the Company undertook to finance the costs of children’s recreation in the camp from the social investment program. Within three years, about RUB 10 mln were allocated for its maintenance. In 2021, the camp will be switched to funding from budgetary sources

Culture and sport

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, theatres, and supports sports projects.

In 2020, 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.

In February, the stage of the Novaya Opera Theatre hosted the 1st International Music Festival “Energy of Discoveries” aimed at raising awareness of new Russian composers. The audience saw two premieres: musical performances with actors Anatoly Bely, Katerina Shpitsa and Maxim Drozd, the premiere of the world ballet Farukh Ruzimatov, the prima and premiere of the Mikhailovsky Theatre Irina Perren and Marat Shemiunov, the Bolshoi Ballet artist Victoria Litvinova and other artists. The festival was dedicated to the composers of the XX century Leonid Polovinkin, George Katuar, Nikolai Golovanov and Alexander Mosolov. The music was performed by the Orpheus

Sustainable Development

Social Activities and Contributions to the Regions of Presence

Radio Symphony Orchestra conducted by Sergey Kondrashov.

The Golden Mask Theatre Festival was held in Smolensk for the first time: the performances of the leading Moscow theatres were held in November. Unipro PJSC was the general partner of the Smolensk project. In 2020 the whole world faced an epidemiological crisis caused by COVID-19, and the Golden Mask was not an exception, it had to suspend its activities. Thanks to resumption of the regional programs and touring activities of the festival the theatre groups were able to return to their professional activities, and the audience – to their former cultural life. The festival was opened by the performance “Pygmalion” of the Moscow Mayakovsky Theatre staged by the winner of the Golden Mask Award Leonid Heifetz with wonderful acting performances by Igor Kostolevsky, Svetlana Prokofieva, Anatoly Lobotsky and Natalia Palagushkina. The second performance was “Do not Part with your Beloved” by the Moscow Youth Theatre staged by Henrietta Yanovskaya based on the famous play of the same name by Alexander Volodin.

To assist in cultural and historical heritage preservation, Unipro PJSC 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.

Berezovskaya GRES provides assistance to the Sharypovsky Theatre for many years. The branch financed roofing repair.

In 2020, Yaivinskaya GRES sponsored the annual inter-municipal festival for disabled children “Ray of Hope”. The Yaivinsky Museum of Local Lore, History and Economy purchased Camis software for the registration of exhibits and a colour printer using the charity funds of the station. The dance team of the City Palace of Culture in Alexandrovsk received the funds for the purchase of costumes for participation in offsite competitions.

In 2020 PP Surgutskaya-2 provided assistance to Budgetary Institution Gerontology Centre of the Khanty-Mansiisk Autonomous District-Ugra for the first time. The money was spent on the purchase of a notebook, which will significantly expand the possibilities of socio-cultural rehabilitation of the elderly people. In January the Old Surgut Historical and Cultural Centre hosted a presentation of the Wooden Lace Project that was created at the expense of the branch. New carved wooden signs appeared on the house museums of the





Historical and Cultural Centre, which are a copy of the houses of late XIX – early XX century, to tell the guests, visitors and residents of Surgut, about the history of the appearance of museum samples of urban wooden architecture.

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.



As part of the project for summer employment of teenagers “Unipro Labour Detachment”, sixty teenagers from Sharypovo were engaged in cleaning and landscaping of parks, public gardens, and children playgrounds, were issued their employment record books, and were paid their first salaries



For example, last year, funds were allocated to Municipal Public Institution Zeus Sports Complex in the village of Yaiva for the purchase of an incline bench press machine and a uniform for the swim team. And the children’s volleyball section of the city of Alexandrovsk received new balls. The training sessions of young volleyball players have become most rewarding. The branch participated in the creation of the first modern public outdoor sports ground with exercise equipment in the village. It was made as part of the national project “Demography” and the federal project “Sport is the norm of life”. The charitable contribution of the Yaiinskaya GRES was spent on the base for the sports ground and a specialized rubberized coating, as well as for lighting and video surveillance.

A grand opening of the sports ground took place in the Bely Park of the town of Sharypovo, the Krasnoyarsk Territory. The purchase of brand-new modern sports equipment and installation of a hard-surfaced ground have been sponsored by Unipro

PJSC. Several anti-vandal exercise machines have been installed, pedestrian paths and a platform in front of the stage have been paved.

In 2020, the branch of Shaturskaya GRES rendered financial aid to the ski club for children and teenagers. Young skiers were able to get grained in a new modern and, most importantly, comfortable outfit.

In 2020 Smolenskaya GRES helped taekwondo sections located in the town of Dukhovshchiny and Ozerny village. The funds allocated have been used for the procurement of helmets, kicking paddles, chest protectors, kicking paddles. During the period of relaxation of COVID-19 related restrictions, the promising athletes were able to go to training camps in Vitebsk.

In 2020 PP Surgutskaya-2 provided assistance to fire brigade sports team of the Khanty-Mansiisk Autonomous District-Ugra. This team is a multiple medallist and winner of all-Russian competitions.

Sustainable Development  
Social Activities and Contributions to the Regions of Presence

Support for veterans, low-income groups and people with disabilities

On the eve of the 75th anniversary of the Victory in the Great Patriotic War, PP Surgutskaya-2 provided assistance to the city council of veterans, as well as to the veterans, former employees of the station. Shaturskaya GRES gives special recognition to veterans who are currently employed at the plant and paid for subscriptions to the local newspaper for plant veterans, all military and home-front veterans of WWII from Shatura. By 09 May all veterans of the Great Patriotic War of Ozerny village received financial aid for treatment and purchase of medicines.

As a rule, every year a certain part of charitable funds is allocated for people with disabilities. This year, in view of the restrictions associated with the spread of coronavirus, computers donated by Unipro PJSC within the framework of the project for rural disabled people “Sharypovsky district is the territory of equal opportunities” helped disabled people to pass the period of self-isolation without complications. 14 families with disabled children who study in secondary schools, as well as three students managed to continue their education in a remote mode. According to the survey, more than half of the disabled people systematically used online resources organised for citizens who are in self-isolation.

Support of charitable foundations

In 2020, Unipro provided assistance to 12 care recipients of the GALCHONOK Charitable Foundation for Children and Youth with central nervous system disorders. The kids were delivered a rehabilitation course in dedicated centres and provided with equipment.

In 2020, the Company again organised the annual campaign “Books as a gift” as part of cooperation with the foundation «Illustrated Books for Young Blind Children». During this campaign 25 institutions for visually impaired children received 216 sets, including colour illustrated tactile books, an electronic device “Magic Pencil”, collections of entertaining tasks and a three-dimensional game set “a miniature table theatre.

Volunteer Movement

The employees of Unipro PJSC with a pro-active, social committed attitude and strong desire to help are joining the volunteer movement. In 2020, despite the difficult epidemiological situation, volunteering continued to develop.

PP Surgutskaya-2 employees visited veterans and former employees of the station and presented them





with gifts in connection with the 35th anniversary of the branch. More than two hundred elderly people received holiday packs.

The members of the youth association of Berezovskaya GRES prepared gifts for the veterans of the Sharypovsky district and recorded a touching video greeting. In September, employees together with the youth centre of the city of Sharypovo held a fundraising campaign “Help Me Go To School”. The funds were delivered to the children’s centre «Raduga», which had been engaged in the education and upbringing of children growing up in disadvantaged and low-income families since 2008. The Shaggy Happiness animal shelter was running out of food, and its employees did not know where to get the necessary funds to buy food for their pets. Therefore, 15 employees of the youth association and the chemical shop of the branch decided to raise funds and purchased everything necessary for our younger brothers.

In spring members of the youth association of Yayvinsky GRES organised together with Yaiva administration a volunteer clean-up of a birchwood in the centre of the village, which is the favourite recreation place of the Yaivinians.



Shaturskaya GRES power engineers together with employees of the complex youth centre of Shatura organised a quest game. Passing the tests, the participants were able to delve in the historical atmosphere and take on the roles of engineers, builders, power engineers, to build a town and its infrastructure by effort of their teams. In September, Shaturskaya GRES held a charity event “100 books of goodness”. During the month, we managed to collect about 300 publications: fairy tales, detective stories, science fiction, classical and educational literature. The members of the Youth Association donated part of the books to students of the boarding school for children with disabilities, another part to the library and information centre of Shatura Town District.

Smolenskaya GRES employees and schoolchildren of the 10-11th grades of the Ozerny Secondary School joined the All-Russian campaign “Clean Coast”, held on the Environment Day. The coastal strips of GRES water discharge and the village beach were cleared of garbage under direction of the environmental department of the station.

Smolenskaya GRES and Shaturskaya GRES employees joined the flash mob “We stayed at work for you. You stay at home for us!” The purpose of the campaign is to remind people that there is a risk of catching COVID-19 staying outside in public places

In 2020, the Headquarters staff took part in two charity fairs organised in favour of the care recipients of “Volunteers to Help Orphans” Charitable Foundation and bought New Year’s gifts for children from low-income families staying under care “Russian Birch” Foundation.



## Uniproshka for Kids

The communication project “Uniproshka – for Kids” is held in the regions where the Company operates for the third year. 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. He introduces the children to traffic rules, communication with strangers and hooligans as part of a game.

Despite the coronavirus pandemic, which adjusted the way the program was implemented, the Company held a number of events in Shatura, Yaiva, Ozerny and Sharypovo. In February, September and November, the branch staff together with the State Road Traffic Safety Inspection told the children about the traffic rules and gave them flickers – reflective badges and stickers, in Shatura.

The Yaivinskaya GRES employees organised a large-scale education program for preschool and primary school children. In January, February and July, the campaign was held for all kindergarten children in the village of Yaiva and the town of Alexandrovsk.

Uniproshka and a road safety inspector explained to the children the importance of using reflective elements. In September, such valuable lessons were started in one of the schools for primary classes. In general, 2020 activities covered more than 200 children of the Alexandrovsk district.

Smolenskaya GRES has chosen another way of presenting information about the traffic rules: it invited representatives of the school volunteer group “Activists” and showed a cartoon about the pedestrian crossing and the rules of behaviour on sidewalks and roadways in Ozerny Secondary School.

The pandemic and self-isolation regime allowed Unipro to develop activities aimed at the children of employees through the social networks: educational cartoons, useful tips from Uniproshka were posted in Instagram and VKontakte. For the first time in its social network activities, the Company held the contest “Make Uniproshka”, which literally broke the Internet. More than 150 works were submitted to the competition, from which the best ones were then selected, the authors of which received the Company’s memorable prizes later





Promotion of the extension of knowledge and skills

In December 2020, an online presentation of the exhibition dedicated to the 100th anniversary of GOELRO (State Commission for Electrification of Russia) was held in Surgut, with Unipro being one of the sponsors. The exposition outlines the history of power industry development in West Siberia. Seven "My History" multimedia walls present a detailed story of Surgut's five major energy enterprises, including PP Surgutskaya-2. The exhibition demonstrates historical photos, and documents showing how Russia's largest thermal power plant was built and further development of GRES, including the station's current affairs.

During the reporting period, Unipro employees continued to share their knowledge about the profession of a power engineer with the younger generation. Students of energy classes from Shatura, Surgut, Ozerney, Yaiva and Sharypovo participated in an online tour of the museum of the history of the Shaturskaya GRES, dedicated to the 100th anniversary of the station. More than 60 people were able to become engrossed into the past, to hear interesting facts about the Shatura land, to see the building of a temporary experimental power plant, which can be called a cultural monument of the city of Shatura. The children found out that the GRES was built one of the first according to the GOELRO plan and became an experiment, on the outcome of which the national electrification depended at the beginning of the XX century. For students from other regions, the tour has become

a real journey, because it has afforded a rare opportunity to get a close insight into another city.

As part of the History Lessons marathon, dedicated to the 100th anniversary of Shaturskaya GRES, the station museum once again opened its doors to guests. This time the guests were the members of "Active Longevity Club" from the city of Sergiev Posad. More than 40 people were able to see photos of people who created an entire epoch, to touch the history, in the literal sense of the word.

In addition, an online meeting was organised for 60 students of energy classes, at which Igor Popov, Deputy General Director for Production, spoke about the structure of Unipro PJSC, promising areas in the industry and answered the questions.

The management of sponsored secondary schools did not stand aside either. Online training was held for the directors of all energy classes. "To save means to preserve" - this was the motto used by Smolenskaya GRES employees at the lesson on energy savings held by them for the 5-6th grades of the Prechistenskaya Secondary School. The event was held within the framework of the All-Russian Festival of Energy Saving #ВместеЯрче. Ms Ekaterina Kunitsyna, the head of the environmental department of the branch, Ekaterina Kunitsyna, explained to the students the causes for energy saving and the benefits which could be obtained from this.



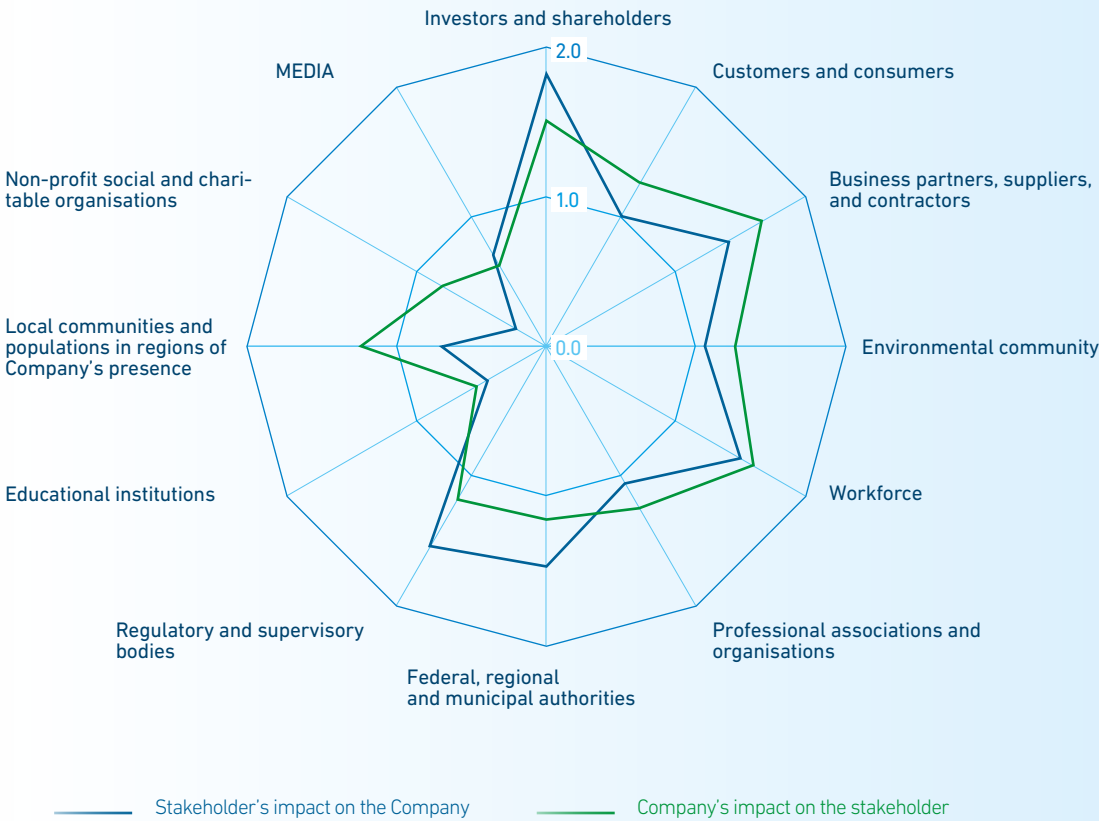
Stakeholder Engagement

Unipro PJSC is committed to maintaining a continuous dialogue with stakeholders. Unipro PJSC working group prepared a list of key stakeholders for the purposes of this Annual Report. The list was made with due regard both for the Company's economic, social and environmental impacts on various stakeholders, on the one hand, and for the impact of various stakeholders on the Company's business, on the other hand. 102-42

The Company works to develop mechanisms of interaction with each group of stakeholders by respecting a balance of interests and ensuring full and timely disclosure of information, expanding cooperation with the stakeholders and encouraging their involvement in Unipro PJSC activities.

The Company actively interacts with all stakeholders through discussions and meetings of management and control bodies, press conferences, press tours, official correspondence, participation in seminars and thematic conferences, as well as through surveys. 102-43

Ranking of Stakeholders 102-40



# Information on Selection of Material Topics

102-21102-46

When preparing 2020 Annual Report, Unipro PJSC for the first time used the GRI SRS Reporting Standard for Sustainable Development, the basic procedure of which is to identify material topics.

The content and key topics of the Annual Report were determined by the Company based on a list of 15 material aspects being relevant to the activities of Unipro PJSC in accordance with corporate and industry specifics, as well as topics being important for the global agenda and meeting current trends in public reporting (including the experience of a key shareholder – Uniper). Topics that are disclosed in the Annual Report, regardless of the results of the materiality determination, were deliberately excluded from the list, since their disclosure is determined by the requirements of applicable standards and other regulations in accordance with which the report is prepared (for example, presence markets, strategy, investment activities, risk management, etc.).

For the first time, a survey of stakeholders was conducted to assess the level of materiality. The survey was attended by 20 external stakeholders of the Company, as well as 12 representatives of Unipro top management. The balance of answers was ensured through diversification of questions depending on stakeholders' competencies.

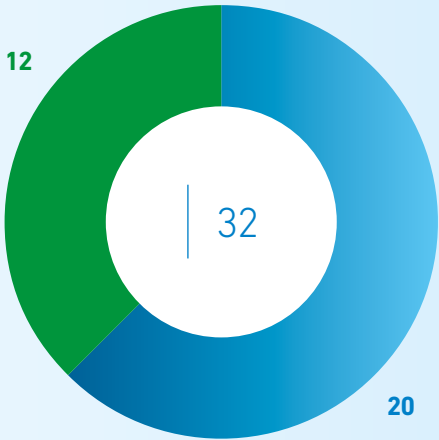
The respondents rated the relevant topics using two parameters:

- the topic impact on assessments and decision-making by stakeholders;
- the economical, environmental and social impact of the Company's activities.

Based on the survey results, a materiality matrix was formed, where the vertical axis shows the assessment of the importance of disclosure of the information related to the topic for external stakeholders, and the horizontal axis – the assessment of the degree of influence of Unipro on material topics, according to the Company's management.

Scope of respondents in 2020, persons

Exterior  
Internal



## Sustainable Development

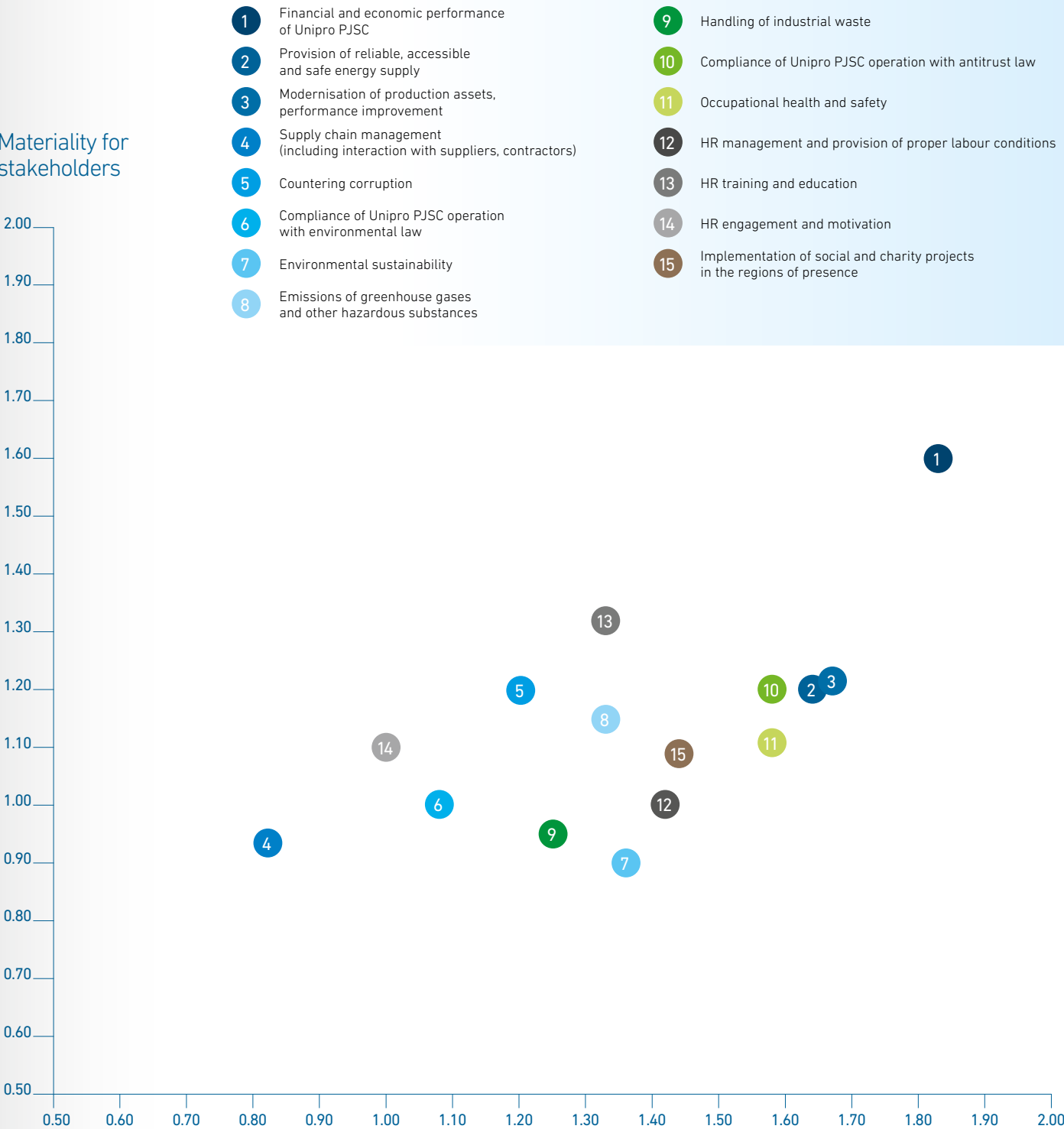
### Information on Selection of Material Topics

All the topics (or aspects of activities) presented on the matrix are disclosed in this Annual Report in proportion to their significance as assessed by the stakeholders: the most material topics are given priority and are presented in a larger volume relative to the less material ones.

### Materiality matrix

102-47

Materiality for stakeholders



Unipro's economical, social and environmental impact



# Corporate Governance



Yaivinskaya GRES is modernising its water intake meters. In addition, the power plant is planning to reconstruct the fish protection devices taking the most recent legal requirements into account and making use of the most efficient technologies



**Yaivinskaya GRES**  
is the local economic mainstay. It employs 10% of the total working-age population of Yaiva



## Corporate governance system

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

The most critical priorities of Unipro include:

- organisation of effective corporate governance aimed at achieving the highest performance of the Company;
- increasing transparency and coherence of managerial decisions;
- risk mitigation and protection of rights and interests of the Company’s shareholders.

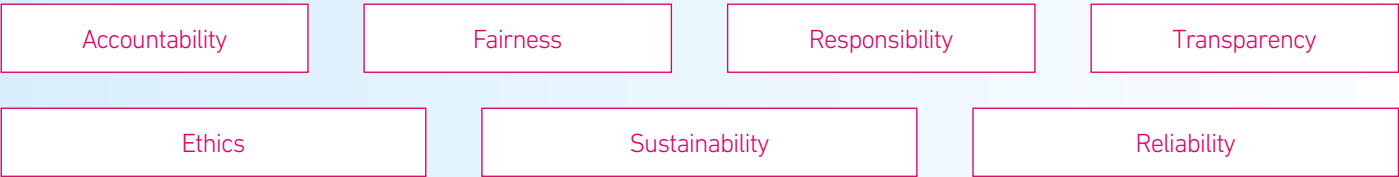
The corporate governance system of Unipro PJSC is built in full compliance with the norms and requirements of the Russian legislation, listing rules of Moscow Exchange PJSC, recommendations of the Code of Corporate Governance of the Central Bank of Russia. A special role in building an efficient corporate governance system goes to the governance standards which are extensively used by Uniper Group and which the Company vigorously incorporates into its governance practice.

The Company has adopted the Code of Corporate Governance of Unipro PJSC, which sets the fundamental requirements for ethical corporate behaviour.

The Code of Corporate Governance of Unipro PJSC is posted on the Company’s official web-site

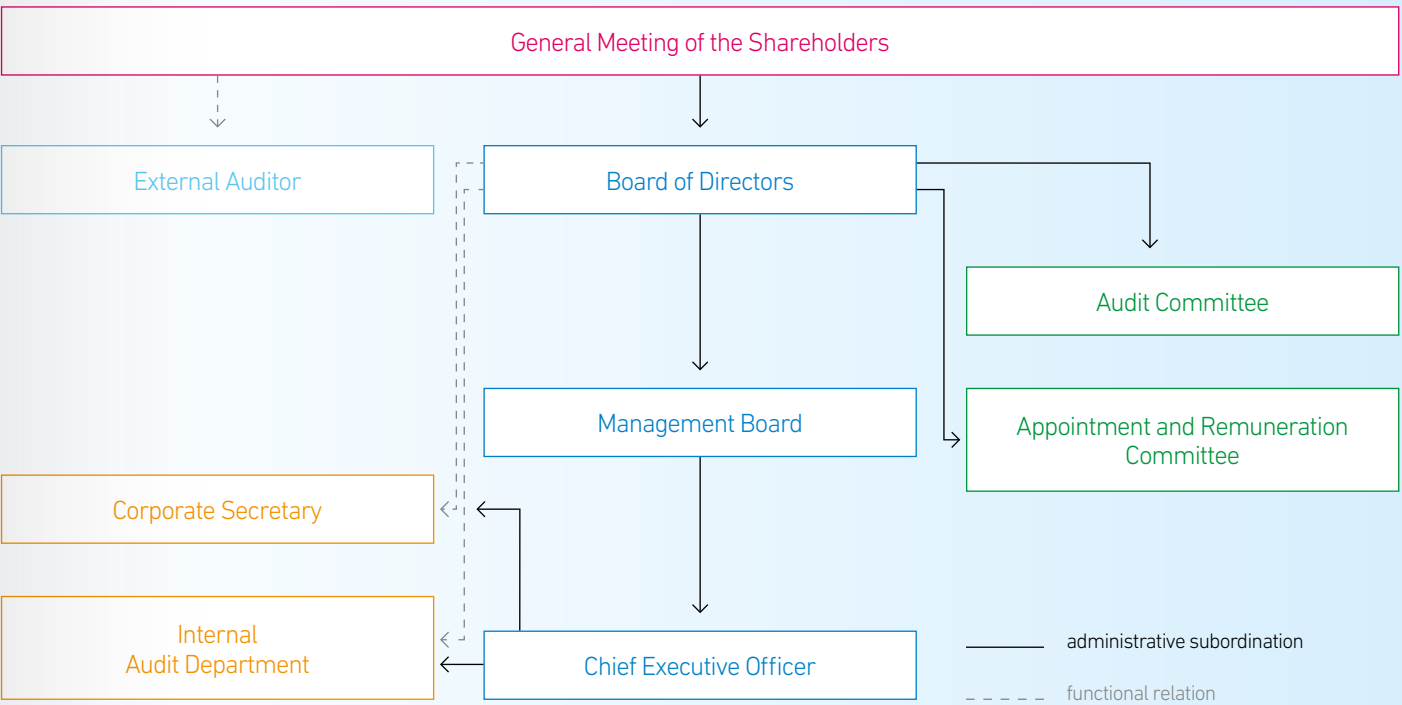


### Corporate Governance Principles at Unipro PJSC<sup>23</sup>



<sup>23</sup>In accordance with the Code of Corporate Governance of Unipro PJSC.

### Corporate Governance Framework 102-18



### Improvement of the Corporate Governance System

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

In 2020 Unipro continued to implement the Code of Corporate Governance of the Central Bank of Russia, aimed at improving the level of corporate governance by bringing internal documents in line with it, creating new documents, and applying the rules in everyday practice





Measures for the improvement of the corporate governance system

Aspects to improve	Events organised in 2020	Plans for 2021
Relations with shareholders	<p>Shareholders were given the opportunity to participate in voting on the agenda items at the annual and extraordinary General Shareholders' Meetings by completing the ballot paper electronically on the website of VTB Registrar JSC (registrar of holders of the Company's securities) and in the Quorum mobile app.</p> <p>The shareholders were able to send questions to the Chairman of the Board of Directors of the Company and the Deputy Chairman of the Board of Directors of the Company at the emails indicated on the Unipro website</p>	<p>Creation of a "hot line"/forum for shareholders when preparing for General Shareholders' Meetings.</p> <p>Broadcasting of (joint presence) General Shareholders' Meetings on the Company's website on the Internet.</p> <p>Approval of the Regulation on the Procedure for Interaction with Shareholders</p>
Updating and creating internal documents	<p>New version of the Company's Articles of Association was approved in order to bring it in line with the Federal Law "On Joint-Stock Companies" and to comply with the recommendations of the Central Bank of Russia Code.</p> <p>In accordance with the current laws of the Russian Federation, an updated Articles of Association of Unipro PJSC and other internal regulatory documents, the following documents were approved in the new edition:</p> <ul style="list-style-type: none"><li>Regulation on the Procedure for Preparing and Holding the General Shareholders' Meeting;</li><li>Regulation on the Board of Directors;</li><li>Regulation on the Management Board;</li><li>Regulation on the Audit Committee under the Board of Directors;</li><li>Regulation on the Insider Information;</li><li>Regulation on Assessment of Unipro PJSC Board of Directors Performance.</li></ul> <p>Approval of Anti-Trust Policy of Unipro PJSC</p>	<p>Approval of the Company's Anti-Corruption Policy</p> <p>Updating the Regulation on the Board of Directors regarding the inclusion of additional provisions related to the procedure for adaptation of new members of the Board of Directors, prevention of conflict of interests of members of the Board of Directors.</p> <p>Approval of the Board of Directors Remuneration Policy.</p> <p>Approval of the Policy for Legal Succession of the Board of Directors.</p> <p>Inclusion of the list of material corporate actions in the Articles of Association.</p> <p>Approval of the updated version of the Regulation on the Internal Audit Department</p>
Efficiency of management and control bodies	<p>Self-evaluation of the performance of the Board of Directors of the Company and its committees in 2019–2020 was carried out, the results of which were reviewed at the in-person meeting of the Board of Directors.</p> <p>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</p>	<p>Increase in the number of meetings of the Board of Directors, including in-person meetings.</p> <p>Holding of regular strategic sessions with the Board of Directors</p>
Disclosures	<p>The Corporate Governance section on the Unipro website has been continuously updated in Russian and English since 2019</p>	<p>Increasing the volume of information disclosed on the Unipro's website in English</p>

Participation in the Legal Insight competition

The Corporate & Legal Unit of Unipro PJSC has received several awards at the prestigious competition "The Best Legal Departments of Russia-2020", held by the industrial magazine Legal Insight.

The specialists of Unipro Legal Department have won silver in the category "Effective Interaction with Public Authorities" and bronze in the category "Best Team".

Unipro's legal team also received the "Expert Council's Sympathy Award". This award is especially valuable because it is awarded in addition to the declared categories and is not divided into prizes among the other 50 participants, and reflects the attitude of the professional expert council to the team as a whole and to the application for participation in the competition, which, according to the jury, was the most interesting and memorable.

The team of the Company's Corporate & Legal Unit included the lawyers from the branches (legal and property management departments) and lawyers from the Moscow representative office. The efficiency and uniqueness of the team manifested both in the combination of values and experience of each employee, and also through the diversity of hobbies of colleagues.

But the victories did not end there. Colleagues have prepared a comic book that describes the work of lawyers on the project to prevent the termination of capacity supply agreements with large consumers due to a fire that occurred at Power Unit No. 3 of Berezovskaya GRES. The jury also appreciated the efforts of Unipro lawyers: the team of the Corporate & Legal Unit received a special prize for creativity

Compliance with the Code of Corporate Governance

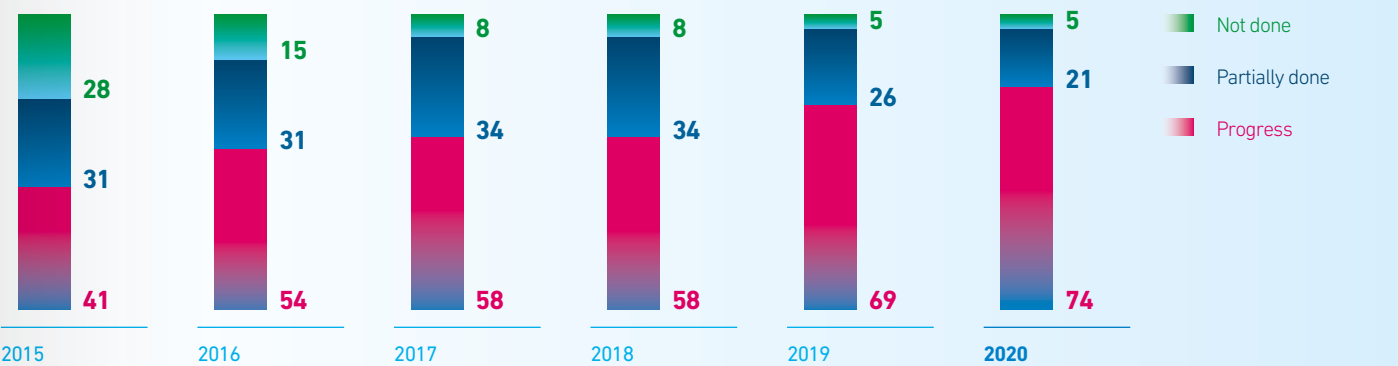
Unipro PJSC increases the level of corporate governance, progressively improving the quality of management practices each year. In 2020, the Company continued to improve its corporate governance system according to the recommendations set forth in the Central Bank of Russia Code of Corporate Governance, promptly responding to external changes and best practices.

Unipro PJSC fully or partially complies with

95%

of the principles of the Code of Corporate Governance of the Central Bank of Russia

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



The Company partially or fully complies with 95% of the principles of corporate governance and each year significantly improves the indicator of full compliance with the recommendations of the Code of Corporate Governance of the Central Bank of Russia. Compliance with the corporate governance principles was assessed using the methodology developed by the Central Bank of Russia, taking into account the guidelines for the preparation of a report on compliance with the principles and recommendations of the Code of Corporate Governance (Annex to Letter of the Central Bank of Russia dated 17 February 2016 No. IH-06-52/8).

In the fall of 2019, Allen & Overy Law Firm audited the corporate governance system of Unipro PJSC, with an opinion that Unipro PJSC meets the high standards of corporate governance, and issued a list of recommendations for further improvement

of corporate governance. In 2020 Unipro PJSC implemented most of the issued recommendations. At the meeting held on 06 October 2020 the Audit Committee of the Board of Directors of Unipro PJSC held a preliminary review of each recommendation, their progress and the need for further discussion of the outstanding recommendations (Minutes of 09 October 2020 No. 57). The Board of Directors considered recommendations for the corporate governance system improvement following which Unipro PJSC management was instructed to implement the recommendations in terms of increasing the amount of information disclosed in English on the Company’s website, setting the criteria for significant corporate actions in the Articles of Association, adopting a separate policy on remuneration of the Company’s Board of Directors, and securing the position of senior independent director.

Compliance with Corporate Governance Code

Section	Principles recommended by the Code	Guidelines fully adopted by the Company	Guidelines partially adopted by the Company	Guidelines not adopted by the Company
I. Shareholders' rights and equal treatment of shareholders in the exercise of their rights	13	10	2	1
II. The Company's Board of Directors	37	32	3	2
III. The Company's Corporate Secretary	2	2	0	0
IV. Remuneration system of members of the Board of Directors, executive bodies and other key managerial staff of the Company	10	5	5	0
V. Risk management and internal control system	6	5	1	0
VI. Disclosure of information about the Company, the Company's information policy	7	4	3	0
VII. Major corporate actions	5	1	3	1
Total	80	59	17	4

See the ANNEX for the detailed Report on the Company’s adherence to the Code of Corporate Governance

Attn.: Shareholders and Investors

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

More than 300 thous. shareholders

Rights of shareholders and current shareholder structure

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 Shareholders’ Meeting 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 Charter;
- 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 Charter;
- 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 laws of the Russian Federation and the Articles of Association.

The Articles of Association of Unipro PJSC is posted on the Company’s official web-site



A total of 301,606 persons were registered in the shareholder register of Unipro PJSC and held securities on their personal share accounts as of 31 December 2020<sup>24</sup>.

<sup>24</sup>According to the data provided by VTB Registrar JSC.

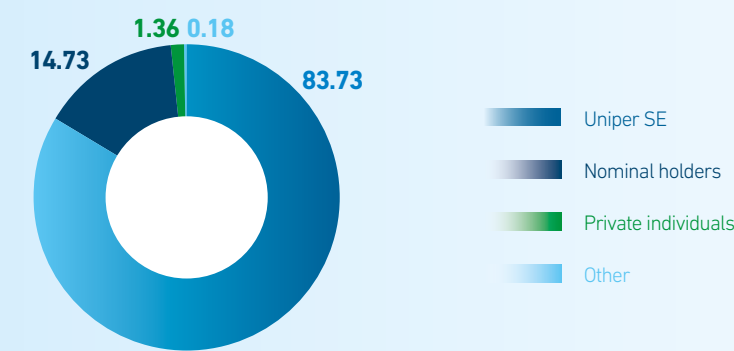


Share capital structure of Unipro PJSC

Types of personal accounts	2018, pcs	2019, pcs	2020, pcs	2018, %	2019, %	2020, %
Legal entities, including	682	685	693	83.92	83.90	83.90
Uniper SE	–	–	–	83.73	83.73	83.73
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	299,761	300,256	300,321	1.38	1.37	1.36
Nominal holders	12	11	11	14.69	14.72	14.73
Trustees	4	4	6	less than 0.01	less than 0.01	less than 0.01
Shares in shared ownership	576	575	574	0,01	0,01	0.01
Unidentified person's account	0	1	1	0	less than 0.01	less than 0.01
Total	301,035	301,532	301,606	100	100	100

The Company did not issue any additional shares in 2020.

Share capital structure of Unipro PJSC in 2020, %



Share circulation and market capitalisation

The authorised capital of Unipro PJSC is RUB 25,219,482,458.37. According to Unipro’s Articles of Association, 63,048,706,145 full and 44,925,042,874/49,130,625,974 fractional uncertificated registered ordinary shares are issued with nominal value of RUB 0.40.

Unipro’s ordinary shares were listed in the first-tier quotation list of PJSC Moscow Exchange 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 PJSC<sup>25</sup>

Date	Market price, RUB	Number of out-standing shares	Market capitalisa-tion, RUB
31 Decem-ber 2018	2.56	63,048,706,145	161,089,444,200
31 Decem-ber 2019	2.79	63,048,706,145	175,905,890,145
31 Decem-ber 2020	2,797	63,048,706,145	176,347,231,088

Dividends

Developing its Dividend policy, Unipro PJSC does not only comply in full with the Russian legal requirements but also balances interests of its shareholders with the Company’s needs in development, boosting its investment appeal and capitalisation.

The Board of Directors approved on 11 March 2019 (Minutes No. 270 dated 12 March 2019) the Regulation on Dividend Policy of Unipro PJSC<sup>26</sup> developed according to the Russian laws and the Articles of Association.

All of the Company’s shareholders enjoy equal and fair terms in receiving a share of Company profits through dividends, including:

- a clear and transparent mechanism for calculating and paying dividends;
- payment of dividends in cash only;
- exclusion of instances when shareholders receive Company profits in any manner other than as dividends and liquidation value.

Based on the Company’s performance in 2008–2010, the General Shareholders’ Meeting made the decision to not pay out dividends.

Dividend History of the Unipro PJSC

Period, for which the dividends were paid	Dividends per share, RUB	Number of shares, shares	Funds allocated to dividends, RUB	Date of the resolu-tion 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
1Q2007	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

<sup>25</sup> According to PJSC Moscow Exchange.

<sup>26</sup> On 01 March 2021 (Minutes No. 299 of 04 March 2020), the Board of Directors of Unipro PJSC approved a revised Dividend Policy.

Period, for which the dividends were paid	Dividends per share, RUB	Number of shares, shares	Funds allocated to dividends, RUB	Date of the resolution on payment of dividends
Based on retained earnings of previous years	0.0793037685567795	63,048,706,145	5,000,000,000	26 June 2014
2014	0.2776423960677	63,048,706,145	17,504,993,843.32	26 June 2015
2015	0.197253780372175	63,048,706,145	12,436,595,634.86	15 June 2016
9M 2016	0.0727	63,048,706,145	7,180,481,826.37	08 December 2016
Based on retained earnings of previous years	0.0431			
2016	0.0936762922840	63,048,706,145	5,906,169,025.05	23 June 2017
1Q2017	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
9 mon. 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
9 mon. 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
9 mon. 2019	0.1110252759795	63,048,706,145	7,000,000 000	07 December 2020

Report on dividends on the Company’s shares for 2020

In 2020, based on a resolution of the Annual General Shareholders’ Meeting, dividends for 2019 were declared in the amount of RUB 7.0 billion. The Extraordinary General Shareholders’ Meeting held on 07 December 2020 resolved to pay interim dividends in the amount of RUB 7.0 billion for nine months of 2020.

As of the date of approval of the annual report, payments on declared dividends for 9 months of 2020 were made 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 intends to continue to provide a high level of dividend yield to its shareholders in the future in accordance with the approved Dividend Policy of Unipro PJSC 102-44

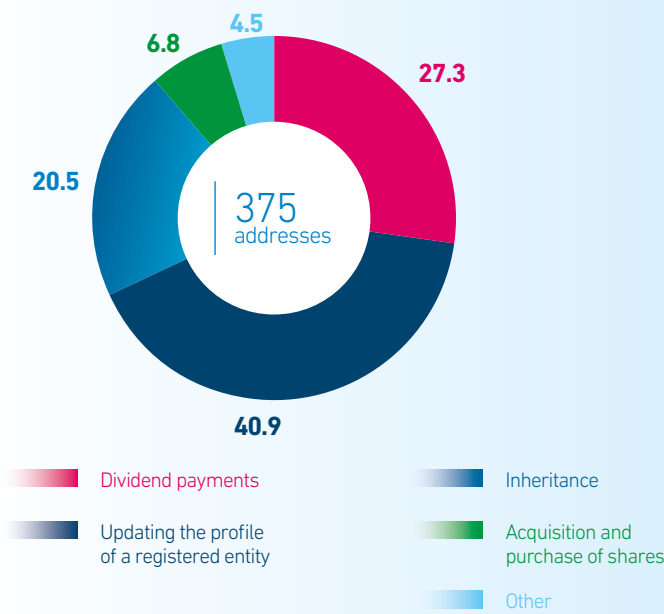


Relations with shareholders and investors

The Company organised a number of events in 2020 for interaction with shareholders and investors as part of its information policy:

- press conference with the participation of the federal media on the results of the disclosure of the Company’s performance under IFRS for 2019;
- a teleconference given by Unipro’s top managers for IFRS analysts and investors to review business results in 2019;
- 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.

Proportion of Unipro PJSC shareholders’ applications to VTB Registrar JSC in 2020, %



Registrar’s details

From 2009 to February 2020, the registrar of Unipro PJSC was R.O.S.T. Registrar JSC.

Due to the expiration of the registry maintenance agreement between Unipro PJSC and Independent Registrar Company R.O.S.T. JSC, the Company carried out procurement procedures under the Regulation on Procurement of Unipro PJSC. The winner of the procurement procedures was VTB Registrar JSC. By the decision of the Board of Directors dated 10 December 2019 (Minutes No. 283 dated 12 December 2019), the VTB Registrar JSC was approved as the registry holder of Unipro PJSC.

VTB Registrar JSC commenced its functions of the registry holder on 18 February 2020.

Detailed information on VTB Registrar JSC can be found in the “Contact Information” section

Disclosures

When disclosing information, the Company is guided by the current laws of the Russian Federation, the requirements of the Moscow Exchange PJSC, the Regulation on the Information Disclosure, as well as other requirements and regulatory acts.

Unipro PJSC discloses information in accordance with the Information Policy of Unipro PJSC, 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 Information Policy of Unipro PJSC is available on the official website of the Company

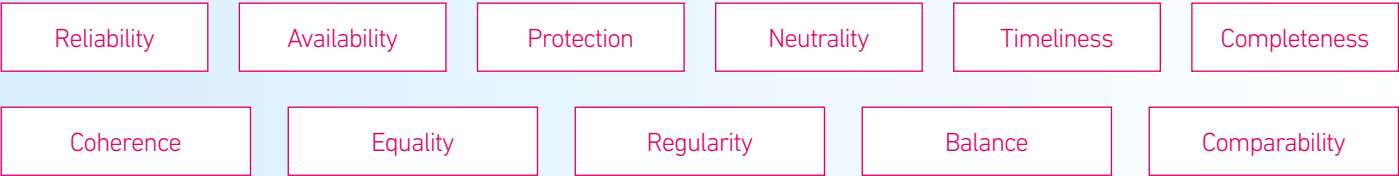




The main objectives of the Information Policy include the following:

- ensuring timely and full disclosure of information about the Company to all the Related Parties in full compliance with the current laws 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.

Information Disclosure Principles of Unipro PJSC



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 laws of the Russian Federation;
- provision of shareholders with access to information and documents and issuing copies of documents at their request in cases stipulated in the current laws of the Russian Federation, the Company's Articles of Association and internal documents;
- provision of answers to shareholders ' requests for information;
- disclosure of information through the mass media;
- arrangement of public addresses of the Company's representatives;
- 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.

Management Bodies 102-22 102-23

General Shareholders' Meeting

The General Shareholders' Meeting 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 Preparing and Holding the General Shareholders' Meeting of Unipro PJSC.

Unipro PJSC (hereinafter the «Company») held its Annual General Shareholders' Meeting on 10 June 2020<sup>27</sup>. In accordance with the recommendation of the Central Bank of Russia <sup>28</sup>, the Annual General Shareholders' Meeting was held in the form of absentee voting, and all shareholders were able to participate remotely in the meetings, in particular, by electronic voting. More than 96% of shareholders 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 2019;
- distribution of the Company's profit (including disbursement (announcement) of dividends) and loss for 2019;
- election of members to the Company's Board of Directors;
- approval of the auditor;
- approval of the updated Articles of Association, Regulation on the Procedure for Preparing and Holding the General Shareholders' Meeting, Regulation on the Board of Directors, and Regulation on the Management Board.

All information on the Annual General Shareholders' Meeting, including materials and minutes, is available on the Company's website



An Extraordinary General Shareholders' Meeting of Unipro PJSC was held on 07 December 2020 in the form of absentee voting. In accordance with the agenda, the shareholders considered the issue of paying dividends based on the results of nine months of 2020.

<sup>27</sup>Minutes No. 24 dated 15 June 2020.

<sup>28</sup>Letter of the Central Bank of Russia of 03 April 2020 No.ИН-06-28/48 "On Holding of General Shareholders' Meeting in 2020".

Board of Directors 102-24

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 in the interests of Unipro PJSC.

The activities of the Board of Directors are governed by the Regulations on the Board of Directors of Unipro PJSC.



The Regulation on the Board of Directors of Unipro PJSC is available on the Company's website

Key Operating Principles of the Board of Directors

Professionalism

Efficiency

Objectivity and independence of judgment

Maintaining the balance of interests of the Company and its shareholders

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:

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

Members of the Board of Directors are elected annually at the General Shareholders' Meeting 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;
- election of at least three independent directors of the Board;
- limitation of the number of executive directors (not more than a quarter of Board members),
- candidates should have no conflicts of interest.

Despite the absence of gender diversity requirements in the Company, women have equal rights and opportunities with men in the selection of candidates. For example, the position of Deputy Chairman of the Board of Directors is occupied by independent director Anna Grigorievna Belova.

Corporate Governance  
Management Bodies

Independent Directors

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.

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.

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

Independent directors serving on the Board of Directors of Unipro PJSC in 2020 were as follows:

- Anna Grigoryevna Belova;
- Oleg Vyacheslavovich Vyugin;
- Georgiy Levanovich Abdushelishvili.

In March 2020 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. According to the Minutes of the meeting of the Board of Directors dated 03 April 2020 No. 287, all three candidates were recognised as independent.

Composition of the Board of Directors

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.

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 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



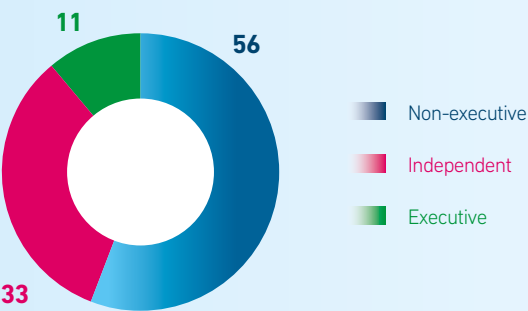
Given the recommendations of the Code of Corporate Governance provided by the Central Bank of Russia and the best market practices of corporate governance in Unipro, an independent director was appointed a Deputy Chairman of the Board of Directors on 10 December 2019

The Board of Directors of Unipro PJSC includes 9 members, of which 3 are independent, 1 is executive, and 5 are non-executive.

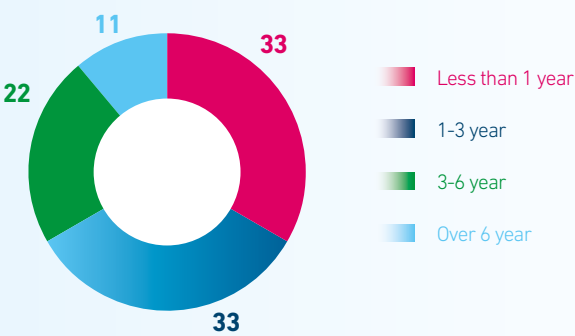
In 2020, the work was carried out by two Boards of Directors. The first Board of Directors was elected at the Extraordinary General Shareholders' Meeting that took place on 03 December 2019, when David Bryson joined the Board of Directors and Uwe Fip left the Board of Directors. The second Board of Directors was elected at the Annual General Shareholders' Meeting on 10 June 2020, when Eckhardt Rümmler left the Board of Directors and Uwe Fip returned.



Status of directors, %



Term of continuous service on the Board of Directors, %



Experience and competencies of Board members <sup>29</sup>

Full name	Field of work						other competencies
	energy	finance	management	production	science		
A. Schierenbeck	+		+				
A. Belova		+			+		PhD in Economic Sciences
G. Abdushelishvili			+				Training and recruitment
D. Bryson	+		+	+			Master of Defence Technology
Dr. Patrick Wolff			+				Law, Doctor's degree in canon and civil law
O. Vyugin		+			+		Candidate of Physical and Mathematical Sciences, Honoured Economist of the Russian Federation
Uwe Fip				+			Master in Petroleum Engineering
R. Hartman			+				Honoured Ph.D. of Marconi University (Italy)
M.Shirokov	+		+				

On-boarding

For the first time, an elected member of the Board of Directors takes an introductory course in the following program: acquaintance with the members of the Management Board and management of the Company, study of the Company's internal documents, software and hardware used in the work of the Board of Directors.

The Corporate Secretary serves as the link between the Board of Directors and the Company, answers all questions that arise and, if necessary, organises meetings with the Company's management or the auditor

As of the date of nomination and during 2020, there were no notices from 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)

<sup>29</sup>The relevant experience of candidates to the Board of Directors in various business areas, considering the data provided by the candidates to the Board of Directors, including their educational background, positions held thereby, and information in the public domain.

Curricula vitae of the Company's Board of Directors as of 31 December 2020



**Andreas Schierenbeck**  
Chairman of the Board of Directors, non-executive director

**Year of birth:** 1966  
**Nationality:** Germany  
**Education:**  
1992: Master of Science in Electrical Engineering, University of Dresden (Germany). 2009: MBA, Executive MBA Program, Harvard School of Business (USA)  
**Positions held in the last 5 years:**  
Since 2019: Chief Executive Officer, Uniper SE (Düsseldorf, Germany)\*  
2012–2019: Chief Executive Officer, ThyssenKrupp Elevator (Essen, Germany)  
**Previous membership in managerial bodies of other companies:**  
Since 2019: Chairman of the Management Board, Uniper SE (Düsseldorf, Germany)  
First elected to the Board of Directors of Unipro PJSC on 14 June 2019  
She holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2020

\* On 30 March 2021, A. Schierenbeck resigned as CEO of Uniper SE.



**Anna Belova**  
Deputy Chairman of the Board of Directors, independent director, Chairman of the Audit Committee, member of the Appointment and Remuneration 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 5 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  
**Previous 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: Member of the Board of Directors of Segezha Group Management Company LLC  
First elected to the Board of Directors of Unipro PJSC on 15 June 2016.  
She holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



Georgiy Abdushelishvili

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

Year of birth: 1962

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 5 years:

2010–2017: Managing Director, Vektor Liderstva JSC.

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

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

Previous 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)

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

She holds no shares in the Company’s authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



Dr. Patrick Wolff

Member of the Board of Directors, non-executive director

Year of birth: 1971

Nationality: Germany

Education:

1994: he graduated from Rhineland Friedrich Wilhelm University (Germany)

1997: he graduated from Ludwig Maximilians University of Munich (Germany)

1999: he obtained a Doctor’s degree in canon and civil law

Positions held in the last 5 years:

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

Previous membership in managerial bodies of other companies:

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

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

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

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

He holds no shares in the Company’s authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



David Bryson

Member of the Board of Directors, non-executive director

Year of birth: 1967

Nationality: United Kingdom

Education:

1989: he graduated from the Commissioning Course, Sandhurst Royal Military Academy. 1993:he received the degree of the Bachelor of Engineering (Honours) Information Technology, Cranfield Institute of Technology. 1999: Master of Defence Technology, University of Cranfield. 2000: he 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 2018: he completed Integrated Management Program, INSEAD (114). 2014: Establishment of effective boards of directors (IESE / Harvard Business School)

Positions held in the last 5 years:

Since 2019: Director for Production, Uniper SE (Dusseldorf, Germany)

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

Previous membership in managerial bodies of other companies:

Since 2019: member of the Management Board, Uniper SE (Düsseldorf, 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 carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



Oleg Vyugin

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

Year of birth: 1952

Nationality: Russian Federation

Education:

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

Positions held in the last 5 years:

Since 2007: Professor of the School of Finance, Faculty of Economic Sciences, Higher School of Economics (now part time)

Since 2019: General Director’s Advisor, SAFMAR Financial Investments PJSC

Previous 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 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, SAFMAR Financial Investments PJSC  
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 carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



**Uwe Fip**  
Member of the Board of Directors, non-executive director

**Year of birth:** 1960  
**Nationality:** Germany  
**Education:**  
1987: he 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 5 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 carried out no acquisitions and disposals of shares in Unipro PJSC in 2020

**Corporate Governance**  
Management Bodies



**Maxim Shirokov**  
Member of Board of Directors, Chairman of the Management Board, General Director, Executive Director

**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 5 years:**  
Since 2012: General Director of Unipro PJSC  
2015–2016: General Director of Uniper LLC.  
Since 2018: General Director of Unipro Engineering LLC  
**Previous 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 carried out no acquisitions and disposals of shares in Unipro PJSC in 2020

**Curriculum vitae of the Company's Board of Directors  
from 03 December 2019 to 10 June 2020**



**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 5 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)  
**Previous 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 carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



**Eckhardt Rümmler**  
Member of the Board of Directors, non-executive director

**Year of birth:** 1960  
**Nationality:** Germany  
**Education:**  
In 1984, he graduated from Hamburg University of Technology with a degree in Marine Shipbuilding Engineering  
**Positions held in the last 5 years:**  
2015–2019: Chief Engineer, Uniper SE (Düsseldorf, Germany)  
2016–2019: Executive Director, Uniper Generation GmbH (Düsseldorf, Germany)  
2016–2019: Executive Director, Uniper Kraftwerke GmbH (Düsseldorf, Germany)  
First elected to the Board of Directors of Unipro PJSC on 15 June 2016  
He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC before 10 June 2020

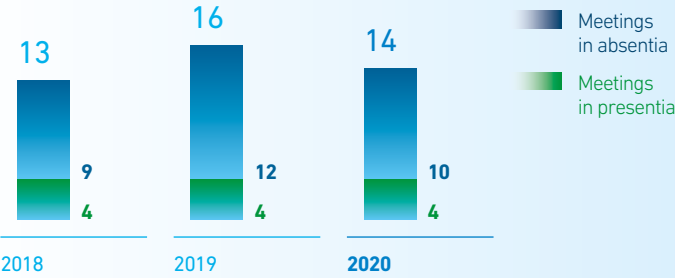
Report on the Board of Directors Performance

In 2020, 14 meetings of the Board of Directors were held (4 in person), where 69 issues were considered. The Board of Directors made a primary focus on the issues concerning Company strategy, corporate governance, financial and business operations, and HR matters.

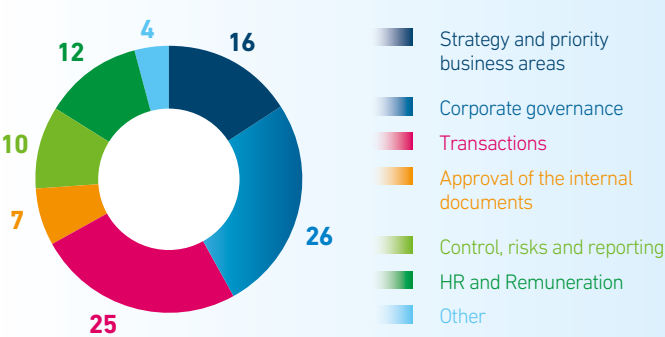
All the issues submitted for consideration by the Board of Directors are previously considered at a meeting of the Management Board. The issues referred to the competence of the Committees (the Audit Committee and the Appointment and Remuneration Committee) are previously considered by the Committees, which, in accordance with the Listing Rules, consist entirely of independent directors.

Regards the most complex issues included in the agenda of the Board of Directors meeting, 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.

The number of Board of Directors meetings, pcs.



Proportion of issues considered by the Board of Directors, %



Personal attendance at meetings of the Board of Directors in 2020

Full name	Attendance at meetings / total number of meetings	Participation in meetings, %
Members of the Board of Directors during the entire reporting year		
Andreas Schierenbeck	14/14	100
Anna Belova	14/14	100
Patrick Wolff	14/14	100
Oleg Vyugin	14/14	100
Georgiy Abdushelishvili	14/14	100
Reiner Hartmann	14/14	100
Maxim Shirokov	14/14	100
David Bryson	14/14	100
Persons appointed to the Board of Directors at the Annual General Shareholders' Meeting on 10 June 2020		
Uwe Fip	9/9	100
Persons who left the Board of Directors at the Annual General Shareholders' Meeting on 10 June 2020		
Eckhardt Rümmler	0/5	0

Minutes of the meetings of the Board of Directors of Unipro PJSC are available on the Company's website



The most material issues considered by the Board of Directors in the reporting period

Categories	Most important issues
Strategy and priority business areas	The status of implementing the investment project "Recovery of Power Unit of Berezovskaya GRES of Unipro PJSC" was re-considered for the 6th time
	In October 2020, the members of the Board of Directors discussed the Company's strategic development prospects
	The Board of Directors decided to participate in the selection of modernisation projects for 2026 for Power Unit No. 2 of PP Surgutskaya-2 of Unipro PJSC
Corporate governance	The Board of Directors considered recommendations for the corporate governance system improvement following which Unipro PJSC management was instructed to implement the recommendations in terms of increasing the amount of information disclosed in English on the Company's website, setting the criteria for significant corporate actions in the Articles of Association, adopting a separate policy on remuneration of the Company's Board of Directors, and securing the position of senior independent director
Control, risks and reporting	The current situation with COVID-19 in the Company's branches was discussed at each meeting of the Board of Directors. The Company's management informed the members of the Board of Directors about the measures being implemented to prevent the spread of coronavirus infection
HR and Remuneration	Additional agreements to collective bargaining agreements of the Company's branches for 2018-2020 were approved

Assessment of the Board of Directors Performance 102-28

Independent assessment

In the reporting period, an independent assessment of the activities of the Company's Board of Directors was carried out by an external independent consultant – PricewaterhouseCoopers Consulting LLC.

The assessment of the activities of the Board of Directors was carried out from December 2019 to February 2020 through a survey of members of the Board of Directors, individual interviews with members of the Board of Directors and certain senior employees of the Company, as well as analysis of internal documents governing the activities of the Board of Directors and its committees, Corporate

Secretary, minutes of meetings of the Board directors and committees and other relevant materials. The independent evaluation findings were reviewed at the meeting of the Board of Directors (Minutes No. 287 of 03 April 2020).

The perimeter of assessment included the following areas:

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



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

- improving the composition of the Board of Directors;
- improvements in the working procedures of the Board 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.

Self-assessment

In March 2020 a self-assessment of the work of the Board of Directors in 2019-2020 was carried out. The assessment was carried out using a questionnaire survey of the Board of Directors members, as well as an analysis of internal documents regulating the activities of 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 2019–2020, and made recommendations for further improvement of work by the Board and its committees.

This report was considered at the meeting of the Board of Directors in the form of joint presence, which was held on 02 April 2020<sup>30</sup>. The assessment, which was carried out, confirmed that the Board of Directors and its committees had performed efficiently in 2019–2020.

Based on the self-assessment 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:

- members of the Board of Directors and the Board Committees should be involved in the forming of the work plan of the Board of Directors for the next corporate year;

- issues of a significant strategic or material nature should be considered at in presentia meetings of the Board of Directors only;
- a regular practice of preliminary consideration of related-party transactions before their approval procedure by the Board of Directors should be introduced;
- the materials which include both the methodology and numerical values, including comparison with market indicators, should be submitted to the committees.

All the above recommendations were successfully implemented during 2020.

Committees of the Board of Directors

Optimising resolutions by the Board of Directors, more detailed preliminary consideration of key issues and preparation of relevant recommendations were the responsibility of two committees in 2020:

- Audit Committee;
- Appointment and Remuneration Committee.

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

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

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.



The resolutions on the committees, including the minutes of the meetings are available on the Company’s website

<sup>30</sup> Minutes No. 287 dated 03 April 2020.

Corporate Governance Management Bodies

Audit Committee

The Audit Committee<sup>31</sup> is a corporate deliberative body established to assist in the effective performance of the functions of the Board of Directors in terms of control over the financial and business operations of the Company.

The main purpose of the activities carried out by the Audit 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 Audit Committee of the Board of Directors of Unipro PJSC. The Regulation takes into account all the 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 level quotation list.

In 2020, 7 meetings of the Audit Committee were held. One meeting of the Audit Committee was held in presentia in Moscow, while all other meetings were held in person using telecommunications.

Report on the Audit Committee Performance in 2020

Full name	Attendance	Most Important Issues Considered by the Audit Committee
Anna Belova (Chairman of the Committee)	7/7	Major focus was given towards the issue of the internal control system establishment in the Company (these discussions led to the development of Unipro PJSC Internal Control System Roadmap for 2020 and 1H 2021). The Committee’s members monitored the liquidity management and several times considered the issue of the Aggregated Asset Unplanned Unavailability Risk.
Georgiy Abdushelishvili	7/7	As ESG discussions, this Annual Report was planned to be prepared, taking into account the ESG issues.  The Audit Committee’s members considered the recommendations produced based on the findings of the Compliance Management System audit conducted in 2019 and the recommendations made based on the analysis of the structure of the Corporate Governance System conducted in 2019 (an action plan was developed to implement the recommendations based on the findings of the Compliance Management System audit).
Oleg Vyugin	7/7	For the purposes of enhancement the audit and control environment efficiency, the Audit Committee’s members separately discussed the issue of internal audit digitalization

<sup>31</sup> Established on 30 November 2006.

Proportion of issues considered by the Audit Committee, %



Appointment and Remuneration Committee

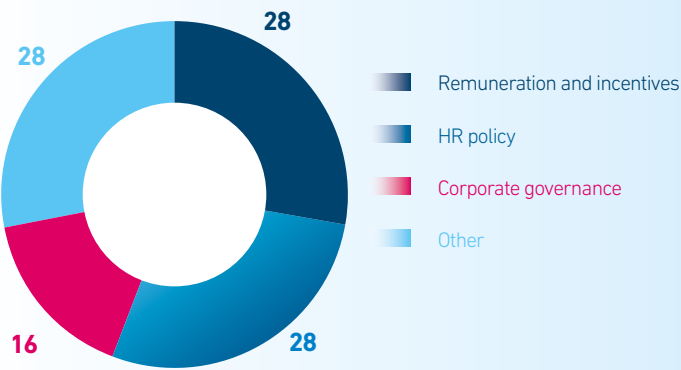
The Appointment and Remuneration Committee<sup>32</sup> constitutes a collegial deliberative body established in order to assist the Board of Directors in strengthening its professional composition and work efficiency, as well as in considering issues associated with the development of more efficient and transparent remuneration practices for 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 PJSC. The Regulation takes into account all the requirements set out by the new Listing Rules of the Moscow Exchange PJSC for inclusion and maintenance of the shares of an issuer in the first level quotation list.

In 2020, 8 meetings of the Appointment and Remuneration Committee were held. One meeting of the Appointment and Remuneration Committee was held in presentia in Moscow, while all other meetings were held in person using telecommunications? the remaining being held in the form of absentee voting.

Proportion of issues considered by Appointment and Remuneration Committee, %



Report on the Appointment and Remuneration Committee Performance in 2020

Full name	Attendance	Most Important Issues Considered by the Audit Committee
Georgiy Abdushelishvili (Chairman of the Committee)	8/8	Measures for the protection of personnel and businesses in the context of the COVID-19 pandemic have been repeatedly reviewed and evaluated
Anna Belova	8/8	<div>The issue concerning approval of the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members was considered</div> <div>The talent management system of Unipro PJSC: planning of key staff pool and HSSE enforcement system used by Unipro PJSC were reviewed</div>
Oleg Vyugin	8/8	The Appointment and Remuneration Committee's members have produced recommendations on election and succession planning of Unipro PJSC Board of Directors

<sup>32</sup> Established on 14 April 2008.

Corporate Governance  
Management Bodies

Corporate Secretary

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

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

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

No conflicts of interest in the work of the Corporate Secretary were identified in 2020.



Ekaterina Giganova

**Year of birth:** 1982  
**Nationality:** Russian Federation  
**Education:**  
2004: she graduated from the State University – Higher School of Economics, Law Faculty  
**Positions held in the last 5 years:**  
2011–2018: Senior Lawyer, DLA Piper Rus Limited  
Since 2019: Head of the Corporate Policy Department, Unipro PJSC  
She holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



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 Shareholders' Meeting.

Key responsibilities of the Management Board comprise the following:

- development and submission to the Board of Directors of long-run plans for implementing the Company's key business activities;
- approval of major transactions of the Company;
- determination of the Company's position on a number of most critical issues in the business of its subsidiaries;
- provision of social guarantees and benefits to Company employees;
- design of draft resolutions and recommendations to the Board of Directors.

Pursuant to Clause 18.3 of the Articles of Association of the Company, members of the Company's Management Board are elected by the Board of Directors and number at least three persons. The Board of Directors may determine a greater number of members of the Management Board.

No changes to the Management Board took place in 2020.



The Regulation on the Management Board of Unipro PJSC is available on the Company's website

Curricula vitae of the Management Board's members as of 31 December 2020



**Maxim Shirokov**  
General Director, Chairman of the Management Board, member 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 5 years:**  
Since 2012: General Director of Unipro PJSC  
2015–2016: General Director of Uniper LLC.  
Since 2018: General Director of Unipro Engineering LLC  
**Previous membership in managerial bodies of other companies:**  
Since 2013: Member of the Supervisory Board, Council of the Association of Power Producers  
Appointed to the Management Board of the Company on 16 July 2012.  
He holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2020

Corporate Governance  
Management Bodies



**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 Program, Executive Master of Business Administration  
**Positions held in the last 5 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 carried out no acquisitions and disposals of shares in Unipro PJSC in 2020



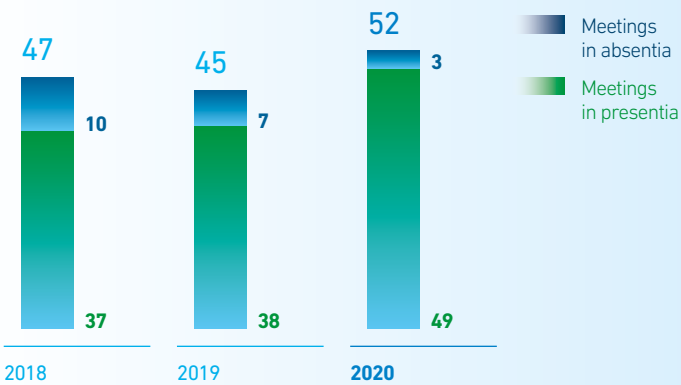
**Igor Popov**  
Deputy General Director for Production, Member of the Management Board

**Year of birth:** 1965  
**Nationality:** Russian Federation  
**Education:**  
1988: he graduated from Chita Polytechnic Institute, heat-and-power engineer  
**Positions held in the last 5 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 carried out no acquisitions and disposals of shares in Unipro PJSC in 2020

Report on the Management Board Performance

In 2020, 52 meetings of the Management Board were held, of which three were held in absentia, and the rest were held in person, including using telecommunications. At these meetings, 299 issues were considered in all areas of the Company's operational activities.

Number of Management Board's meetings, pcs



Proportion of issues considered by the Management Board, %



Given the new realities and COVID-19 pandemic, the Company’s Management Board paid considerable attention to social investment issues, especially in terms of providing medical supplies and devices to hospitals in the regions where Unipro operates

The most material issues considered by the Board of Directors in the reporting period

Categories	Most important issues
Procurement and contracts	<p>On a quarterly basis, the Management Board reviews the analysis of all purchases made in the Company.</p> <p>The electronic trading platforms the use of which is allowed for e-procurements have been approved.</p> <p>Accession of Unipro PJSC to the Memorandum on the Stabilisation of Wholesale Market for Electricity and Power e with the guaranteeing suppliers of the North Caucasus Federal District, the Republic of Kalmykia and the Republic of Tyva has been approved.</p>
Strategy and priority business areas	<p>The prospects of business development for the construction and operation of small-scale generation facilities in Russia in 2020-2030 have been considered.</p> <p>The status of the project Modernisation of the Unified Automated Control System of Financial and Economic Activities is considered.</p> <p>The tariff setting by the Company for heat production, water treatment and water disposal is reviewed.</p> <p>A three-year fuel procurement strategy is considered.</p>
Measures for the prevention of coronavirus infection spread	<p>Additional compensatory payments for mobile communication and Internet services have been set for to individual employees of branches of Unipro PJSC.</p> <p>Approaches to risk-oriented liquidity management in 2020 have been approved.</p> <p>Refusal to apply the moratorium in accordance with Article 9.1 of Federal Law No. 127-FZ of 26 October 2002 "On Insolvency (Bankruptcy)" have been considered.</p> <p>Additional payments to the average earnings in case of temporary disability have been set for the employees of branches of Unipro PJSC.</p> <p>The gratuitous transfer of property (food) has been approved by Unipro PJSC under donation agreements.</p>
Subsidiaries	<p>The business strategy of Siberia AIP LLC, the subsidiary of Unipro PJSC, have been approved.</p>

Audit and control

Control System

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, regulatory documents, methods and key participants:

- Audit Committee under Unipro PJSC Board of Directors (for details ref. to "Committees of the Board of Directors");
- Internal Audit Department;
- External Auditor.

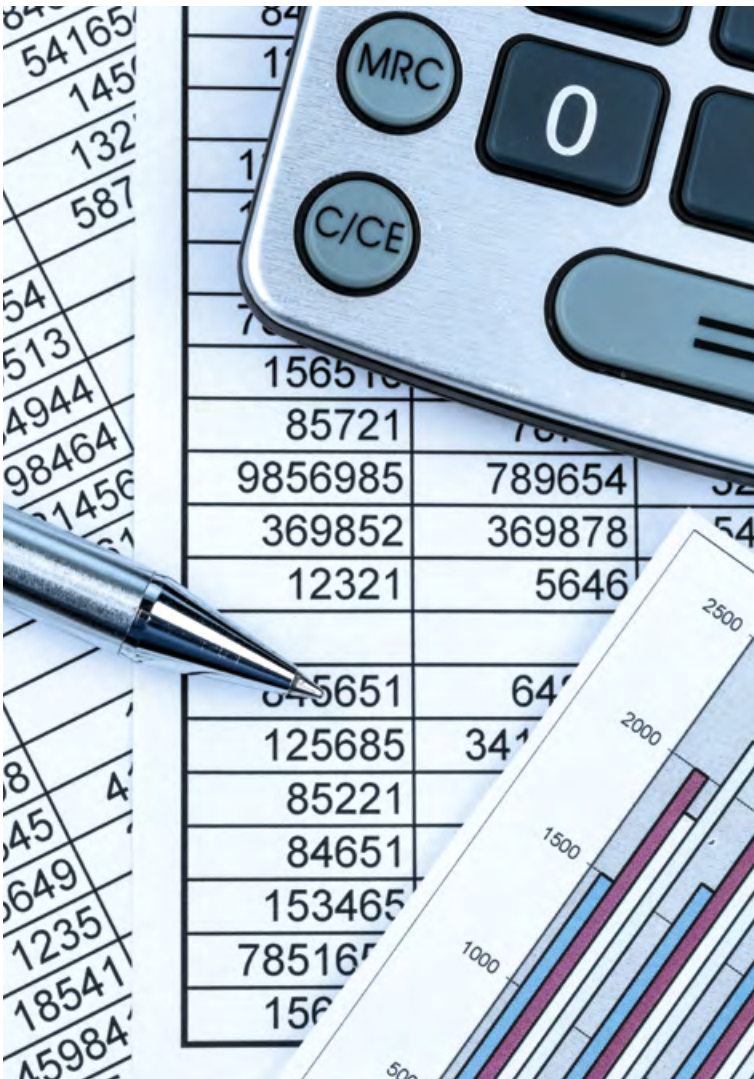
The main principles, goals, objectives, methods and processes of the control system are defined by the General Shareholders' Meeting and the Board of Directors of Unipro PJSC in the documents:

- Code of Corporate Governance;
- Code of Corporate Conduct;
- Regulation on the Audit Committee of the Board of Directors;
- Regulation on the Internal Audit Department.

The Unipro Internal Control System (ICS) is a system of organisational measures, policies, instructions, as well as control procedures, corporate culture standards 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 effectiveness;
- reliability and timeliness of financial statements;
- compliance with 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, which ensures timely and effective application of risk management methods using effective internal control mechanisms. Besides, the Company's management and its employees focus their efforts on improving the internal control system, primarily in those areas of activity that are characterised by the highest level of risks (for details ref. to the section "Key Risks").

Unipro assesses the efficiency of its internal control system, based on the internal control system



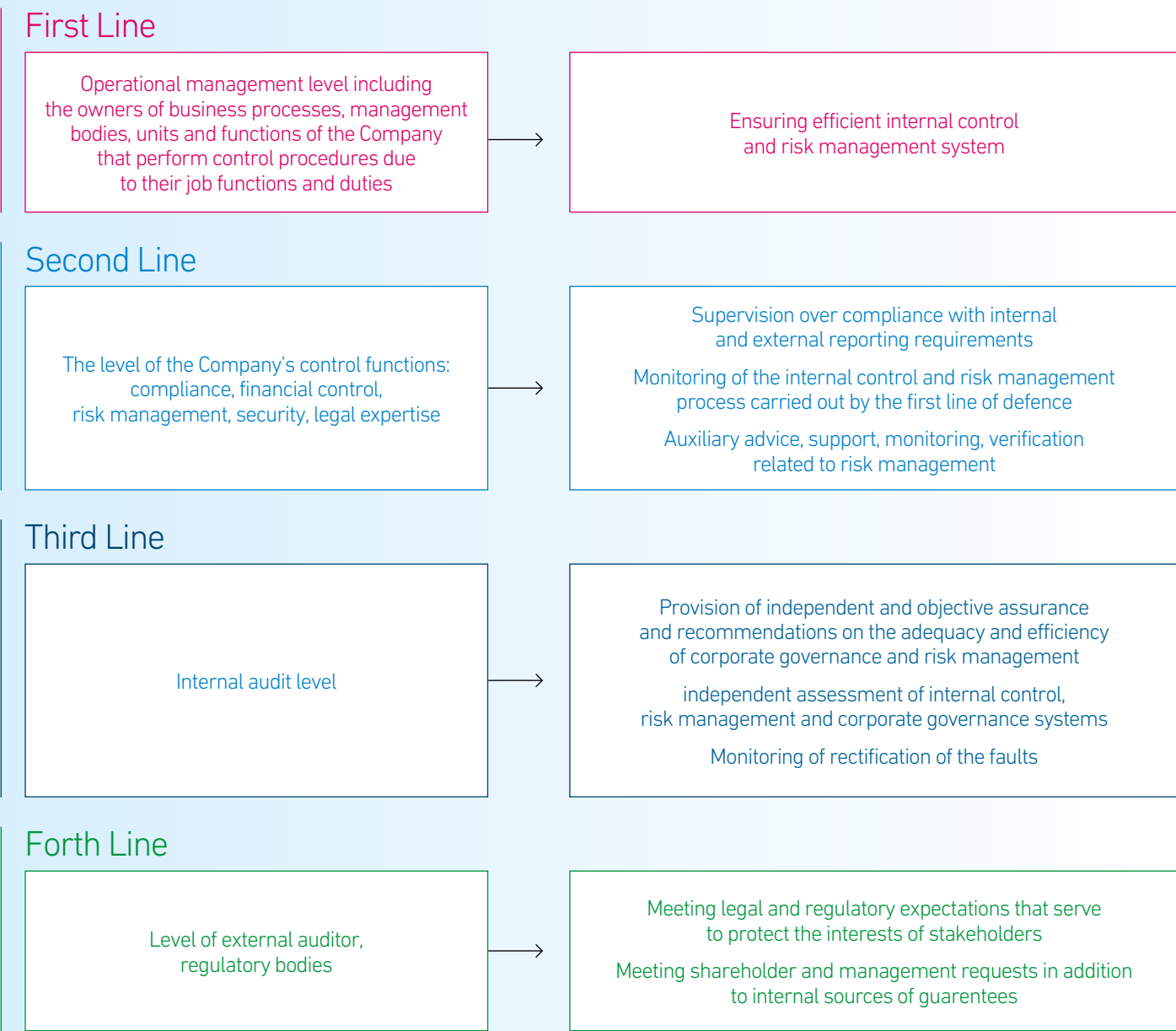
methodology developed by the Committee of Sponsoring Organizations (“COSO”), entitled “Internal Control. Integrated Model”.

Unipro PJSC uses the applicable Regulation on the Internal Control System to ensure the effective operation of the internal control system that complies with generally recognised practices and standards of internal control and contributes to the achievement of the Company’s business objectives. The Regulation on the Internal Control System

defines the objectives, principles of operation and elements of the Company’s internal control system, the main functions and responsibilities of the internal control system participants, and the procedure for assessment of the internal control system efficiency.

The internal control system of Unipro operates according to “four lines of defence” model, which means that the internal control is implemented in the Company at four levels.

Unipro PJSC Internal Control System Model



Corporate Governance

Audit and control

The functions of the internal control system participants are set in the Regulation on the Internal Control System of the Company, regulations on functions, and job descriptions.

Unipro conducts an annual assessment of the efficiency of control procedures and the internal control of processes.

The Company’s management shall sign the Sign-Off form, which is an integral part of Uniper Group’s annual financial statements and confirms the efficiency of the internal control system. This statement is based on the results of the internal control system self-assessment by the process and controls owners, who are responsible for updating their state and status.

The internal control system efficiency is assessed based on:

- updating of process control matrices by business process owners;
- confirmation by all business function owners of their responsibility for implementing and maintaining an effective and up-to-date internal control system;
- random control by external and internal audit forces.

Results of the Internal Control System Development in 2020 and Further Improvement Lines

The internal control system of Unipro PJSC is up-to-date and efficient. In order to further improve the internal control system efficiency, the Company’s management strives to develop and strengthen it in accordance with the best practices in the market, recommendations and requirements of regulatory bodies.

In 2020 the key events related to the internal control system were:

- continuous analysis of the main activity processes and management processes for the effectiveness and sufficiency of control procedures used in them;
- approval of the measures for improvement of the internal control system efficiency for 2021;

- completion of the assessment of the involvement of the Company’s employees in the internal control system by means of a questionnaire;
- development of the Internal Control System Roadmap of Unipro PJSC for 2020 and 1H 2021;
- completion of the preliminary analysis of the organisation level of the internal control system according to the criteria set by the Federal Tax Service of the Russian Federation;
- establishment of a register of control procedures that should be/potentially can be automated in ERP D365 for each business process;
- approval of the Regulation “Control Procedures for Accounting and Tax Accounting, Preparation of Accounting (Financial) and Tax Statements”.

Plans of the internal control system improvement for 2021 include:

- updating of the Regulation on the Internal Control System and other local regulatory acts, as well as the job descriptions of the Company’s employees;
- improvement of the internal control system of the functional activities of Unipro PJSC: “Purchases”, “Sales”, “Fuel — from procurement to accounting”, “Treasury” and “Financial statements”;
- updating of business process control matrices for accounting, tax accounting and preparation of accounting (financial) statements;
- strengthening of controls in business processes during the transition to D365 and further replacement of manual controls with automated ones;
- further detailed analysis of the level of organisation of the internal control system according to the criteria set by the Federal Tax Service of the Russian Federation and drafting of a roadmap for transition to tax monitoring;
- increase of the awareness of key personnel.

### Internal Audit Department

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

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

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

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.

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.

The Head of the Internal Audit Department is functionally subordinate and reporting to the Company's Board of Directors. 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 2019, the Board of Directors of Unipro PJSC approved the appointment of Veronika Semenova to the position of the Head of the Internal Audit Department of Unipro PJSC (Minutes No. 272 dated 05 April 2019).

No conflicts of interest in the work of the Head of the Internal Audit Department were identified in 2020.



#### Veronika Semenova

**Year of birth:** 1985  
**Nationality:** Russian Federation  
**Education:** higher education  
In 2007, she graduated from Griboyedov Institute of International Law and Economics, Faculty of Economics  
**Positions held in the last 5 years:**  
2011–2018: Senior Manager at KPMG Forensic  
Since 2019: Head of the Internal Audit Department, Unipro PJSC  
She holds no shares in the Company's authorised capital and carried out no acquisitions and disposals of shares in Unipro PJSC in 2020

During 2020, 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

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.

Audit procedures are based on the annual audit plan, which was prepared for 2020 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 2020 is fulfilled by 100 %. In total, the employees of the Internal Audit Department conducted 10 audits, namely:

- Organizational setup and corporate relations and communications management;
- Efficiency of the corporate security function in Unipro;
- spot check 5. Sale of metal scrap at Berezovskaya GRES branch;
- License management;
- spot check 6. The effectiveness of the actual coronavirus-related measures taken, as well as their impact on Berezovskaya GRES Power Unit 3 completion
- Fulfilment of contractual obligations and procedure for handling claims;
- construction of a boiler house in the Smolenskaya GRES branch;
- Asset modernization program of Unipro PJSC;
- Random audits of purchases;
- spot check 7. Checking the budget of additional costs for forests at the Berezovskaya GRES (random audits of Unipro Engineering LLC).

In addition to 10 audits, two additional internal investigations were conducted, which were initiated based on the requests received via Unipro hotline.

In one of the two investigations conducted in 2020 the information was partially confirmed.

During all conducted internal investigations observations were made regarding the effectiveness of the analysed business processes, and recommendations were given to improve such processes.

Thus, a total of 12 audits were conducted by the Department's employees in 2020.

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 2020 the staff of the Internal Audit Department pursued further professional development and training. The staff of the Department have been trained towards and continue to prepare for CIA (Certified Internal Auditor) and CFE (Certified Fraud Examiner) professional certifications.

The work plan for the Internal Audit Department of Unipro PJSC for 2021 includes the following areas:

- audit of supervisory control and data acquisition (SCADA);
- audit of the procurement process;
- re-audit of the license management process;
- audit of selected topics related to the project of Refurbishment of Berezovskaya GRES Power Unit 3;
- audit of the time tracking process;
- audit of the occupational health, safety and environment management system, including safeguarding of the health of personnel;
- re-audit of the boiler house construction at Smolenskaya GRES;



- audit of repair and maintenance processes at Surgutskaya GRES.

The Company has developed feedback channels for issues related to violations or inconsistencies in the preparation of financial statements or in operation of the internal control 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 2021 includes:

- conducting audits according to the plan, as well as unscheduled inspections (internal investigations);
- support of remote work;
- building relationships with the departments to increase the transparency of information disclosure, consulting, and promoting the Trusted Advisor approach;
- attracting employees of the Company's functions to participate in the Guest Auditor program;
- development and implementation of a digital tool for automated analytical procedures based on the Qlik View platform;
- obtaining of 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 (PvC Audit JSC, 10 Butyrsky Val str., 125047 Moscow), the candidacy of which had been approved by the decision of the Annual General Shareholders' Meeting of Unipro PJSC dated 08 July 2020, was declared the winner.

PvC 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.

PvC Audit JSC, the auditor, has not provided any other consulting services to the Company. Information on the independent auditor's remuneration is provided in [the section "Report on Remuneration of Management and Control Bodies"](#).

In 2020, the auditor completed the following works:

- audit of RAS financial statements of Unipro PJSC for the period from 01 January to 31 December 2019, inclusive;
- preparation of the auditor's opinion on RAS financial statements of Unipro PJSC for 2019;
- audit of IFRS consolidated financial statements of the Company for the year ending on 31 December 2019;
- preparation of an audit report on the financial status of the Company as of 31 December 2019, and on is business results and cash flow for the reporting year in accordance with IFRS;
- audit of the Company's special financial information for the reference period ending on 31 December 2019, prepared according to the instructions of Uniper SE Group and the accounting policy of Uniper SE Group for the preparation of financial statements;
- report on compliance with the instructions of Uniper SE Group and Uniper SE Group accounting policy in preparation of the Company's special financial information;

- assessment review of Unipro PJSC interim IFRS financial statements prepared for 6 months ending on 30 June 2020;
- drawing up of the auditor's opinion on the assessment review of Unipro PJSC interim IFRS financial statements prepared for 6 months ending on 30 June 2020;
- review of special financial information for 3, 6 and 9 months ending on 31 March, 30 June and 30 September 2020, respectively, prepared according to the instructions of Uniper SE and the accounting policy of Uniper SE for preparation of special financial information;
- preparation of an opinion based on the review of special financial information for 3, 6 and 9 months ending on 31 March, 30 June and 30 September 2020, respectively, prepared according to the instructions of Uniper SE and the accounting policy of Uniper SE for preparation of special financial information.

The independent auditor's report is subject to review by the Audit Committee of the Board of Directors of Unipro PJSC. The Audit Committee reviews the auditor's plan for the Company's annual audits.

The audit report on the accounting (financial) statements of Unipro PJSC for 2019 was recognised by the Audit Committee as corresponding to the goals and objectives of this document (Minutes No. 54 of 28 April 2020)

Report on Remuneration of Management and Control Bodies 102-35

Remuneration of the members of the Board of Directors and Committees

The remuneration system to the Board of Directors of Unipro PJSC comprises a fixed (quarterly) and variable (annual) part. The fixed part depends on how actively members participated in the work of the Board of Directors. The variable part is linked to the Company's financial performance in order to encourage commitment of Board members to the Company's business, and make them interested in achieving best-possible financial performance.

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

The Regulation stipulates for the reimbursement to the members of the Board of Directors of all expenses incurred by them in the fulfilment of their job obligations as members of the Board of Directors.

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

Remuneration of the Board of Directors, RUB thous. <sup>33</sup>

Type of remuneration	2018	2019	2020
Quarterly	5,320	5,047	6,853
Annual (for previous year)	11,472	11,121	9,627
Compensation of expenses	1,115	987	0
Total, Unipro PJSC	17,907	17,155	16,480

Remuneration of the committee members who are members of the Company’s Board of Directors is paid in the amount and in accordance with the procedure set in the Regulations on the Board of Directors of Unipro PJSC. Currently, the Committee members

do not receive any other types of remuneration and compensation for expenses other than those provided for in the Regulations. During 2020, only independent members of the Board of Directors received equal remunerations.

Remuneration of Board members

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

approves the individual achievements (KPIs) of the Management Board members based on the results of the relative 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. In accordance with 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 W. Bakkmayer, the Deputy General Director for

<sup>33</sup> Including the personal income tax.

Finance and Economics of Unipro PJSC, and Mr I. V. 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 2019 performance were reviewed and approved at the meeting of the Appointment and Remuneration Committee (Minutes No. 146 of 02 March 2020).

Remuneration of the Management Board, RUB thous. <sup>34</sup>

Type of remuneration	2018	2019	2020
Salary	154,835	178,358	179,082
Bonuses and other benefits	516,697	92,347	266,859
Total, Unipro PJSC	671,532	270,705	445,941

Auditor’s remuneration

The auditor’s remuneration is determined by the decision 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 mln <sup>35</sup>

Type of remuneration	2018	2019	2020
Audit of annual RAS accounting (financial) statements and IFRS consolidated financial statements.	25.0	25.0	24.5
Non-audit fee	No	No	No
Total, Unipro PJSC	25.0	25.0	24.5



<sup>34</sup> Including the personal income tax.

<sup>35</sup> Including the value added tax.



# Compliance and anti-corruption

Unipro PJSC Code of Corporate Conduct is available on the Company's website



Compliance is an integral part of the corporate governance system at Unipro PJSC. The Company values its business reputation and corporate culture, which have been built for many years, and operates exclusively under the applicable law, in accordance with the principles of good business practices and high standards of business ethics and professional conduct.

The effectiveness of the compliance system is based on personal responsibility of each employee. That is why every employee of Unipro PJSC, regardless of the position, shall follow the rules of the Code of Corporate Conduct. It is a fundamental document which sets out the established rules that are mandatory for all employees of Unipro PJSC.

## Our employees

- We respect each other
- We ensure safe working conditions

## Our activity

- We avoid conflicts between personal and professional interests
- We present and accept only appropriate and reasonable gifts and hospitality signs
- We comply with the laws and all applicable sanctions regimes, and also oppose money laundering and terrorist financing
- We do not distribute insider information
- We follow the rules of healthy competition
- We protect our assets and use them wisely
- We keep records and provide accurate and understandable data about business transactions
- We act on behalf of the Company only with the appropriate authority

## Our social obligations

- We respect human rights
- We care about the environment
- We support the development of regions

See the [ANNEX](#) for the Related-Party Transaction Report

The Compliance Procedure suggests a system of controls that cover activities of the Company in the following areas:

- antitrust regulations;
- securities law/rules that regulate insider trading;
- prevention of fraud, corruption, violations of the rules of conduct envisaged by the Code of Corporate Governance.

## Corporate Governance

### Compliance and anti-corruption

The Code of Corporate Conduct for training (e-learning) once every two years, as well as upon hire of new employees. [205-2](#)

Unipro PJSC has a compliance risk management system: compliance risks are assessed for the Company's activities, resulting in the creation of a risk map with the degree of probability of their materialisation and a set of measures to mitigate them. Further, based on the results of these actions, a detailed risk assessment report is prepared with a list of practical measures and specific deadlines for their implementation.

In addition, with the participation of senior management of Unipro PJSC, a separate antitrust risk assessment is conducted on an annual basis. In 2020, the Company approved a new Antimonopoly Policy, which describes the major antitrust violations and gives recommendations to employees on how to prevent it.

Unipro PJSC believes combating the 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 laws 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.

In 2020, the compliance officer received more than 10 applications from the Company's employees, including relating to potential conflicts of interest and participation in events and congratulations of partners in connection with some memorable dates. Following the review of these applications, 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.

In the reporting period, no confirmed cases of corruption were identified in Unipro [205-3](#)

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. At the same time, the Company welcomes the continuity of generations and the preservation of the dynasty of power engineers. Thus, Unipro is of the opinion that each potential conflict of interest is unique and should be considered separately, but additional control measures can be taken.

## Plans for 2021

Unipro PJSC will continue to work on development and improvement of the Compliance Management System, and will adopt a number of additional regulatory documents governing anti-corruption processes, to conduct separate training and consulting for the Company's employees on compliance with anti-corruption requirements.

In 2021, the training course (e-learning) will be updated and repeated training will be carried out for all employees of the Company. Besides, it is planned to update the Code of Corporate Conduct

## In particular, Unipro has organised a 'hot line' for informing

on any facts or prerequisites for the occurrence of a corruption situation, which is available to both the Company's employees and its partners [102-17](#)

# Risk management

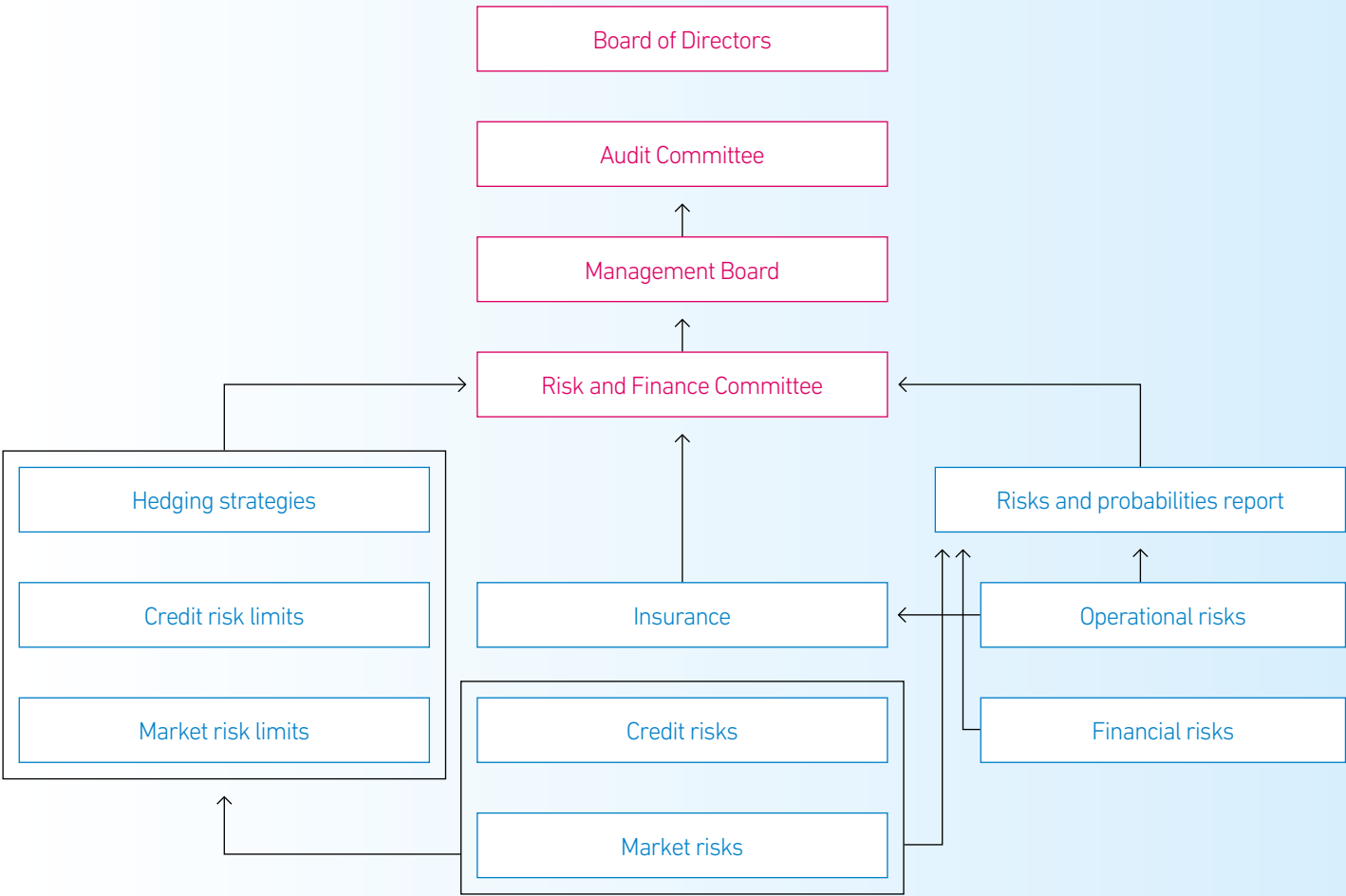
## Corporate risk management system

Effective risk management is one of the most important prerequisites for sustainability of Unipro PJSC business.

The current integrated risk management system is aimed at the timely identification of risks, as well as the implementation of measures to manage them. The Company regularly reviews the planning, controlling and reporting processes in order to improve the efficiency and predictability of its financial position.

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 Organizational structure



## Corporate Governance

### Risk management

The key elements of the risk management system are the Company's strategy, internal regulations, including the Regulations on CRMS, controlling, planning, internal control and audit system, risks and opportunities reports, as well as operation of the Risk and Finance Committee.

Scheduled reports are provided on a quarterly basis. Moreover, the Company establishes a procedure for compiling and reviewing urgent reports in case of emerging material risks.

Reports on the most material risks and opportunities are laid before Unipro PJSC Audit Committee and the Board of Directors for consideration. 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, such as the aggregated risk of business interruption, COD delay risks and risks of increased draft budget of Berezovskaya GRES Power Unit No. 3 reconstruction and repair project, the Company liquidity crisis management.

- 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.

## Performance of the risk management system in 2020

Amidst the spread of COVID-19, Unipro PJSC paid special attention to development, implementation and progress monitoring of activities mitigating the adverse impact of the pandemic. The meetings of Central and Local Crisis Management Groups with the involvement of the Company Management were held on a regular basis. Right from the very beginning of the pandemic outbreak, the crisis liquidity management plan was developed on the basis of different risk scenarios and potential subsequent decrease of the Company cash flow. The risk owners and respective functions use a wide range of preventive measures to counter the spread of coronavirus infection, including remote working and various sanitary and epidemiological controls, such as continuous body temperature monitoring of employees, face mask requirements, social distancing, disinfection, and Covid tests. In the event that the epidemiologic situation deteriorates significantly, each branch has developed plans for emergency actions aimed at switching to an isolated mode of the plant operation: The Company's agenda related to mitigation of adverse impact of the pandemic is being continually pushed at the platforms of the Market Council Association, in the Ministry of Energy of Russia and in the Ministry of Economic Development of the Russian Federation.

In the reference period, the Risk and Finance Committee also paid attention to monitoring the



risks of the project to restore Power Unit No.3 of Berezovskaya GRES, and to the progress of the fire hazard reduction recommendations issued during (Uni)performance inspections.

In 2020, the Treasury Operations and Risk Management Department focused on organizing the process to identify and assess risks as well as develop corresponding preventive measures with regard to projects aimed to implement the thermal power plant modernization program, update the Insurance Policies for construction and installation works under the Berezovskaya GRES Power Unit No. 3 recovery project, and consolidate the reports on risks associated with the spread of COVID-19 infection.

The insurance coverage against the damage to property and losses caused by business interruption was resumed for 2021, and the insurance coverage with respect to contracted works during the repairs and technical refurbishment was extended. In addition, additional insurance coverage was purchased for contract works carried out as part of modernization projects.

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.

With the existing risk management system, the Company ensures that the risks are timely detected, estimated, managed, and controlled.

Besides, some risks may still emerge that are currently unknown or insignificant. These risks may negatively affect the future performance of Unipro PJSC.

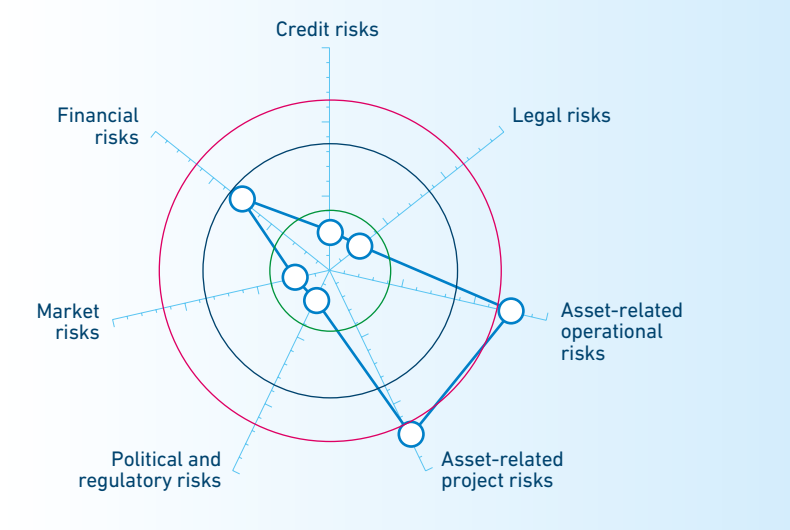
<sup>36</sup> Net risk value - the sum of potential losses / profits remaining after taking into account preventive measures and planned loss values / profits included in the respective forecasts and plans.

Plans for 2021

In the coming year Unipro PJSC will continue its continuous optimization and improvement of the CRMS. The persistent task is to maintain the risk management function in terms of risk owners' influence on the quality of risk management processes at a high level. In 2021, special focus will be given to implementation of the Environmental, Social and Governance (ESG) Risk Management Policy).

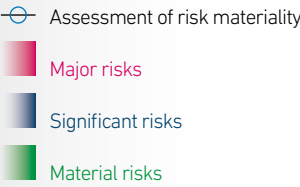
Key risks 102-33

Most significant net risks of Unipro PJSC at year end 2020<sup>36</sup>

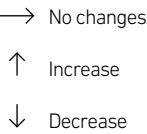


Report on Unipro PJSC Risk Management in 2020 102-30

Risk materiality level<sup>37</sup> at year end 2020



Dynamics of risk materiality in 2020



Risk category	Risk subcategory and preventive measures	Assessment of materiality and risks dynamics
Market risks	<p><b>Commodity risks</b></p> <p>The main 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 formed in the market as a result of stagnation of power consumption and large-scale commissioning of capacities by generators under investment programmes, the competition between generators and pressure on the free price are increasing.</p> <p>In the context of the COVID-19 coronavirus pandemic and economic downturn throughout the world, commodity/market risks of the Company may increase. A decrease in the power consumption will adversely affect free price levels in the DAM, the power plants load and the yield of business</p>	↑
	<p><b>Currency</b></p> <p>The Company minimises the foreign exchange risk by hedging future liabilities in foreign currency</p>	→
Credit risks	<p>Unipro PJSC manages credit risks by assessing fair practices of counterparties, by setting and controlling limits on transactions with financial institutions.</p> <p>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.</p> <p>The economic downturn that hit Russia in the context of COVID-19 pandemic did not affect the amount of bad debt to the Company in 2020. Nevertheless, the worsening of payment discipline and decline in payment for power and heat supply services are observed in retail markets, including at housing and community facilities and in budgetary organisations. The non-payment situation may worsen in many areas of the economics, including in the power industry, in the near future. Failures to pay or delays in payment for the supplied power and capacity may affect the Company's revenue level and performance</p>	↑



<sup>37</sup> Risk materiality is the product of risk probability and the amount of consequences for the Company in monetary terms.

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risks dynamics
Financial risks	<div>Tax risks</div> <div>Tax risks of the Company are caused by:<ul style="list-style-type: none"><li>reformation of the state oversight function;</li><li>invariability of business tax conditions and length of the investment planning horizon;</li><li>state readiness to support business initiatives by means of legal tax tools;</li><li>gaps and contradictions in the tax legislation.</li></ul><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></div>	<div></div>
Operational risks	<div>Asset-related operational risks</div> <div>Business interruption risks</div> <div>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.</div> <div>The main factors when assessing the possible losses include turbine oil catching fire, damage of the turbine wheelspace, explosion of the boiler at ignition, fuel oil spill fire in the boiler room, explosion in the chemical water treatment ammonia storage, washout of the water gathering pond dam, etc.</div> <div>To reduce probability of negative events, the Company undertakes the following measures:<ul style="list-style-type: none"><li>establishing a four-tier system of industrial control and industrial safety management;</li><li>carrying out equipment maintenance in line with a strict schedule;</li><li>ongoing monitoring of the state of waterworks;</li><li>high-quality training of the personnel (especially the employees operating hazardous facilities), assessment of their knowledge, special training (technical workshops, simulator training), advanced training, and analysis of their reliability based on investigations of incidents and near misses;</li><li>ensuring systematic work with the personnel to increase their reliability manifesting itself in the absence or minimisation of consequences of any accidents/incidents resulting from human errors;</li><li>performing close 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;</li><li>organising 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;</li><li>implementing a risk-oriented approach to planning targeted measures improving the equipment reliability and implemented as part of repair and modernisation operations by generating risk maps for each equipment group, analysing previous and forecasting future forced unavailability;</li></ul></div>	<div></div>

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risks dynamics
	<ul style="list-style-type: none"><li>calculating and analysing the reliability indicators for equipment groups to forecast its forced unavailability and ensure that investments are used to minimise such forced unavailability;</li><li>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;</li><li>identifying and evaluating hazards and threats using the BowTie methodology, developing safeguards;</li><li>ensuring thorough supervision over the maintenance personnel in terms of their strict compliance with the procedures for the maintenance and technical acceptance of repaired equipment by the customer's representatives;</li><li>using a system for periodic assessment of the technical condition of equipment, calculation of the technical condition index in accordance with the industry procedure and its consideration when planning technical impacts;</li><li>involving specialised contractors to assist with technical condition diagnostics and assessment;</li><li>conducting on-site inspections to assess equipment maintenance readiness and assess the completed repairs;</li><li>analysing changes in the equipment performance indicators and cost/performance ratios;</li><li>implementation of a comprehensive programme for the equipment replacement and per-unit reconditioning;</li><li>implementation of a comprehensive programme for advanced training of the production personnel;</li><li>standardising repairs, including by developing maintenance data sheets and maintenance workflow specifications;</li><li>providing employees with incentives intended to reduce the equipment damage rate and forced unavailability (including targeted reduction of the bonus rate depending on the contribution of specific employees to the forced unavailability value);</li><li>insuring business interruptions and property damage.</li></ul> <div>Risk of business interruption due to the spread of coronavirus infection COVID-19</div> <div>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.</div> <div>The production risks related to the pandemic can be attributed to the following areas:<ul style="list-style-type: none"><li>limitation of 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;</li><li>limitation of 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;</li></ul></div>	



Risk category	Risk subcategory and preventive measures	Assessment of materiality and risks dynamics
	<ul style="list-style-type: none"><li>limitation of 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 organizations, as well as without foreign domain experts for equipment diagnostics and repair;</li><li>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.).</li></ul> <p>Steps taken in these areas are as follows:</p> <p>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:</p> <ul style="list-style-type: none"><li>arranging for remote work of the maximum possible number of employees not involved in the equipment control;</li><li>additional public health measures aimed at lowering contacts among employees of various shifts and the same shift;</li><li>monitoring the health condition of the staff when they access the plant;</li><li>infection testing in employees who arrive after vacations and business trips, seconded personnel of the Company and contractors;</li><li>special procedure for access of repair crews, including contractors;</li><li>more frequent cleaning and disinfection of workplaces by both single purpose companies and the plant staff;</li><li>use of special personal protective equipment;</li><li>arranging for the places for staff meals and the manner in which the staff can take a shower that ensure the required social distance;</li><li>organisation of regular testing for infection among the employees who do not work remotely, as well as contact persons;</li><li>mass vaccination of employees who have given their consent..</li></ul> <p>When a significant number of personnel is absent on sick leave or in connection with quarantine, a three-shift work was organised instead of a four-shift mode.</p> <p>In the event that the epidemiologic situation deteriorates significantly, each branch has developed plans for emergency actions aimed at switching to an isolated mode of the plant operation:</p> <ul style="list-style-type: none"><li>lists have been made of the staff who will live at the plant or in detached residential facilities to ensure the independent operation of the plant,</li><li>the need has been determined for additional material and technical resources and services, including those for satisfying the daily living needs of the operation staff, their procurement has been ensured,</li><li>the organisational procedure for the plant interaction with third-party entities, the regime for the supply of materials, the provision of services and the performance of works in its territory have been determined.</li></ul> <p>2. As regards the risk factors related to a delay in the supply of components for repair, 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 points were identified as of the end of 2020.</p>	

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risks dynamics
	<p>3. As regards arrangements for foreign experts arriving in the Russian Federation to make the repair, the issue is being monitored whether or not the contractual obligations of the contractors engaging foreign experts may be performed. No critical points were identified as of the end of 2020. As regards the industrial safety expert examination and technical diagnostics services rendered by special-purpose organizations, 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 mobilize extra personnel. In 2020, all scheduled opinions on extending the service life of equipment and buildings and structures were received without significant delays.</p> <p>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</p>	
	<p><b>Asset-related project risks</b></p> <p><b>Risks associated with Berezovskaya GRES Power Unit No. 3 recovery</b></p> <p>On 01 February 2016, a fire outbreak occurred in the boiler house of Power Unit 3 at Berezovskaya GRES causing damage to the boiler. The fire was extinguished. Power Unit 3 of Berezovskaya GRES is currently under repair. There is a risk that the actual date of completion of emergency repairs of Berezovskaya GRES Power Unit 3 and the total cost of recovery may differ from the planned ones. The factors of this risk include unscheduled works (design and planning flaws, remedial works, accidents, etc.) and delays by contractors, including due to shortage of workers during implementation of measures to stop the spread of coronavirus infection COVID-19. In order to prevent from and contain COVID-19 outbreaking all the personnel was tested and a number of other measures were implemented. The risk of suspending the works at the construction site in case of an increase in the number of employees with the infection identified is still present.</p> <p>The Company pays maximum attention to managing this risk through careful monitoring of the repair process. Moreover, the Company partially insured risks related to the project "Recovery of Power Unit No. 3 at Berezovskaya GRES"</p>	 →
	<p><b>Legal risks</b></p> <p>One of the risk groups significantly affecting the activities of Unipro PJSC are legal risks, i.e. the risks of adverse effects as a result of any misuse or misunderstanding of legal rules when making or implementing any managerial decisions and carrying out activities, or due to a significant change in any legal rules during the performance of a transaction or managerial action versus the period when such transaction 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>	 →

Risk category	Risk subcategory and preventive measures	Assessment of materiality and risks dynamics
	<p>Another important aspect for the Unipro PJSC activities is self-regulation exercised through Association NP Market Council and its activities related to setting detailed rules of operations in the wholesale market for electricity and power, approving regulations and standard contracts regulating such activities.</p> <p>Taking into account that the government regulation in Russia tends to change frequently and fast, it cannot be guaranteed that the government would not cancel market deregulation and transition to the free market or would suspend reforms of the heat power market, or change – in any way that would be unfavourable for generation companies – its approaches to such reforms, retreat from the balanced approach to various types of tariff regulation in the industry, which, in its turn, may have an adverse impact on the Company's activities and present a significant legal risk associated with the Company's core business activity.</p> <p>Moreover, the independence of the Russian judicial system and the reliability of mechanisms protecting it against any economic, political and social impact have not been tested enough in practice yet. The judicial system suffers the shortage of competent staff and lack of funding, as well as an overload due to a great number of court cases pending. The enforcement of judgment may prove to be difficult.</p> <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 commercial courts; the Company also examines the legal position of the Constitutional Court of the Russian Federation on certain law enforcement matters</p>	
	<p><b>Political and regulatory risks</b></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>	<div><div></div><div>→</div></div>

Risks insurance management

<p>In Russia, Unipro PJSC has the reputation of a leading insurer, whose experience is exemplary for the market.</p> <p>The Company forms its insurance coverage according to the corporate Insurance Policy of Uniper SE under the supervision of corporate insurance broker Uniper Risk Consulting GmbH (URC).</p> <p>The risk insurance function in Uniper SE is responsible for the implementation of measures related to the solution of insurance tasks within the perimeter of the entire Uniper group.</p> <p>Together with the risk owners (legal entities, including Unipro PJSC) and the responsible functions of the group, the insurance function determines whether it is necessary to use insurance contracts concluded by Uniper, coordinated programmes, regional or individual insurance contracts to cover the risks considered. Insurance tasks are solved taking into account commercial, legal, and regional aspects.</p>	<p>The insurance function is performed by achieving the following goals:</p> <ul style="list-style-type: none"><li>• provision of centralized access to the insurance markets for Uniper group companies;</li><li>• support of legal entities and functional units in the analysis to identify, study, evaluate and quantify the risks to be insured;</li><li>• 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);</li><li>• ensuring standardized and efficient insurance claims management;</li><li>• ongoing monitoring of insurance markets and effective insurance terms.</li></ul>
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ESG-risks 102-29

Currently, ESG-risks (environmental, social, and governance) are not considered as part of a separate group of risks. However, they are analysed at the risk management level as part of the current strategic risk register.

Due to the specific nature of its activities, Unipro pays considerable attention to environmental risks.

Environmental Risk Management Pattern



Threats are traced at the stage of environmental SWOT analysis in branches. Then the environmental risks associated with the traced threats are identified and their significance is assessed according to the following components: occurrence (O), severity (S), and detection (D). Risk priority number (RPN) is calculated on the following formulae:  $RPN = S \cdot O \cdot D$ . Risks with  $RPN \geq 125$  are considered unacceptable.

Risks are optimized 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 program.

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)



# Annex



The repair activities and the upgrading of the burners at Surgutskaya GRES-2 are intended to reduce emissions as much as possible. These activities secured a significant environmental effect at Power Unit No. 6



**Surgutskaya GRES-2**  
is Russia's largest producer of electric power and the world's third most powerful power plant

# Independent Auditor’s Report



## Independent Auditor’s Report

To the shareholders and the Board of Directors of Unipro Public Joint-Stock Company

### Our Opinion

In our opinion, the accounting statements accurately reflect in all material aspects the financial situation of Unipro Public Joint-Stock Company (hereinafter referred to as the “Company”) as of 31 December 2020, along with its profit and loss and cash flows for the year ended as of the said date in accordance with the accounting rules applicable in the Russian Federation.

### Subject of the Audit

We audited the Company’s accounting statements including:

- Balance Sheet as of 31 December 2020;
- Profit and Loss Statement for the year ended as of the said date;
- Statement of Changes in Equity for the year ended on the specified date;
- Cash Flow Statement for the year ended as of the said date;
- Notes to the Balance Sheet and P&L Statement, including the main provisions of the accounting policy and other explanatory information.

### Basis for the Opinion

We conducted the audit in accordance with the International Standards on Auditing (“ISA”). Our responsibility under the above standards is further described in the section *Auditor’s Responsibility for the Audit of the Accounting Statements* hereof.

We believe that we acquired sufficient and appropriate audit evidence to express our opinion.

### Independence

We are independent from the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) and ethical requirements of the Code of Professional Ethics for Auditors and Rules for Auditors’ and Audit Organisations’ Independence applicable to this audit of accounting statements in the Russian Federation. We also discharged all the other ethical obligations in accordance with these requirements and IESBA Code.

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## Our Audit Methodology

### Short Overview

**Materiality** Materiality at the level of the Company’s accounting statements in general: RUB 927 million, which accounts for 5% of the profit before tax.

**Key Issues of the Audit** • Valuation of the provision for doubtful debts

When planning the audit, we determined materiality and assessed the risks of material misstatement of the accounting statements. Specifically, we examined the areas where the management made subjective judgments regarding significant estimated values, including use of assumptions and consideration of future events associated with uncertainty by virtue of their nature. Similar to all our audits, we also considered the risk that the management circumvented the internal control systems, including but not limited to assessing the evidence of the management’s partiality that gives rise to the risk of material misstatement resulting from fraud.

The audit scope was determined so that we could perform works sufficient to express our opinion on the accounting statements in general with due regard to the Company structure, accounting processes and controls used by the Company, and the specifics of the Company’s industry sector.

### Materiality

The scope of our audit was determined under the influence of materiality. The audit is intended to deliver a reasonable assurance that accounting statements do not contain any material misstatements. Misstatements may be caused either by fraud or error. They are deemed material if it is reasonable to assume that, taken individually or collectively, they may affect the users’ economic decisions that are based on the accounting statements.

Using our professional judgment, we set certain quantitative threshold values for materiality, including materiality at the level of the Company’s accounting statements in general as depicted in the table below. We used these values and qualitative factors to determine the scope of our audit, as well as the nature, dates and scope of the audit procedures, and assessed the impact of misstatements (taken individually and collectively), if any, on the accounting statements in general.





Materiality at the Level of the Company's Accounting Statements in General	RUB 927 million
The Way it was Determined	5% of the profit before tax
Justification of the Base Indicator to Determine the Materiality Level	We chose to use profit before tax as the base indicator to determine the materiality level as we believe that it is this base indicator that the users most commonly consider when evaluating the Company's performance and it represents a generally accepted base indicator. We set materiality at the level of 5%, which falls within the range of acceptable quantitative thresholds of materiality applicable to the profit-making companies of the sector.

**Key Issues of the Audit**

The key issues of the audit are the issues that according to our professional judgment were most significant for our audit of accounting statements for the current period. These issues were considered in the context of our audit of the accounting statements in general and when developing our opinion on these accounting statements, and we shall not express our opinion regarding these issues separately.

Key Issue of the Audit	Which Audit Procedures were Performed to Address the Key Issue of the Audit
------------------------	---

**Valuation of the Provision for Doubtful Debts**

See Clause 2.7 "Accounts Receivable and Payable" and Clause 3.10 "Accounts Receivable" of the Notes to the Balance Sheet and P&L Statement

As of 31 December 2020, the amount of the Company's accounts receivable, including advances paid, was 7,874,095 thousand roubles (15,176,270 thousand roubles net of the provision for doubtful debts amounting to 7,302,175 thousand roubles). Therefore, in the structure of the Company's accounts receivable the debt assessed by the Company's management as doubtful takes up a significant portion (as of 31 December 2020, the provision covered 48% of the accounts receivable). The Company's management creates the provision for doubtful debts based on the evaluation of worsening of creditworthiness of certain purchasers, their individual special aspects, dynamics of payments, subsequent payment after the reporting date, as well as the analysis of projected future cash inflows based on the circumstances in place on the reporting date. The degree of accuracy of management's estimates will be confirmed or refuted by future developments that are basically uncertain.

We have given special care to assessing the provision for doubtful debts since the assessment process implies the use of material judgments by the management, and the amount of such provision is considerable.

Our audit procedures in respect of the management's assessment of the provision for doubtful debts included the following:

- verifying the analysis of probabilities of repaying the debt performed by the Company's management with regard to the evaluation of creditworthiness of counterparties, the availability of information about the option of paying by instalments, subsequent payment after the reporting date, availability of collateral for payment, its quality and other factors considered by management;
- analysis of the accounts receivable turnover whose deliverables were used, among others, to confirm the analysis of probabilities of debt repayment performed by Company's management;
- sample testing of the overdue but uncovered accounts receivable to assess the conclusions drawn by the management in respect of the lack of need to accrue the provision for doubtful debts subject to the prospects and deadlines of repaying such indebtedness;
- sample testing of documents underlying the



Key Issue of the Audit	Which Audit Procedures were Performed to Address the Key Issue of the Audit
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assessment by the management of probabilities of debt repayment, such as payment orders confirming debt repayment in 2021;

- obtaining and analysing written statements of the management regarding the assessment of the provision for doubtful debts performed.

In addition, we have assessed the adequacy of the information disclosed in Note 3.10 to the Balance Sheet and P&L Statement.

The current estimates of the Company's management in respect of the provision for doubtful debts in preparing the financial statements for the year ended on 31 December 2020 may be subject to changes caused by future developments that are basically uncertain.

Having performed the above procedures, we have not identified any facts evidencing the need to introduce material adjustments to the provision for doubtful debts in the attached accounting statements.



Other Information

The management is responsible for other information. Such other information contains Unipro Public Joint-Stock Company Annual Report for 2020, Issuer's Quarterly Report for 1Q 2021 (but does not include the accounting statements and our auditor's report thereon), which are expected to be presented to us after the date hereof.

Our opinion on the accounting statements shall not cover the other information, and we shall not provide an opinion expressing any kind of certainty with respect to this information.

In connection with our audit of the accounting statements, our duty is to get acquainted with the other information mentioned above as soon as we receive it and to analyse whether there are material discrepancies between the other information and the accounting statements or our knowledge acquired in the course of the audit and whether the other information contains other probable material misstatements.

If upon reviewing Unipro Public Joint-Stock Company Annual Report for 2020 or the Issuer's Quarterly Report for 1Q 2021, we conclude that they contain a material misstatement, we must report this to the persons in charge of corporate management.

**Responsibility of the Management and of the Persons in Charge of Corporate Management for Accounting Statements**

The management is responsible for the preparation and fair presentation of these accounting statements in accordance with the accounting rules applicable in the Russian Federation, and for such internal controls as the management deems necessary to ensure preparation of accounting statements that are free from material misstatements, whether due to fraud or error.

When preparing the accounting statements, the management shall assess the Company's ability to continue as a going concern, disclose the going-concern information in appropriate instances, and prepare accounting statements based on the going-concern assumption unless the management either intends to liquidate the Company or go out of business, or has no realistic alternative but to do so.

Persons in charge of corporate governance are responsible for overseeing the preparation of the accounting statements of the Company.



Auditor's Responsibility for the Audit of the Accounting Statements

Our objective is to obtain a reasonable assurance of the fact that the accounting statements do not contain material misstatements, whether due to fraud or error, as well as to release an auditor's report containing our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements may be due either to fraud or error and are deemed material if it is reasonable to assume that, taken individually or collectively, they may affect the users' economic decisions that are based on the accounting statements.

When conducting an audit in accordance with the ISA, we apply professional judgment and maintain professional scepticism throughout the entire duration of the audit. Furthermore, we:

- Identify and assess the risks of material misstatement of accounting statements either due to fraud or error; Develop and carry out audit procedures to respond to these risks; Acquire audit evidence that is sufficient and appropriate to express our opinion. The risk of revealing material misstatement due to fraud is higher than the risk of revealing material misstatement due to error, as fraud may include conspiracy, falsification, wilful omission, misrepresentation, or actions to circumvent the internal control system;
- Become aware of the internal control system significant for the audit in order to develop audit procedures that fit the circumstances, but not in order to express our opinion on the performance of the Company's internal control system;
- Evaluate the appropriateness of the applicable accounting policy, validity of the estimates made by the management, and relevant information disclosure;
- Conclude on the legitimacy of the management's going-concern assumption and use the acquired audit evidence to draw a conclusion on whether there is considerable uncertainty caused by certain events and circumstances that may put the Company's ability to continue as a going concern in question. If we conclude that there is considerable uncertainty, we shall ensure that our auditor's report draws attention to due disclosure in the accounting statements or – in case of failure to duly disclose the information – modify our opinion. Our opinions are based on the audit evidence received prior to the date of the auditor's report. Meanwhile, future events and circumstances may make the Company unable to continue as a going concern;
- Assess the overall presentation of the accounting statements, their structure and content, including disclosure, and whether the accounting statements reflect the transactions and events in their basis so as to ensure their accurate presentation.

We engage in the information exchange with the persons in charge of corporate management notifying them, without limitation, of the expected scope and dates of the audit, as well as of any material problems identified during the audit, including any major flaws in the internal control system revealed during the audit.





We equally provide the persons in charge of corporate management with a statement certifying our compliance with all the ethical requirements regarding independence and notified these persons of any other relations and issues that may validly be deemed to affect the auditor's independence, and in appropriate instances — of the relevant precautions.

We select the issues of highest significance for the audit of the accounting statements for the current period that consequently constitute the key issues of the audit from among the issues that we reported to the persons in charge of corporate management. We describe those issues in our auditor's report, except in cases where their public disclosure is prohibited by the law or regulation or when we come to the conclusion in very rare cases that the information on the matter should not be communicated in our report, as it can reasonably be assumed that the negative consequences of its communication would exceed its public benefit.

Manager of the engagement that was used to issue this Independent Auditor's Report — Albina Faritovna Kamalova.

PWC Audit JSC  
4 March 2021  
Moscow, Russian Federation  
*/Signature/*

[Seal: PricewaterhouseCoopers Audit Joint-Stock Company]

A. F. Kamalova, Engagement Manager (Qualification Certificate No. 01-001621), PricewaterhouseCoopers Audit Joint Stock Company

Audited entity: Unipro Public Joint-Stock Company  
Entry made in the Unified State Register of Legal Entities on 4 March 2009, state registration number No. 1058602056985 assigned  
Taxpayer Identification Number (INN) 8602067092  
Building 34, 34 Energostroiyeley Street, Surgut, Khanty-Mansi Autonomous District – Yugra, Tyumen Region, 23 Russian Federation.

Independent Auditor  
PricewaterhouseCoopers Audit Joint-Stock Company  
Registered by State Institution Moscow Registration Chamber on 28 February 1992 under No. 008 890  
Entry was made in the Unified State Register of Legal Entities on 22 August 2002 and state registration number No. 1027700148431 assigned  
Taxpayer Identification Number (INN) 7705051102  
Member of Self-Regulatory Organisation of Auditors Sodruzhestvo Association  
Primary Registration Number of the entry in the Register of Auditors and Audit Organisations: 10201003683



Accounting (Financial) Statements for 2020

Balance Sheet as of 31 December 2020

			Codes
Form under OKUD			0710001
Date (day, month, year)			31/12/2020
Company	UNIPRO PJSC	under OKPO	76828204
Taxpayer Identification Number	INN		8602067092
Economic activity type	Electric power generation by thermal power plants, including power plant performance assurance	under OKVED	35.11.1
Legal form / form of incorporation	Public Joint Stock Company / Joint private and foreign ownership	under OKOPF ) / OKFS	12247/34
Unit of measurement	RUB thous.	under OKEI	384

Location (address)  
23, Energostroiyeley Street, building 34, Surgut, Khanty-Mansi Autonomous Area – Yugra, Tyumen Region, 628406, Russian Federation

The accounting statements are subject to mandatory auditing

Audit company's name / individual auditor's last name, first name, patronymic (if any)  
PricewaterhouseCoopers Audit Joint Stock Company

Taxpayer Identification Number	INN	7705051102
Primary State Registration Number	OGRN / OGRNIP	1027700148431

Notes	Indicator	Line code	As of 31 December 2020	As of 31 December 2019	As of 31 December 2018
1	2	3	4	5	6
ASSETS					
I. NON-CURRENT ASSETS					
	Intangible assets	1110	242,995	95,550	22,831
Clause 3.2	Fixed Assets	1150	125,012,418	121,030,130	113,469,886
	including:				
Clause 3.4	construction in progress	1151	57,780,525	51,807,636	35,899,793
Clause 3.5	Long-term financial investments	1170	678,653	705,803	764,451
	Deferred tax assets	1180	1,053,695	808,690	683,559
Clauses 3.6, 3.7.	Other non-current assets	1190	5,140,695	4,166,336	3,009,394
	Total, Section I	1100	132,128,456	126,806,509	117,950,121
II. CURRENT ASSETS					
Clause 3.8	Inventories	1210	6,083,588	7,863,609	7,974,634

Notes	Indicator	Line code	As of 31 December 2020	As of 31 December 2019	As of 31 December 2018
	including:				
Clause 3.8	raw materials, supplies and other similar assets	1211	6,083,588	7,863,609	7,974,634
	Input value added tax	1220	2,141	2,494	3,013
Clause 3.10	Accounts receivable	1230	7,874,095	7,593,686	7,636,576
	including:				
Clause 3.10	long-term debt	1231	619,898	615,496	638,406
Clause 3.10	short-term debt	1232	7,254,197	6,978,190	6,998,170
	Including:				
Clause 3.10	buyers and customers	1233	6,206,111	5,705,268	5,753,468
Clause 3.10	advances paid	1234	115,402	149,797	255,300
Clause 3.11	Short-term financial investments (except cash equivalents)	1240	791,843	934,621	1,113,196
Clause 3.12	Cash and cash equivalents	1250	100,558	3,024,763	4,668,234
Clause 3.9	Other current assets	1260	127,965	111,760	71,517
	Total, Section II	1200	14,980,190	19,530,933	21,467,170
	BALANCE	1600	147,108,646	146,337,442	139,417,291
	LIABILITIES				
	III. SHAREHOLDERS' FUNDS				
Clause 3.14	Authorised capital	1310	25,219,482	25,219,482	25,219,482
	Revaluation of non-current assets	1340	446,381	448,549	451,229
Clause 2.10, Clause 3.14	Add-on capital (without revaluation)	1350	40,969,311	40,969,311	40,969,311
Clause 3.14	Reserve capital	1360	1,260,974	1,260,974	1,260,974
	Retained earnings (uncovered loss)	1370	61,698,966	60,585,180	55,769,600
	Total, Section III	1300	129,595,114	128,483,496	123,670,596
	IV. NON-CURRENT LIABILITIES				
	Deferred tax liabilities	1420	7,001,851	7,121,297	7,571,273
Clause 3.23	Other liabilities	1450	1,543,153	961,482	529,077
	Total, Section IV	1400	8,545,004	8,082,779	8,100,350
	V. SHORT-TERM LIABILITIES				
	V. CURRENT LIABILITIES				
Clause 3.20	Short-term loan liabilities	1510	478,700	2,506,167	-
Clause 3.13	Accounts payable	1 520	6,767,008	5,452,730	6,313,361
	including:				
Clause 3.13	payables to suppliers	1521	4,629,889	3,683,208	4,075,751
Clause 3.13	taxes and levies payable	1522	1,506,153	1,133,175	1,617,313
	Deferred income	1530	65	109	179
Clause 3.24	Estimated liabilities	1540	995,951	889,631	758,178
Clause 3.13, Clause 3.24	Other current liabilities	1550	726,804	922,530	574,627

Notes	Indicator	Line code	As of 31 December 2020	As of 31 December 2019	As of 31 December 2018
	Total, Section V	1500	8,968,528	9,771,167	7,646,345
	BALANCE	1700	147,108,646	146,337,442	139,417,291

Profit and Loss Statement for 2020

			Codes
		Form under OKUD	0710002
		Date (day, month, year)	31/12/2020
Company	UNIPRO PJSC	under OKPO	76828204
Taxpayer Identification Number		INN	8602067092
Economic activity type	Electric power generation by thermal power plants, including power plant performance assurance	under OKVED	35.11.1
Legal form / form of incorporation	Public Joint Stock Company / Joint private and foreign ownership	under OKOPF ) / OKFS	12247/34
Unit of measurement	RUB thous.	under OKEI	384

Notes	Indicator	Line code	For 2020	For 2019
1	2	3	4	5
Clause 3.15	Revenue	2110	80,286,268	84,761,696
Clause 3.16	Cost of sales	2120	(60,507,529)	(60,149,462)
	Gross profit (loss)	2100	19,778,739	24,612,234
	Profit (loss) from sales	2.200	19,778,739	24,612,234
	Income from shareholdings	2310	170,486	1,446
	Interest receivable	2320	195,209	456,461
	Interest payable	2330	(47,931)	(6,167)
Clause 3.17	Other income	2340	416,935	253,911
Clause 3.17	Other expenses	2350	(1,967,839)	(2,136,586)
	Profit (loss) before tax	2300	18,545,599	23,181,299
Clause 3.18	Income tax	2410	(3,517,875)	(4,426,775)
Clause 3.18	including current income tax	2411	(3,868,806)	(5,002,785)
Clause 3.18	deferred income tax	2412	350,931	576,010
Clause 3.18	Other	2460	12,368	(25,452)



Notes	Indicator	Line code	For 2020	For 2019
	Net profit (loss)	2400	15,040,092	18,729,072
	FOR REFERENCE			
	Profit / loss from other transactions not included in net profit (loss) of the period	2520	(2,168)	(2,680)
	Total profit / loss for the period	2500	15,037,924	18,726,392
Clause 3.20	Base profit (loss) per share, RUB	2900	0.24	0.30

Statement of Changes in Equity for 2020

			Codes
		Form under OKUD	0710003
		Date (day, month, year)	31/12/2020
Company	UNIPRO PJSC	under OKPO	76828204
Taxpayer Identification Number		INN	8602067092
Economic activity type	Electric power generation by thermal power plants, including power plant performance assurance	under OKVED	35.11.1
Legal form / form of incorporation	Public Joint Stock Company / Joint private and foreign ownership	under OKOPF ) / OKFS	12247/34
Unit of measurement	RUB thous.	under OKEI	384

1. CAPITAL FLOW

Notes	Indicator	Line code	Authorised capital	Treasury shares	Add-on capital	Reserve capital	Retained earnings (uncovered loss)	Total
1	2	3	4	5	6	7	8	9
	Capital as of 31 December 2018	3100	25,219,482	-	41,420,540	1,260,974	55,769,600	123,670,596
	For 2019							
	Capital increase, total:	3210	-	-	-	-	18,828,058	18,828,058
	including:							
	Net profit	3211	X	X	X	X	18,729,072	18,729,072

Notes	Indicator	Line code	Authorised capital	Treasury shares	Add-on capital	Reserve capital	Retained earnings (uncovered loss)	Total
	income directly attributable to the capital increase	3213	X	X		X	98,986	98,986
	Capital reduction, total:	3220	-	-	-	-	(14,015,158)	(14,015,158)
	including:							
	expenses directly attributable to capital reduction	3223	X	X	-	X	(15,158)	(15,158)
	dividends	3227	X	X	X	X	(14,000,000)	(14,000,000)
	Add-on capital changes	3230	X	X	(2,680)	X	2,680	-
	Reserve capital changes	3240	X	X	X	-	-	X
	Equity as at 31 December 2019	3200	25,219,482	-	41,417,860	1,260,974	60,585,180	128,483,496
	for 2020							
	Capital increase, total:	3310	-	-	-	-	15,111,634	15,111,634
	including:							
	Net profit	3311	X	X	X	X	15,040,092	15,040,092
	income directly attributable to the capital increase	3313	X	X		X	71,542	71,542
	Capital reduction, total:	3320	-	-	-	-	(14,000,016)	(14,000,016)
	including:							
	expenses directly attributable to capital reduction	3323	X	X	-	X	(16)	(16)
Clause 3.20	dividends	3327	X	X	X	X	(14,000,000)	(14,000,000)
	Add-on capital changes	3330	X	X	(2,168)	X	2,168	-
	Changes in capital reserves	3340	X	X	X	-	-	X
	Capital as of 31 December 2020	3300	25,219,482	-	41,415,692	1,260,974	61,698,966	129,595,114

2. ADJUSTMENTS DUE TO CHANGES IN THE ACCOUNTING POLICY AND CORRECTION OF ERRORS

Indicator	Code	As of 31 December 2018	Changes in equity for 2019	As of 31 December 2019
			at the expense of net profit	due to other factors
1	2	3	4	5
Capital, total				
adjustment due to:	3410	(1,188,261)	116,667	(15,158)
changes in the accounting policy				
Correction of errors	3420			
after adjustment	3500	123,670,596	18,729,072	(13,916,172)

Indicator	Code	As of 31 Decem-ber 2018	Changes in equity for 2019		As of 31 Decem-ber 2019
			at the expense of net profit	due to other factors	
including:	3401	56,957,861	18,612,405	(13,898,334)	61,671,932
retained earnings (uncovered loss):					
prior to adjustments					
adjustment due to:	3411	(1,188,261)	116,667	(15,158)	(1,086,752)
changes in the accounting policy					
Correction of errors	3421				
after adjustment	3501	55,769,600	18,729,072	(13,913,492)	60,585,180

3. NET ASSETS

Note	Indicator	Line code	As of 31 December 2020	As of 31 December 2019	As of 31 December 2018
1	2	3	4	5	6
	Net assets	3600	129,595,179	128,483,605	123,670,775

Cash Flow Statement

			Codes
	Form under OKUD		0710004
	Date (day, month, year)		31/12/2020
Company	UNIPRO PJSC	under OKPO	76828204
Taxpayer Identification Number		INN	8602067092
Economic activity type	Electric power generation by thermal power plants, including power plant performance assurance	under OKVED	35.11.1
Legal form / form of incorporation	Public Joint Stock Company / Joint private and foreign ownership	under OKOPF ) / OKFS	12247/34
Unit of measurement	RUB thous.	under OKEI	384

Notes	Indicator	Line code	for 2020	for 2019
1	2	3	4	5
	Operating cash flows			
	Total receipts	4110	80,457,716	84,618,630
	including:			
	From sale of products, goods, works and services	4111	79,559,213	84,258,644
Clause 3.12	other receipts	4119	898,503	359,986
	Total payments	4120	(59,504,893)	(62,239,332)
	including:			
	to suppliers (contractors) for raw materials, supplies, works, services	4121	(46,206,241)	(46,232,600)
	in connection with salary payment to employees	4122	(6,150,525)	(5,575,500)
	interest on debt liabilities	4123	(54,098)	-
	Corporate income tax	4124	(3,807,252)	(5,002,961)
Clause 3.12	Other payments	4129	(3,286,777)	(5,428,272)
	Balance of cash flows from operating activities	4100	20,952,823	22,379,297
	Cash flows from investing activities			
	Total receipts	4210	379,887	5,534,037
	including:			
	From recovery of issued loans, from sale of debt securities (monetary claims against third parties)	4213		5,119,226
	dividends, interest on debt financial investments and similar receipts from shareholdings in other companies	4214	360,351	414,811
	from closing of deposits	4215	19,536	-
	Total payments	4220	(8,438,366)	(17,992,368)
	including:			
	In connection with acquisition, creation, upgrading, reconstruction and preparation for use of non-current assets	4221	(8,423,366)	(12,965,368)
	in connection with the acquisition of other companies' shares (participatory interests)	4222	(15,000)	(27,000)



Notes	Indicator	Line code	for 2020	for 2019
	in connection with acquisition of debt securities (monetary claims against third parties), extension of loans to third parties	4223		(5,000,000)
	Balance of cash flows from investing activities	4200	(8,058,479)	(12,458,331)
	Cash flows from financing activities			
	Total receipts	4310	2,572,829	2,500,000
	including:			
	receipt of loans and borrowings	4311	2,390,462	2,500,000
	other receipts	4319	182,367	
	Total payments	4320	(18,412,201)	(14,060,941)
	including:			
	To pay dividends and make other payments as distribution of the profit to the owners (participants)	4322	(14,000,439)	(14,060,941)
	Due to the redemption (buy-back) of bills and other debt securities, repayment of credits and loans	4323	(4,411,762)	
	Other payments	4329	-	-
	Balance of financial cash flows	4300	(15,839,372)	(11,560,941)
	Balance of cash flows for the reporting period	4400	(2,945,028)	(1,639,974)
	Balance of cash and cash equivalents as of the beginning of the reporting period	4450	3,024,763	4,668,234
	Balance of cash and cash equivalents as of the end of the reporting period	4500	100,558	3,024,763
	Effect of changes in the foreign exchange rate to the rouble	4490	(20,823)	(3,497)

The 2020 annual accounting statements are available on the Company’s website



The 2020 IFRS financial statements are available on the Company’s website



## GRI SRS Content Index 102-55

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102-4	Location of operations	12
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102-8	Information on employees and other workers	95
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102-10	Significant changes to the organisation and its supply chain	2
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 initiatives	90
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102-14	Statement from senior decision-maker	4
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Indicator	Value	Page number, omissions, explanation
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102-29	Identifying and managing economic, environmental, and social impacts	201
102-30	Effectiveness of risk management processes	195
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 Shareholders' Meeting (previously approved by the Board of Directors)
102-32	Highest governance body's role in sustainability reporting	2, The annual report of Unipro PJSC including sustainability data is approved by the resolution of the Annual General Shareholders' Meeting (previously approved by the Board of Directors)
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Indicator	Value	Page number, omissions, explanation
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302-3	Energy intensity	133
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GRI 303: Water and Effluents (2018)		
303-2	Management of water discharge-related impacts	134
303-5	Water consumption	134
GRI 304: Biodiversity (2016)		
304-2	Significant impacts of activities, products, and services on biodiversity	136
GRI 305: Emissions (2016)		
305-1	Direct (Scope 1) GHG emissions	91, 134
305-2	Energy indirect (Scope 2) GHG emissions	The Company does not keep records of indirect GHG emissions.
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	91, 135
GRI 306: Effluents and waste (2016)		
306-2	Waste by type and disposal method	
306-4	Transport of hazardous waste	The Company does not transport, import, export or process hazardous waste in accordance with Annexes I, II, III and VIII of the Basel Convention



Indicator	Value	Page number, omissions, explanation
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404-3	Percentage of employees receiving regular performance and career development reviews	102
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103-2	The management approach and its components	
—	Percentage of purchases from SME	82
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—	Retooling and modernization program progress	78
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Compliance with laws		
103-2	The management approach and its components	

# Participation of Unipro in Profit-Making and Non-Profit Organizations

## PARTICIPATION OF UNIPRO PJSC IN PROFIT-MAKING ORGANIZATIONS <sup>38</sup> 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 optimization of distributed energy assets
Participatory interest	50%
Date of state registration/ acquisition of the interest	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 %
Date of state registration/ acquisition of the interest	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%
Date of state registration/ acquisition of the interest	5 May 2016

<sup>38</sup>Information is provided for entities in which Unipro has 5% participatory interest or more.

## PARTICIPATION OF UNIPRO PJSC IN NON-PROFIT ORGANIZATIONS 102-13

Item	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 favor a fair balance of interests between society, government and business
Russian-German Chamber of Commerce	Resolution of the Board of Directors dated 9 April 2013	Maintenance of business contacts and efficient collaboration with German companies operating in Russia. Participation in holding special events for developing Russian-German relations
Association of European Businesses	Resolution of the Board of Directors dated 18 December 2014	Commitment to strengthening economic relations between the EU and Russia, and aspiration to improve conditions for business in the Russian Federation
Association of Corporate Counsels	Resolution of the Board of Directors dated 4 April 2016	Stating the Company's position on matters of law and law enforcement, and representing the Company's interests in public authorities
Self-Regulatory Organization Union of Yugra Constructors	Resolution of the Management Board dated 06 June 2017	The necessary prerequisite to perform the work on construction, reconstruction, overhaul of permanent facilities, including auxiliary facilities
Self-Regulatory Organization Union of Yugra Designers	Resolution of the Management Board dated 29 July 2019	The necessary prerequisite for the developer to perform the technical customer's functions listed in Clause 22, Article 1 of the Urban Development Code of the Russian Federation





Subject of the transaction:

Amendment of the terms of Contract No. IA-16-0597 dated 30 June 2016.

Value of the Services under the Agreement:

The amount of the fee payable to the Contractor for the services rendered during the performance of this Contract shall be limited to Seven million four hundred thousand Euro (EUR 7,400,000) exclusive of VAT.

If the maximum amount of the fee 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.

Contractor service rates:

The Parties came to an understanding to agree upon additional rate R4/10 as follows:

Class/Qualification	EUR/man-hour
R4/10	9

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;
- 6) Contract expiration date, i.e., 31 December 2020, but not before 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. 291 dated 17 August 2020.

Additional Agreement No. 5 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 fee payable to the Contractor for the services rendered during the performance of this Contract shall be limited to Seven million eight hundred thousand Euro (EUR 7,800,000) exclusive of VAT.

If the maximum amount of the fee 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., 31 March 2021, but not before the Customer repays its debt to the Contractor in full.

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. 294 dated 3 November 2020.

# 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 2021 (Minutes No. 301 dated 06 May 2021) as part of the preliminary approval of the Company's 2020 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 2020.

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 2021 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 2020 was 301,606, of which:

- Individuals – 300,325;
- Total number of the issuer's nominee shareholders – 11;
- Federal authorities – 3; and
- Authorities of constituent entities of the Russian Federation – 4.

Information on the issuer's shareholders holding participatory interests of at least 5% of its authorized 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 authorized capital – 83.73%; and
- Stake in the issuer's total ordinary shares – 83.73%.

### Structure of the Management Bodies

Pursuant to the issuer's Articles of Association (Clause 9.1, Article 9), the issuer is managed by the following bodies:

- General Shareholders' Meeting<sup>1</sup>;
- Board of Directors<sup>2</sup>;
- Management Board<sup>3</sup>;
- Chief Executive Officer<sup>4</sup>.

The General Meeting of the 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 Shareholders' Meeting according to the Federal Law "On Joint Stock Companies" and the Articles of Association.

<sup>1</sup> The scope of competence of the General Shareholders' Meeting is outlined in Clause 10.2, Article 10 of the Company's Articles of Association.

<sup>2</sup> The scope of competence of the Board of Directors is outlined in Clause 12.1, Article 12 of the Company's Articles of Association.

<sup>3</sup> The scope of competence of the Management Board is outlined in Clause 18.2, Article 18 of the Company's Articles of Association.

<sup>4</sup> The scope of competence of the Chief Executive Officer is outlined in Clauses 19.2–19.3, Article 19 of the Company's Articles of Association.



If a matter falls within the competence of the Board of Directors, the Management Board and Chief Executive Officer shall not be authorized 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 Chief Executive Officer or the Management Board. The Company's Board of Directors includes three independent directors<sup>1</sup>.

Pursuant to the resolution of the Board of Directors, the Company's Board of Directors has formed several Committees<sup>2</sup>. The Committees of the Board of Directors are set up to work on the matters that fall within the competence of the Board of Directors or are investigated by the Board of Directors in order to monitor performance of the Company's executive bodies and/or develop recommendations to the Board of Directors and executive bodies of the Company.

The governance of the Company's day-to-day activities is performed by the Chief Executive Officer as the Company's sole executive body and by the Management Board as a collective executive body.

The Chief Executive Officer and the Management Board report to the General Shareholders' Meeting and the Board of Directors.

If a matter falls within the competence of the Management Board, the Chief Executive Officer shall not be authorized to take any action without prior approval of the Management Board. In certain cases, the Management Board is entitled to resolve on subsequent approval of a transaction or any other matter that falls within the competence of the Management Board.

The Chief Executive Officer is responsible for managing the Company's day-to-day activities in accordance with the resolutions of the General Shareholders' Meeting, the Board of Directors and the Management Board adopted within the scope of their respective competence.

<sup>1</sup> See Section "Management Bodies" of the Annual Report for more details about independent members of the Board of Directors.

<sup>2</sup> See Section "Management Bodies" of the Annual Report for more details about the scope of competence and composition of the Committees of the Board of Directors.

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 Shareholders' Meeting shall be passed by a three-quarter majority vote of the holders of the Company's voting shares that take part in the General Shareholders' Meeting on the following matters:

- Private placement of shares (the Company's convertible issue-grade securities) pursuant to a resolution of the General Shareholders' Meeting on increasing the Company's authorized capital by offering additional shares (on placing the Company's convertible issue-grade securities);
- Public offering of ordinary shares which make more than 25 (Twenty-five) percent of the previously placed ordinary shares;
- Public offering of securities convertible into ordinary shares which make more than 25 (Twenty-five) percent of the previously placed ordinary shares.

Resolutions of the Board of Directors on the following matters shall be passed unanimously by all elected members of the Board of Directors, not including the votes of withdrawn members of the Board of Directors:

- Resolutions on the increase of the Company's authorised capital through additional stock 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).

Resolutions on the following matters shall be passed by a majority vote of the members of the Board of Directors taking part in a physical meeting or in an absentee vote:

- Placement of the Company's bonds and other issue-grade securities, except as otherwise established by the Federal Law "On Joint Stock Companies" and the Articles of Association;
- Approval of documents pertaining to the issuance of shares and other securities, share buyback and redemption, when approval of such documents by the Board of Directors is provided for by the Federal Law "On Joint Stock Companies" or other regulations of the Russian Federation;
- Determination of the price (valuation) of property, the offer price and the repurchase price of the issued securities in the cases stipulated by the Federal Law "On Joint Stock Companies";
- Approval of an independent appraiser (independent appraisers) to assess the value of the Company's shares, property and other assets in the cases provided for by the Federal Law "On Joint Stock Companies" and the Articles of Association.

Structure of the Supervisory Bodies

According to the Articles of Association and other internal regulations, the following bodies are responsible for supervising the Company's financial and business operations:

- Auditor

Pursuant to Clause 20.1, Article 20 of the Company's Articles of Association, the General Shareholders' Meeting shall appoint the Auditor on an annual basis to audit and certify the Company's annual financial statements.

The Auditor shall audit the Company's financial and business performance in compliance with the requirements of the law of the Russian Federation and by virtue of the contract made therewith.

- Internal Audit

Pursuant to Clause 20.5, Article 20 of the Articles of Association, the Company shall set up an internal audit function for internal control over the Company's financial and business operations.

The Internal Audit Department is a dedicated function of the Company in charge of control over financial and business operations that operates by virtue of the Regulation on the Internal Audit Department approved by the Company's Board of Directors.

The Internal Audit Department is established, reorganized 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 Shareholders' Meeting shall elect members of the Revision Commission to supervise financial and business operations of the Company.

In its activities, the Revision Commission shall be governed by the Federal Law "On Joint Stock Companies" and other applicable laws of the Russian Federation, the Articles of Association and the Regulation on the Revision Commission.

Pursuant to Sub-Clause 10, Clause 10.2., Article 10 of the Articles of Association, election of Revision Commission members and early termination of their powers falls within the competence of the General Shareholders' Meeting. The Annual General Shareholders' Meeting of 14 June 2019 passed the resolution on the introduction of amendments to the Company's Articles of Association that effectively cancel the requirement concerning mandatory establishment of the Revision Commission. Therefore, the results of the vote on the election of the revision commission were not summed up.

Description of the Methodology Used by the Joint Stock Company to Assess Compliance with the Corporate Governance Principles Enshrined in the Code of Corporate Governance

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 Guidelines for Reporting Compliance with the Principles and Recommendations of the Code of Corporate Governance (Letter of the Central Bank of Russia No. IN-06-52/8 dated 17 February 2016).

The assessment findings are provided in the table below.

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1	2	3	4	5
1.1	The Company ensures equal and fair treatment of all shareholders as they exercise their right to contribute to corporate governance			
1.1.1	The Company creates the most favorable environment for shareholders to take part in the General Shareholders' Meetings, develop a reasoned position on the meeting agenda, coordinate their steps and express their opinion on the issues under consideration.	1. The internal document of the Company that has been approved by the General Shareholders' Meeting and governs the meeting procedure is publicly available.  2. 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 Shareholders' Meeting. These actions were taken before every General Shareholders' Meeting held in the reporting period.	Observed	
1.1.2	The procedure involving notification of an upcoming General Shareholders' Meeting and distribution of the relevant materials enables the shareholders to duly prepare for the meeting.	1. The notice of an upcoming General Shareholders' Meeting is posted (published) on the corporate website at least 30 days prior to the date of the meeting.  2. The notice of the meeting specifies the venue of the meeting and the documents required to access the venue.  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.	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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.	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 beforehand and during the Annual General Shareholders' Meeting  2. The position of the Board of Directors (including dissenting opinions recorded in the minutes) on each of the agenda items covered during the reporting period has been reflected in the materials of the General Shareholders' Meeting.  3. The Company provided authorized shareholders with access to the list of persons eligible to attend the General Shareholders' Meeting. Such access was given from the date when the list became available to the Company in all cases when the General Shareholders' Meeting was held in the reporting period.	Observed	
1.1.4	The exercise of the shareholder's right to call for a General Shareholders' Meeting, nominate candidates to the management bodies and propose agenda items was not made unreasonably complex.	1. In the reporting period, the shareholders were free to propose any agenda items for the Annual General Shareholders' Meeting within a minimum period of 60 days after the end of the relevant calendar year.  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.	Observed	
1.1.5	Every shareholder was able to freely exercise his/her voting rights in a simple and convenient way.	1. The internal document (internal policy) of the Company includes the provisions stating that each person taking part in the General Shareholders' Meeting may request a copy of the ballot completed thereby and certified by the Counting Commission before the end of the relevant meeting.	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1.1.6	The procedure of holding the General Shareholders' Meeting established by the Company ensures equal rights for all participants to express their opinions and ask questions.	<p>1. The physical meetings of shareholders held in the reporting period provided enough time for reporting on the agenda items and a certain amount of time for deliberations.</p> <p>2. The nominees to the Company's management and supervisory bodies were available to answer the shareholders' questions during the meeting where their candidacies were put to vote.</p> <p>3. When resolving on the matters regarding preparation for and holding of the General Shareholders' Meetings, the Board of Directors considered the idea of using telecommunication facilities to enable remote participation of shareholders in the General Shareholders' Meetings in the reporting period.</p>	Observed	
<b>1.2 The shareholders are provided with equal and fair profit-sharing opportunities through dividends.</b>				
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 Company has a Dividend Policy approved by the Board of Directors and disclosed to the public.</p> <p>2. If the Company's Dividend Policy draws upon financial statements in the calculation of dividends, the corresponding provisions of the Dividend Policy consider consolidated financial data.</p>	Partly observed	<p>1. Observed.</p> <p>2. Partly observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>Pursuant to the Law "On Joint Stock Companies", the Company's Dividend Policy is based on the data of the accounting (financial) statements prepared in accordance with the requirements of the Russian Federation law.</p> <p><b>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.</b></p> <p>The Company prepares consolidated financial statements strictly subject to the International Financial Reporting Standards.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The Company's current Dividend Policy provides for fixed amounts of dividend payments from 2019 through 2022.</p> <p><b>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.</b></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>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1.2.2	The Company abstains from paying dividends if such payment, while formally compliant with the statutory restrictions, is uneconomic and may create a misperception of the Company's activities.	1. The Company's Dividend Policy clearly defines the financial/economic circumstances when the Company should not pay dividends.	Partly observed	<p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company's Dividend Policy does not expressly refer to financial/economic circumstances when the Company should not pay dividends.</p> <p><b>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.</b></p> <p>Considering the stability of the Russian electric power market and the resulting sustainability and certainty of mid-term cash flows, the Company believes that as of the approval date of this Regulation, the dividend amounts for the coming few years may be calculated with adequate accuracy.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The Dividend Policy defines the risks that may lead to a refusal to pay dividends.</p> <p><b>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.</b></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.</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	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
1.2.4	The Company strives to prevent its shareholders from using any means of profit (income) generation through the Company other than dividends and disposal value.	1. To prevent shareholders from using any means of profit (income) generation through the Company other than dividends and disposal value, the Company's internal documents establish controls that ensure timely identification and approval of transactions involving parties affiliated with (related to) the substantial shareholders (persons enjoying the right to use the votes according to their voting shares) in the cases when the law does not officially recognize such transactions as related-party transactions.	Not observed	<p>1. Not observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company's internal documents establish the procedure for approving related-party transactions solely for those grounds of relation that are stipulated by the Law "On Joint Stock Companies".</p> <p><b>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.</b></p> <p>The other transaction control mechanisms currently meet all of the Company's needs.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The Company has additional control transaction control mechanisms.</p> <p>According to the established procedure, all contracts and agreements that the Company intends to make are subject to preliminary approval, including verification of the counterparties involved in the transactions. In the cases when the Company is aware of the parties affiliated with (related to) a substantial shareholder of the Company, such transactions are subject to approval as related-party transactions under the Law "On Joint Stock Companies".</p> <p><b>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.</b></p> <p>In 2021, the Company is going to consider the need to and, if found necessary, develop and implement controls to prevent the shareholders from using any means of profit (income) generation through the Company other than dividends and disposal value.</p>
<b>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.</b>				
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. During the reporting period, the procedures for managing potential conflicts of interest between substantial shareholders were effective, and, if there were any conflicts between the shareholders at all, the Board of Directors paid due attention to them.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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	
<b>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.</b>				
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 quality and reliability of maintaining the register of security holders by the Company's Registrar meet the requirements of the Company and its shareholders.	Observed	
<b>2.1 The Board of Directors is responsible for strategic corporate management, defines the core principles and approaches towards the organization of a risk management and internal control system, controls the activity of the company's executive bodies, and performs other key functions.</b>				
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. The Board of Directors reviewed the strategy implementation report (reports) of the Company's sole executive body and the members of the collective executive body.	Observed	
2.1.2	The Board of Directors determines the main strategic guidelines of the Company's activities with a long-term outlook, assesses and approves the Company's key performance indicators and business objectives, reviews and approves the strategy and business plans on the Company's key activities.	1. In the reporting period, the Board of Directors addressed issues related to the implementation and updating of the strategy, approval of the business plan (budget) of the Company, as well as review of the criteria and indicators (including interim ones) applicable to the implementation of the Company's strategy and business plans.	Observed	
2.1.3	The Board of Directors establishes the principles of and approaches to the organization of the Company's risk management and internal control system.	1. The Board of Directors established the principles of and approaches to the organization of the Company's risk management and internal control system.  2. The Board of Directors assessed the performance of the company's risk management and internal control system in the reporting period.	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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 executive officers of the Company.	<p>1. implemented a policy on remunerating and/or reimbursing the members of the Board of Directors, executive bodies and other key executive officers of the Company, which was approved by the Board of Directors.</p> <p>2. At the meetings held in the reporting period, the Board of Directors addressed issues related to the above-mentioned policy (policies).</p>	Partly observed	<p>1. Partly observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The principles of remunerating the members of the Board of Directors are set out in detail in the Regulation on the Board of Directors of the Company approved by the General Shareholders' Meeting of the Company. The members of the Company's Management Board do not receive special rewards for their work as members of the Management Board. Employees of the Company who are members of the Company's Management Board have concluded employment contracts in accordance with their positions in the Company. These contracts determine the amount of their remuneration for their duties as full-time employees of the Company. Individual employment contracts were concluded between the Company and the key executives and specify the employee remuneration and reimbursement (compensation) procedure</p> <p><b>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.</b></p> <p>The development and periodic review of the Remuneration Policy for the Board of Directors, as well as control over its implementation, falls within the competence of the Appointment and Remuneration Committee of the Company's Board of Directors that considered the issue concerning approval of the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members on 06 October 2020. When considering issue No. 6 "Recommendations to Improve the Corporate Governance System" on 09 December 2020, the Board of Directors supported the proposal of the Appointment and Remuneration Committee concerning the development of a separate Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<p>The terms and conditions of the employment contracts made with the members of the Company's Management Board in accordance with their positions in the Company are reviewed by the Appointment and Remuneration Committee of the Company's Board of Directors. The remuneration level of the members of the Company's Board of Directors, Management Board, Chief Executive Officer and key executives is sufficient to recruit and retain staff, as well as to motivate managers who have the necessary professional qualities to manage the Company effectively.</p> <p>In the follow-up of the meeting of the Appointment and Remuneration Committee dated 06 October 2020, the Committee instructed to develop the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members and to put it before the Unipro PJSC General Shareholders' Meeting.</p> <p><b>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.</b></p> <p>In 2021, the Company plans to consider the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members at the Appointment and Remuneration Committee and to put it before the Unipro PJSC General Shareholders' Meeting for approval.</p> <p>2. Observed</p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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 to identify transactions involving conflicts of interest and a system of measures to resolve such conflicts.	Observed	
2.1.6	The Board of Directors plays the key role in ensuring the transparency of the Company, timeliness and completeness of information disclosed by the Company, and unhindered access to the Company's documents for the shareholders.	1. The Board of Directors approved a regulation on the information policy.  2. The Company has dedicated personnel responsible for the implementation of the information policy.	Observed	
2.1.7	The Board of Directors exercises control over the corporate governance practices in the Company and plays the key role in the Company's major corporate events.	1. In the reporting period, the Board of Directors addressed the issue of the corporate governance practices in the Company.	Observed	
<b>2.2 The Board of Directors reports to the Company's shareholders.</b>				
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 individual directors.  2. The Annual Report contains information on key findings of the performance assessment of the Board of Directors carried out in the reporting period.	Observed	
2.2.2	The Chairman of the Board of Directors is available for communication with the Company's shareholders.	1. The Company applies a transparent procedure that allows shareholders to address questions and their opinions on such questions to the Chairman of the Board of Directors.	Observed	
<b>2.3 The Board of Directors is an effective and professional governing body of the Company, which is capable of making unbiased independent judgments and pass resolutions that meet the interests of the Company and its shareholders.</b>				
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. The Company's internal procedure used to assess performance of the Board of Directors includes competence assessment of the members of the Board of Directors.  2. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) assessed the candidates to the Board of Directors with respect to their experience, knowledge, business reputation, conflict of interest, etc.	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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 Shareholders' Meetings 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 candidates to the Board of Directors, the findings of the assessment of such candidates carried out by the Board of Directors (or the Nomination Committee of the Board of Directors), as well as the data on the candidate's compliance with the independence criteria as per Recommendations 102 to 107 of the Code, and the candidates' letters of consent to be elected to the Board of Directors.	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. As part of the performance assessment of the Board of Directors carried out in the reporting period, the Board of Directors reviewed its own requirement for qualifications, experience and business skills.	Observed	
2.3.4	The size of the Board of Directors makes it possible to organize the work of the Board of Directors in a most efficient way, which includes the possibility to set up committees of the Board of Directors, and ensures that substantial minority shareholders of the Company have the opportunity to elect their nominee to the Board of Directors.	1. As part of the performance assessment of the Board of Directors carried out in the reporting period, the Board of Directors addressed the issue regarding compliance of the number of the Board members to the requirements of the Company and the interests of shareholders.	Observed	
<b>2.4 The Board of Directors includes a sufficient number of independent directors.</b>				
2.4.1	A person is recognized 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 recognized as independent if he or she is affiliated with the Company, its substantial shareholder, major counterparty or competitor, or is related to the government.	1. In the reporting period, all independent members of the Board of Directors met all the independence criteria specified in Recommendations 102 to 107 of the Code, or were recognized as independent by the decision of the Board of Directors.	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.4.2	The Company assesses compliance of the nominees to the Board of Directors with the independence criteria and performs regular review of independent directors' compliance with the independence criteria. In this assessment, the substance shall prevail over the form.	<p>1. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) formed an opinion about independence of each candidate to the Board of Directors and brought a relevant report to the attention of the shareholders.</p> <p>2. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) reviewed the independence of existing members of the Board of Directors qualified in the Annual Report as independent at least once.</p> <p>3. The Company developed procedures that determine steps to be taken by a member of the Board of Directors if he or she ceases to be independent, including the obligation to notify the Board of Directors thereof in a timely manner.</p>	Observed	
2.4.3	Independent directors make at least one third of 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. Independent directors (that are free of conflict of interest) carry out a preliminary assessment of significant corporate actions potentially exposed to a conflict of interest, and the findings of such assessment are reported to the Board of Directors.	Observed	
2.5	The Chairman of the Board of Directors contributes to the most efficient performance of the functions assigned to the Board of Directors.			
2.5.1	An independent director is elected to the position of the Chairman of the Board of Directors, or a senior director is elected of all independent directors to coordinate the work of independent directors and maintain interaction with the Chairman of the Board of Directors.	<p>1. The Chairman of the Board of Directors is an independent director, or a senior director is elected of all independent directors.</p> <p>2. The role, rights and responsibilities of the Chairman of the Board of Directors (and, where applicable, of the senior independent director) are duly defined in the Company's internal documents.</p>	Partly observed	<p>1. Not observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Chairman of the Board of Directors is not an independent director.</p> <p><b>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.</b></p> <p>The Chairman of the Board of Directors was elected unanimously by all members of the Board of Directors as the most authoritative member of the Board of Directors who had made a significant contribution to the Company's development and who possesses the necessary professional competence, executive experience in the industry, and an impeccable business and personal reputation.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<p>An independent director was elected Deputy Chairman of the Board of Directors in 2019. Independent directors are heavily involved in the work of the Company's Board of Directors and may communicate directly with the Chairman of the Board of Directors. In addition, the Committees of the Board of Directors, consisting exclusively of independent directors, are headed by independent directors.</p> <p><b>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.</b></p> <p>The Company proceeds from the premise that all the members of the Board of Directors have equal rights, and also takes it into account that independent directors have not elected a senior independent director.</p> <p>Taking into account the well-balanced composition of the Board of Directors, quality of preliminary study of the issues brought to the Board of Directors (including those at the level of committees consisting of independent directors), and the high activity of independent directors, the introduction of an additional post of a senior independent director will not entail any improvements in the corporate governance system of the Company.</p> <p>The competence and strong performance of the Board of Directors are attested to by the Company's financials.</p> <p>The Company expects that in future, as the number of independent directors in the Board of Directors increases, an independent director may be elected as Chairman of the Board of Directors of the Company.</p> <p>In 2021, the Company plans to revise the existing internal documents of the Company to possibly appoint a senior independent director.</p> <p>2. Observed</p>
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. Performance of the Chairman of the Board of Directors was assessed as part of the Board performance assessment procedure in the reporting period.	Observed	
2.5.3	The Chairman of the Board of Directors takes all necessary steps to provide the members of the Board of Directors with the information required to take informed decisions on the agenda items in a timely manner.	1. The duty of the Chairman of the Board of Directors to take steps in order to ensure that the members of the Board of Directors are provided with materials on the Board meeting agenda items in a timely manner is enshrined in the Company's internal documents.	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.6	<b>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.</b>			
2.6.1	The members of the Board of Directors make decisions considering all information available, in the absence of conflict of interest and within the normal entrepreneurial risk, while treating the Company's shareholders equitably.	<p>1. The internal documents of the Company stipulate that a member of the Board of Directors must notify the Board of Directors if he/she faces a conflict of interest with regard to any agenda items addressed at a meeting of the Board of Directors or a Committee of the Board of Directors, prior to discussion of the corresponding agenda item</p> <p>2. The Company's internal documents stipulate that a member of the Board of Directors should abstain from voting on any agenda item where he/she faces a conflict of interest.</p> <p>3. The Company has a procedure enabling the Board of Directors to get professional advice on the matters that fall within its competence at the expense of the Company.</p>	Partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Not observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></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><b>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.</b></p> <p>Pursuant to the established practice, the members of the Board of Directors did not need any professional advice that could not be given in-house without involving any third parties for a fee.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></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><b>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.</b></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 formalized 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	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.6.3	The members of the Board of Directors have enough time to fulfil their responsibilities.	<p>1. Individual attendance at the Board and the Board Committee meetings, as well as the time allocated by the members to prepare for the meetings, were taken into account when assessing performance of the Board of Directors in the reporting period.</p> <p>2. Pursuant to the Company's internal documents, the members of the Board of Directors must notify the Board of Directors on their intention to become a 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 members of the Board of Directors have equal access to the Company's documents and information. The newly elected members of the Board of Directors are provided with sufficient information about the Company and the work of the Board of Directors within the shortest possible time.	<p>1. According to the Company's internal documents, the members of the Board of Directors have the right to access documents and make requests concerning the Company and the entities controlled thereby, while the executive bodies of the Company must provide the requested information and documents.</p> <p>2. The Company has a formal induction program for the newly elected members of the Board of Directors.</p>	Observed	
2.7	<b>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.</b>			
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 Board members to prepare for the meeting appropriately.	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 5 days prior to the meeting date.	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 (as listed in Recommendation 168 of the Code) must be addressed at physical meetings of the Board.	Not observed	<p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company's Articles of Association or internal document do not stipulate that the most important items (as listed in Recommendation 168 of the Code) must be addressed at physical meetings of the Board.</p> <p><b>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</b></p> <p>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).</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>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).</p> <p><b>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.</b></p> <p>In 2021, the Company plans to consider the issue of amending the Articles of Association or other internal documents.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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.	Not observed	<p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>Clauses 15.4 and 15.5 of the Company's Articles of Association provide a list of matters which require resolutions of the Board of Directors to be passed by a three-quarter majority vote of all elected members of the Board of Directors or unanimously by all elected members of the Board of Directors. This list does not include all matters recommended in Item 170 of the Code of Corporate Governance.</p> <p><b>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.</b></p> <p>The Board resolutions are normally adopted by a majority vote exceeding the threshold set out in this recommendation due to the adopted set of additional exploration stages for each item.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>All matters brought before the Board of Directors are subject to thorough preliminary examination, including by the dedicated committees of the Board of Directors and/or the Management Board.</p> <p><b>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.</b></p> <p>Currently, the Company does not deem it necessary to enshrine an extended list of matters requiring resolutions of the Board of Directors to be passed either by at least a three-quarter majority vote or by a simple majority vote of all elected members of the Board of Directors in the Articles of Association. Nevertheless, in 2021, the Company plans to consider the issue of amending the Articles of Association or other internal documents.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.8	<b>The Board of Directors sets up Committees for preliminary examination of the most important issues concerning the Company's activities.</b>			
2.8.1	To ensure a preliminary review of the matters concerning control of the Company's financial and business operations, the Company established an audit committee composed of independent directors.	<div>1. The Board of Directors set up the Audit Committee composed of independent directors only.</div> <div>2. The Company's internal documents define the responsibilities of the Audit Committee, including those specified in Recommendation 172 of the Code.</div> <div>3. At least one member of the Audit Committee, who is an independent director, has the experience and expertise required to prepare, analyze, review and audit the accounting (financial) statements.</div> <div>4. The meetings of the Audit Committee were held at least once a quarter during the reporting period.</div>	Observed	
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.	<div>1. The Board of Directors established a Remuneration Committee consisting of independent directors only.</div> <div>2. The Chairman of the Remuneration Committee is an independent director other than the Chairman of the Board of Directors.</div> <div>3. The Company's internal documents define the responsibilities of the Remuneration Committee, including those specified in Recommendation 180 of the Code.</div>	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.	<div>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.</div> <div>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.</div>	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.).	<div>1. In the reporting period, the Company's Board of Directors considered the issue of whether the membership of the Board Committees is adequate to the objectives of the Board of Directors and the goals of the Company. Additional Committees were either created or deemed unnecessary.</div>	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
2.8.5	The membership of the Committees was determined so as to ensure that the items subject to preliminary review are discussed comprehensively, considering a variety of opinions.	<div>1. The committees of the Board of Directors are headed by independent directors.</div> <div>2. The Company's internal documents (policies) contain provisions under which persons other than the members of the Audit Committee, the Nomination Committee and the Remuneration Committee may not attend the meetings of the Committees without an invitation by the Chairman of the relevant Committee.</div>	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.	<div>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.</div>	Observed	
2.9	<b>The Board of Directors ensures a performance quality assessment of the Board of Directors, its Committees and members.</b>			
2.9.1	The performance quality assessment of the Board of Directors is aimed at assessing the performance of the Board of Directors, its Committees and members, evaluating their adequacy for the requirements of corporate development, intensifying the efforts of the Board of Directors and identifying the areas for improvement.	<div>1. The self-assessment or external assessment of the Board performance carried out in the reporting period included the performance assessment of the Committees, individual members of the Board of Directors and the Board of Directors in general.</div> <div>2. The findings of the self-assessment or external assessment of the Board performance carried out in the reporting period were reviewed at a physical meeting of the Board of Directors.</div>	Observed	
2.9.2	The performance quality assessment of the Board of Directors, its Committees and members is conducted on a regular basis at least once a year. The independent performance quality assessment of the Board of Directors is conducted at least once every three years by engaging an external contractor (advisor).	<div>1. Within the past three reporting periods, the Company engaged an external contractor (advisor) to carry out an independent assessment of the Board performance at least once.</div>	Observed	
3.1	<b>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.</b>			
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.	<div>1. The Company approved and disclosed an internal document — Regulation on the Corporate Secretary.</div> <div>2. The corporate website and the Annual Report provide information on the Corporate Secretary's background with the same level of detail as used for the members of the Board of Directors and executive management of the Company.</div>	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.	<div>1. The Board of Directors approves the appointment, dismissal and additional remuneration of the Corporate Secretary.</div>	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
4.1	<b>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 executive officers of the Company in accordance with the remuneration policy adopted by the Company.</b>			
4.1.1	The amount of remuneration payable by the Company to the members of the Board of Directors, executive bodies and other key executive officers creates sufficient motivation to ensure their strong performance and enables the Company to recruit and retain competent and qualified professionals. Nevertheless, the Company avoids overrating the level of remuneration and an unreasonably significant gap between the levels of remuneration payable to the above-mentioned persons and employees of the Company.	1. The Company adopted an internal document (documents) — the remuneration policy (policies) applicable to the members of the Board of Directors, executive bodies and other key executive officers — which clearly defines (define) the approaches to such remuneration.	Partly observed	<p>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</p> <p>The principles of remunerating the members of the Board of Directors are set out in detail in the Regulation on the Board of Directors of the Company approved by the General Shareholders' Meeting of the Company. The members of the Company's Management Board do not receive special rewards for their work as members of the Management Board. Employees of the Company who are members of the Company's Management Board have concluded employment contracts in accordance with their positions in the Company. These contracts determine the amount of their remuneration for their duties as full-time employees of the Company. Individual employment contracts were concluded between the Company and the key executives and specify the employee remuneration and reimbursement (compensation) procedure</p> <p>Explanations of specific reasons for failure to comply with the relevant provision (element) of the Code and justifications of the resolution adopted by the Company.</p> <p>The development and periodic review of the Remuneration Policy for the Board of Directors, as well as control over its implementation, falls within the competence of the Appointment and Remuneration Committee of the Company's Board of Directors that considered the issue concerning approval of the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members on 06 October 2020. When considering issue No. 6 "Recommendations to Improve the Corporate Governance System" on 09 December 2020, the Board of Directors supported the proposal of the Appointment and Remuneration Committee concerning the development of a separate Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<p>The terms and conditions of the employment contracts made with the members of the Company's Management Board in accordance with their positions in the Company are reviewed by the Appointment and Remuneration Committee of the Company's Board of Directors. The remuneration level of the members of the Company's Board of Directors, Management Board, Chief Executive Officer and key executives is sufficient to recruit and retain staff, as well as to motivate managers who have the necessary professional qualities to manage the Company effectively.</p> <p>In the follow-up of the meeting of the Appointment and Remuneration Committee dated 06 October 2020, the Committee instructed to develop the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members and to put it before the Unipro PJSC General Shareholders' 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>In 2021, the Company plans to consider the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members at the Appointment and Remuneration Committee and to put it before the Unipro PJSC General Shareholders' Meeting for approval.</p>
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.	1. In the reporting period, the Remuneration Committee reviewed the remuneration policy (policies) and the implementation practice thereof and gave relevant recommendations to the Board of Directors as necessary.	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
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 executive officers of the Company, and regulates all kinds of payments, benefits and privileges granted to the said persons.	1. The Company's remuneration policy (policies) contains (contain) transparent mechanisms for determining the amount of remuneration payable to the members of the Board of Directors, executive bodies and other key executive officers of the Company, and regulates (regulate) all kinds of payments, benefits and privileges granted to the said persons.	Partly observed	<p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The principles of remunerating the members of the Board of Directors are set out in detail in the Regulation on the Board of Directors of the Company approved by the General Shareholders' Meeting of the Company. The members of the Company's Management Board do not receive special rewards for their work as members of the Management Board. Employees of the Company who are members of the Company's Management Board have concluded employment contracts in accordance with their positions in the Company. These contracts determine the amount of their remuneration for their duties as full-time employees of the Company. Individual employment contracts were concluded between the Company and the key executives and specify the employee remuneration and reimbursement (compensation) procedure</p> <p><b>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.</b></p> <p>The development and periodic review of the Remuneration Policy for the Board of Directors, as well as control over its implementation, falls within the competence of the Appointment and Remuneration Committee of the Company's Board of Directors that considered the issue concerning approval of the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members on 06 October 2020. When considering issue No. 6 "Recommendations to Improve the Corporate Governance System" on 09 December 2020, the Board of Directors supported the proposal of the Appointment and Remuneration Committee concerning the development of a separate Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members.</p> <p>Description of the measures used by the Company to reduce the possible additional risks.</p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<p>The terms and conditions of the employment contracts made with the members of the Company's Management Board in accordance with their positions in the Company are reviewed by the Appointment and Remuneration Committee of the Company's Board of Directors. The remuneration level of the members of the Company's Board of Directors, Management Board, Chief Executive Officer and key executives is sufficient to recruit and retain staff, as well as to motivate managers who have the necessary professional qualities to manage the Company effectively.</p> <p>In the follow-up of the meeting of the Appointment and Remuneration Committee dated 06 October 2020, the Committee instructed to develop the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members and to put it before the Unipro PJSC General Shareholders' Meeting.</p> <p><b>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.</b></p> <p>In 2021, the Company plans to consider the Remuneration and Expense Reimbursement (Compensation) Policy for Unipro PJSC Board Members at the Appointment and Remuneration Committee and to put it before the Unipro PJSC General Shareholders' Meeting for approval.</p>
4.1.4	The Company establishes a reimbursement (compensation) policy with an itemization of expenses subject to reimbursement and the level of service that the members of the Board of Directors, executive bodies and other key executive officers of the Company are entitled to. This policy may be integrated into the Company's remuneration policy.	1. The remuneration policy (policies) or other internal documents of the Company establish the rules for reimbursement of expenses incurred by the members of the Board of Directors, executive bodies and other key executive officers of the Company.	Observed	
4.2	<b>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.</b>			



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
4.2.1	<p>The Company pays a fixed annual remuneration to the members of the Board of Directors. The Company does not pay a remuneration for participation in individual meetings of the Board of Directors or Committees of the Board of Directors.</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. The fixed annual remuneration was the only form of remuneration in cash payable to the members of the Board of Directors for their work in the Board of Directors during the reporting period.</p>	Partly observed	<p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company's remuneration system for the members of the Board of Directors provides for the payment of an annual and quarterly remuneration to the Board members.</p> <p><b>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.</b></p> <p>The annual remuneration payable to the members of the Board of Directors depends on the Company's earnings before interest, tax, depreciation and amortization (EBITDA) based on the Company's financial statements prepared in accordance with the IFRS and validated by the Company's auditor for the reporting financial year, for which the annual remuneration is payable.</p> <p>The quarterly remuneration depends on the extent of the Board member's participation in the physical meetings and absentee votes held in the relevant quarter.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The quarterly remuneration reflects the estimated time and labour input of the Board member associated with preparation for and participation in the meetings of the Company's Board of Directors.</p> <p><b>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.</b></p> <p>In the Company's opinion, these remunerations fully comply with the principle of convergence of financial interests of the members of the Board of Directors and the long-term interests of Company shareholders. Nevertheless, in 2021, the Company plans to put the issue of amending the remuneration system used to compensate the Members of the Board of Directors for their work in this capacity before the General Shareholders' Meeting.</p>
4.2.2	<p>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.</p>	<p>1. If the internal document (documents), i. e. the remuneration policy (policies) of the Company, suggests (suggest) a share-based compensation for the members of the Board of Directors, the rules for holding of shares by the Board members aimed at long-term holding of such shares shall be clearly defined and disclosed.</p>	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
4.2.3	<p>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.</p>	<p>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.</p>	Observed	
4.3	<b>The remuneration system applicable to the members of the executive bodies and other key executive officers of the Company provides for the dependence of remuneration on the Company's performance and on their personal contribution to the achievement of such performance.</b>			
4.3.1	<p>The remuneration for members of the executive bodies and other key executive officers of the Company is determined so as to ensure reasonable and feasible proportion between the fixed component and the variable component which depends on the performance of the Company and personal (individual) contribution of the employee to the final outcome</p>	<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 executive officers of the Company.</p> <p>2. During the latest review of the remuneration system applicable to members of the executive bodies and other key executive officers of the Company, the Board of Directors (the Remuneration Committee) made sure that the Company uses a feasible proportion between the fixed component and the variable component of the remuneration.</p> <p>3. The Company has a procedure that ensures a refund of unearned bonuses received by members of the Company's executive bodies and other key executive officers to the Company.</p>	Partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Not observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company has no procedure ensuring a refund of unearned bonuses received by members of the Company's Management Board, Chief Executive Officer or any other key executive officers to the Company.</p> <p><b>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.</b></p> <p>The Company has a clear mechanism for paying bonuses to members of the executive bodies and other executives.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The remuneration system applicable to members of the Company's executive bodies is based on achievement of the Company's approved key performance indicators (KPIs).</p> <p>The performance-based remuneration is paid after the Appointment and Remuneration Committee considers the achievement of target indicators, and the Board of Directors of the Company approves the KPI report.</p> <p><b>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.</b></p> <p>Therefore, considering the entire set of measures used by the Company, there is absolutely no possibility that the Company's executive bodies or any other key executives will receive any unearned remuneration.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
4.3.2	The Company implemented a program for long-term motivation of the members of the executive bodies and other key executive officers of the Company by using the Company's shares (options or other derivative financial instruments for which the Company's shares constitute the basic assets).	<p>1. The Company implemented a program for long-term motivation of the members of the executive bodies and other key executive officers of the Company by using the Company's shares (financial instruments based on the Company's shares).</p> <p>2. The program for long-term motivation of the members of the executive bodies and other key executive officers of the Company provides that the right to sell shares and other financial instruments used under this program cannot be exercised earlier than three years after they were given to the employee. However, the Company made the right to sell them contingent on the achievement of certain performance indicators by the Company.</p>	Partly observed	<p>1. Observed.</p> <p>2. Partly observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The program for long-term motivation of the members of executive bodies and other key executives of the Company does not provide for the right to own directly the shares of the Company.</p> <p><b>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.</b></p> <p>The Company's Board of Directors has not yet explored the issue concerning implementation of the program for long-term motivation of the members of the executive bodies and other key executive officers of the Company using the Company's shares (financial instruments based on the company's shares).</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The Company believes that the established practice does not expose the Company to any additional risks due to the fact that it has implemented the Program for long-term motivation of the members of executive bodies and other key executives of the Company that does not provide for the right to own directly the shares of the Company, but it is aimed at increasing their capitalization.</p> <p><b>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.</b></p> <p>The rule of the shares sale is not relevant for the Company.</p>
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 executive officers in the case of early termination of their powers at the initiative of the Company and without any unethical practices found with the employees does not exceed two times the fixed annual remuneration.	1. In the reporting period, the amount of a severance pay (a golden parachute) payable by the Company to the members of the executive bodies or other key executive officers in the case of early termination of their powers at the initiative of the Company and without any unethical practices found with the employees did not exceed two times the fixed annual remuneration.	Observed	



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
5.1	<b>The Company created a well-performing risk management and internal control system, ensuring reasonable confidence in the achievement of the Company's goals.</b>			
5.1.1	The Company's Board of Directors defined the principles for and approaches towards the organization of the Company's risk management and internal control system.	1. The functions assigned to various management bodies and units of the Company in the risk management system and internal control are clearly defined in the relevant internal documents/policy of the Company approved by the Board of Directors.	Observed	
5.1.2	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 the functions and authority in respect of risk management and internal control between their subordinate managers (heads) of divisions and departments.	Observed	
5.1.3	The risk management and internal control system used in the Company ensures an unbiased, fair and clear understanding of the current status and prospects of the Company, integrity and transparency of the Company's reports, and reasonability and acceptability of the risks assumed by the Company.	<p>1. The Company has an anti-bribery and corruption policy.</p> <p>2. The Company has a simple way to report any instances of failure to observe the law, the Company's internal procedures or the Code of Ethics to the Board of Directors or the Audit Committee of the Board of Directors.</p>	Partly observed	<p>1. Observed.</p> <p>2. Partly observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company has no direct means to report any violations of the law, the Company's internal procedures or Code of Ethics to the Board of Directors or the Audit Committee of the Board of Directors.</p> <p><b>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.</b></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><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<p>The Company has a hotline that may be used by employees to notify the Person Responsible for the Code of Corporate Conduct on any potential instances of failure to observe the law, the Company's policies or procedures, in particular in such areas as antitrust law, stock market laws and insider information regulations, as well as on the instances of failure to comply with the Code of Conduct on the part of the Company employees, instances of corruption, fraud (falsifications, dishonesty, misappropriation and embezzlement of property). If necessary, important issues are laid before the Company's Management Board and dedicated Committees of the Company's Board of Directors.</p> <p>Information on whether failure to comply with a provision of the Code is limited in time and whether the Company intends to ensure compliance with the relevant element of the Code in the future.</p> <p>The Company is planning to consider the possibility of expanding the Audit Committee's authorities with the authority to request information on the violations of the law, the Company's internal procedures or Code of Ethics.</p>
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 organization, as determined by the Board of Directors, and is functioning effectively.	1. In the reporting period, the Board of Directors or the Audit Committee of the Board of Directors assessed the performance of the Company's risk management and internal control system. The details of the key assessment findings have been incorporated in the Company's Annual Report.	Observed	
5.2	<b>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.</b>			
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 Department carries out the assessment of the internal control system efficiency, the assessment of the risk management system efficiency, and the assessment of the corporate governance system. The Company applies the generally accepted standards of internal auditing.	<p>1. In the reporting period, the performance assessment of the internal control and risk management system was carried out as part of the internal audit program.</p> <p>2. The Company applies the generally accepted approaches to internal control and risk management.</p>	Observed	

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
6.1	<b>The Company and its activities are transparent for shareholders, investors and stakeholders.</b>			
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. The Board of Directors (or one of its Committees) considered the issues concerning compliance with its information policy by the Company at least once during the reporting period.</p>	Observed	
6.1.2	The Company discloses information on the corporate governance system and practice, including detailed information on compliance with the principles and recommendations of the Code.	<p>1. The Company discloses information on the Company's corporate governance system and general principles of corporate governance used in the Company, including on the corporate website in the Internet.</p> <p>2. The Company discloses information on the membership of the executive bodies and the Board of Directors, independence of the members of the Board of Directors and their membership in the Board Committees (as defined by the Code).</p> <p>3. If there is a controlling person, the Company publishes the controlling person's memorandum outlining this person's plans as they regard corporate governance in the Company.</p>	Partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Not observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></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><b>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.</b></p> <p>The controlling person's plans for the Company constitute this person's business secret and are not subject to disclosure, except as otherwise provided for by the law.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></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><b>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.</b></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>

No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
6.2	<b>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.</b>			
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's information policy defines the approaches and criteria used to identify information that is capable of having a significant impact on the value of the Company and its securities and procedures that ensure well-timed disclosure of such information.</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>	Partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Partly observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>In the reporting period, the disclosure was made both in Russian and in English (partly).</p> <p><b>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.</b></p> <p>No requests to expand the range of the information disclosed in English from shareholders.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The information disclosed on the Company's corporate website in English is as follows:</p> <ul style="list-style-type: none"><li>• Annual reports;</li><li>• Quarterly reports;</li><li>• IFRS statements (annual and interim statements);</li><li>• Financial calendar;</li><li>• Dividend Policy;</li><li>• Equity price charts;</li><li>• Information on the members of the Board of Directors and Committees of the Board of Directors;</li><li>• Information on the members of the Company's Management Board and executives; and</li><li>• The scope of competence of the General Shareholders' Meeting and the Board of Directors as enshrined in the Company's Articles of Association.</li></ul> <p><b>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.</b></p> <p>The Company also plans to disclose material facts in English in 2021.</p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
6.2.2	The Company avoids a formal approach to disclosure and discloses material facts about its activities even if the disclosure of such information is not required by laws.	<p>1. In the reporting period, the Company disclosed annual financial statements and financial statements for six months prepared according to the IFRS. The Company's Annual Report for the reporting period includes annual financial statements prepared according to the IFRS and the auditor's report.</p> <p>2. The Company discloses complete information on the structure of the Company's capital in its Annual Report and on the corporate website in accordance with Recommendation 290 of the Code.</p>	Partly observed	<p>1. Observed</p> <p>2. Partly observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></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><b>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.</b></p> <p>The structure of the share capital disclosed in appropriate Section 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 authorized capital, e. g. based on the shareholder agreements or due to holding ordinary/preference shares with a different face value.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>The Company monitors the share capital structure on a quarterly basis by sending the relevant queries to the registrar.</p> <p><b>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.</b></p> <p>The Company plans to 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 in 2021.</p>
6.2.3	As one of the most important tools of communication with shareholders and other stakeholders, the Annual Report contains information that helps to assess the performance of the Company in the reporting period.	<p>1. The Company's Annual Report contains information on the key aspects of the Company's operations and financial performance.</p> <p>2. The Company's Annual Report contains information on the environmental and social performance of the Company.</p>	Observed	
6.3	<b>Information and documents are provided by the Company at the shareholders' requests in accordance with the principles of fairness and easiness.</b>			



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
6.3.1	Information and documents are provided at the shareholders' requests in accordance with the principles of fairness and easiness.	1. The Company's information policy establishes an easy procedure for providing the shareholders with access to corporate information, including information about the legal entities controlled by the Company, at their request.	Observed	
6.3.2	In the provision of information to shareholders, a reasonable balance is ensured between the interests of individual shareholders and the interests of the Company that wishes to keep important business information confidential as it may significantly influence the Company's competitiveness.	1. In the reporting period, the Company did not decline any incoming information requests from the shareholders, or such refusals were reasonable.  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.	Observed	
7.1	<b>The actions that significantly affect or may affect the structure of the authorized capital and financial standing of the Company and, therefore, the shareholders' standing (major corporate actions), are performed on fair conditions that respect the rights and interests of shareholders and other stakeholders.</b>			
7.1.1	The definition of major corporate actions embraces reorganization 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 authorized 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 and criteria of transactions or other actions qualified as major corporate actions. Resolutions on major corporate actions fall within the scope of competence of the Board of Directors. Where the legislation directly assigns these corporate actions to the competence of the General Shareholders' Meeting, the Board of Directors shall issue the necessary recommendations the shareholders.  2. The Company's Articles of Association qualify at least the following actions as major corporate actions: reorganization of the Company, purchase of 30 or more percent of the Company's voting shares (take-over), closure of major transactions by the Company, increase or reduction in the Company's authorized capital, listing and delisting of the Company's shares.	Partly observed	1. Partly observed  <b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b>  The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions.  <b>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.</b>  Not required.  <b>Description of the measures used by the Company to reduce the possible additional risks.</b>  The decision-making procedure recommended by the Code of Corporate Governance (referring such decisions to the competence of the Board of Directors or the General Shareholders' Meeting under the Company's Articles of Association or under the laws) is observed with respect to most corporate actions that are considered as major corporate actions.  <b>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.</b>  In 2021, the Company plans to consider the issue on the need for amending the Articles of Association of the Company.



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				2. Not observed  <b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b>  The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions and the criteria for qualifying them as such.  <b>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.</b>  Not required.  <b>Description of the measures used by the Company to reduce the possible additional risks.</b>  At the same time, the Company's Articles of Association clearly delineate the powers of the General Shareholders' Meeting and of the Board of Directors of the Company as they regard the matters that can be classified as major corporate actions as per the recommendations of the Code of Corporate Governance (Articles 10 and 12 of the Articles of Association of Unipro PJSC).  <b>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.</b>  In 2021, the Company plans to consider the issue on the need for amending the Articles of Association of the Company.
7.1.2	The Board of Directors plays the key role in making decisions or elaborating recommendations for major corporate actions based on the opinion of the Company's independent directors.	1. The Company has a procedure under which independent directors express their opinions on major corporate actions prior to approval thereof.	Not observed	2. Not observed  <b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b>  The Company's Articles of Association do not define a list of and criteria for qualifying transactions or other actions as major corporate actions.  <b>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.</b>  Not required.  <b>Description of the measures used by the Company to reduce the possible additional risks.</b>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<p>At the same time, the Company's Articles of Association clearly delineate the powers of the General Shareholders' Meeting and of the Board of Directors of the Company as they regard the matters that can be classified as major corporate actions as per the recommendations of the Code of Corporate Governance (Articles 10 and 12 of the Articles of Association of Unipro PJSC). The Company created committees responsible for an in-depth exploration of the issues brought before the Board of Directors. These Committees are duly operating.</p> <p><b>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.</b></p> <p>In 2021, the Company plans to consider the issue on the need for amending the Articles of Association of the Company.</p>
7.1.3	When the Company takes major corporate actions that affect the rights and legitimate interests of its shareholders, all shareholders of the Company are treated equitably. Where the statutory mechanisms designed to protect the rights of shareholders are insufficient, the Company takes additional steps to protect the rights and legitimate interests of its shareholders. The Company is guided both by formal statutory requirements and by corporate governance principles set out in the Code.	<p>1. Considering the specific nature of the Company's activities, the Company's Articles of Association establish lower minimum criteria to qualify the Company's transactions as major corporate actions than those stipulated by the laws.</p> <p>2. In the reporting period, all major corporate actions were subjected to an approval procedure before they were taken.</p>	Partly observed	<p>1. Partly observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions.</p> <p><b>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.</b></p> <p>Not required.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>In the meantime, pursuant to the Company's Articles of Association, the competence of the Board of Directors includes approval of a number of transactions viewed as major transactions by the Company and the threshold for qualifying a transaction as a major transaction is significantly lower than the threshold established by the laws.</p> <p><b>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.</b></p> <p>In 2021, the Company plans to consider the issue on the need for amending the Articles of Association of the Company.</p>



No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
				<p>2. Not observed.</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The Company's Articles of Association do not define a list of transactions or other actions qualified as major corporate actions.</p> <p><b>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.</b></p> <p>Not required.</p> <p><b>Description of the measures used by the Company to reduce the possible additional risks.</b></p> <p>Pursuant to the Company's Articles of Association, the competence of the Board of Directors includes approval of a number of transactions viewed as major transactions by the Company and the threshold for qualifying a transaction as a major transaction is significantly lower than the threshold established by the laws. All transactions mentioned above were subjected to approval prior to closing.</p> <p><b>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.</b></p> <p>In 2021, the Company plans to consider the issue on the need for amending the Articles of Association of the Company.</p>
7.2	<b>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.</b>			
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. In the reporting period, the Company disclosed information on major corporate actions in a timely and detailed manner, including by specifying the reasons and timing of such actions.	Observed	
7.2.2	The rules and procedures pertaining to major corporate actions performed by the Company are documented in the Company's internal documents.	<p>1. The company's internal documents establish a procedure for engaging an independent appraiser to evaluate the property alienated or purchased under a major transaction or a related-party transaction.</p> <p>2. The company's internal documents establish a procedure for engaging an independent appraiser to determine the purchase and redemption value of the Company's shares.</p>	Partly observed	<p>1. Observed.</p> <p>2. Observed.</p> <p>3. Not observed</p> <p><b>Summary of the Company's operating context, environment and/or background making it impossible for the Company to comply with the recommendations.</b></p> <p>The company's internal documents do not contain an extended list of the grounds for recognizing the members of the Company's Board of Directors and other persons stipulated by the laws as related parties interested in the Company's transactions.</p>





No.	Corporate governance principles	Compliance criteria	Compliance status	Comments on deviations from compliance criteria
		3. The company's internal documents contain an extended list of the grounds for recognizing the members of the company's board of directors and other persons stipulated by the laws as related parties interested in the company's transactions.		<p><b>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.</b></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 requirements of the Russian Federation law.</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><b>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.</b></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;
- Creating additional Committees under the Board of Directors dealing with various aspects of the Company's activities, if necessary;
- Disclosing more information in English on the Company's website;
- Dividing the jurisdictions and responsibilities between corporate management bodies on a reasonable basis;
- Ensuring a good combination of centralized decision-making and delegation of authority to various managerial levels;
- Enhancing the promptness and efficiency of decision-making;
- Enforcement and protection of rights and interests of the Company's shareholders;
- Implementation of high standards of corporate governance ethics.

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 applicable laws, 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.

# Glossary

UN Global Compact	A major global initiative to assert global corporate citizenship. The Global Compact provides business communities with a framework to adapt their activities and strategies to the 10 universally recognised principles in the spheres of human rights, employment relations, environmental protection and combatting corruption
Stakeholders	Individuals, entities, or communities that may affect the Company's activities or may be affected by the Company's activities, products or services
Ash-Disposal Area	Place for the collection and natural disposal of ash and slag generated by the operation of a heat power plant
Corporate volunteering	Voluntary involvement of employees in various social programmes supported by their companies
Minority Shareholder	A company shareholder (either an individual or a legal entity) whose participatory interest is not sufficient to enable such shareholder to be directly involved in governance of the company (e.g., appointment of the board of directors). Such an interest is called a "minority" interest
Wholesale Electricity (Capacity) Market	A market for specific goods – electricity and electric generating capacity – as part of Russia's United Energy System within the unified economic space of the Russian Federation, involving major producers and major purchasers of electricity and capacity, as well as other agents with the status of wholesale market entities, acting in compliance with the Rules of the Wholesale Market, which have been approved by the Government of the Russian Federation in accordance with the Federal Law, "On the Electric Power Industry". The criteria for designating producers and purchasers of electricity as major producers and major purchasers are established by the Government of the Russian Federation
Net Output	Electricity and heat 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)

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
System Reliability Market (System Services Market)	An organised market that ensures incentives for maintaining and developing power generating equipment (including equipment with specific optional features) as part of Russia's United Energy System
Free Bilateral Contracts	Electricity purchase contracts between a supplier and a purchaser when prices are set by agreement between the parties
TOP-5+	Five work spheres with the highest risk of severe injury or fatality: <ul style="list-style-type: none"><li>hoisting operations;</li><li>work inside electrical installations;</li><li>work in confined spaces;</li><li>work at heights;</li><li>work involving fire hazards</li></ul>
Installed capacity	Total nominal operational capacity of generator units at Company power plants
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
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)



# Abbreviations

GE	General Electric Company
P2P	Procure-to-pay
PDCA	Plan-Do-Check-Act
URC	Uniper Risk Consulting GmbH
AIISMS	Automated IT system for industrial safety management
GDP	Gross Domestic Product
ACPP	Annual Comprehensive Procurement Programme
GOELRO	State Commission for the Electrification of Russia
GRS	Gas reducing station
GRES	State district power plant
CSA	Capacity supply agreement
UES	United Energy System
CUF	Installed capacity utilisation factor
KPI	Key performance indicators
CSR	Corporate social responsibility
CRMS	Corporate risk management system
ECP	Electric condensate pump
IMF	International Monetary Fund
SME	Small and medium enterprise
IFRS	International Financial Reporting Standards
Materials and Equipment	Materials and equipment
BAT	Best available technologies
FA	Forced unavailability
RLA	Regulatory legal act
RPFC	Rated primary frequency control
OPEC	Organisation of Petroleum Exporting Countries

HPF	Hazardous industrial facility
IES	Integrated Energy System
CCGT	Combined cycle gas turbine plant
MPD	Maximum permissible discharge
HD	Hoisting device
SPU	Steam-power unit
IEC	Industrial environmental control
RRW	Repair and reconstruction works
FPD	Fish protection device
PRU	Pressure-reducing unit
RAS	Russian Accounting Standards
PPE	Personal protective equipment
HOSMS	Health and Safety Management System
OHSD	Occupational Health and Safety Department
SAWE	Special assessment of work environment
ISMS	Industrial safety management system
EMS	Environmental management system
I	Inventories
PSEDA	Priority social and economic development area
Retooling and modernisation	Retooling and modernisation
FRS	Fuel receiving station
FAS	Federal Antimonopoly Service
HPC	High-pressure cylinder
CP	Centrifugal pump
IPC	Intermediate pressure cylinder
ETP	Electronic trading platform

# Contact Information

## Unipro Public Joint-Stock Company (Unipro PJSC) 102-1 102-5

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## Details of persons in charge of dealing with shareholders 102-53

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## Press Office

Dmitry Ermilichev  
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Fax:  
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pr@unipro.energy

Annex

Contact Information



## Details of the Registrar

Full business name of the Registrar:  
Independent Registrar Company R.O.S.T. JSC

Abbreviated name:  
IRC R.O.S.T. JSC

Register Maintenance License No. 10-000-1-00264  
issued by the Russian Federal Commission for the  
Securities Market (Federal Service for Financial  
Markets) on 03.12.2002

Location:  
18 Stromynka Street, Bldg 5B, premise IX, Moscow  
107996

Postal address:  
18 Stromynka Street, Bldg 5B, premise IX, Moscow  
107996

Telephone:  
+7 (495) 780–73–63

Fax:  
+7 (495) 780–73–67

[www.rrost.ru](http://www.rrost.ru)

E-mail:  
rost@rrost.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 20.10.2016 under Registration Entry  
Number 11603050547

Location:  
10 Butyrsky Val Street, Moscow, 125047, Russia

Postal address:  
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Fax:  
+7 (495) 967–60–01

[www.pwc.com](http://www.pwc.com)

## On 17 February 2020, Unipro PJSC changed its registrar to VTB Registrar JSC

Full business name of the Registrar:  
VTB Registrar Joint-Stock Company

Abbreviated name:  
VTB Registrar JSC

License for maintenance of the register of securities holders No. 045-13970-000001  
dated 21 February 2008 issued by the Central Bank of Russia

Location:  
23, Pravdy Street, Moscow 127015

Telephone:  
+7 (495) 787–44–83 (multichannel)

[www.vtbreg.ru](http://www.vtbreg.ru)

Postal address:  
127137, Moscow, P.O. box 54

E-mail:  
info@vtbreg.ru



# Winners of “My GRES” photo contest for the 2020 Annual Report



**Svetlana Kozlova**  
Berezovskaya GRES



**Svetlana Bazyleva**  
Smolenskaya GRES



**Nina Bronnikova**  
Berezovskaya GRES



**Alexander Starzhinsky**  
Berezovskaya GRES



**Ksenia Orlik**  
Berezovskaya GRES



**Alexey Rubtsov**  
Berezovskaya GRES



**Anton Saltykov**  
Shaturskaya GRES



**Alexander Smirnov**  
Shaturskaya GRES



**ЮНИ  
ПРО**