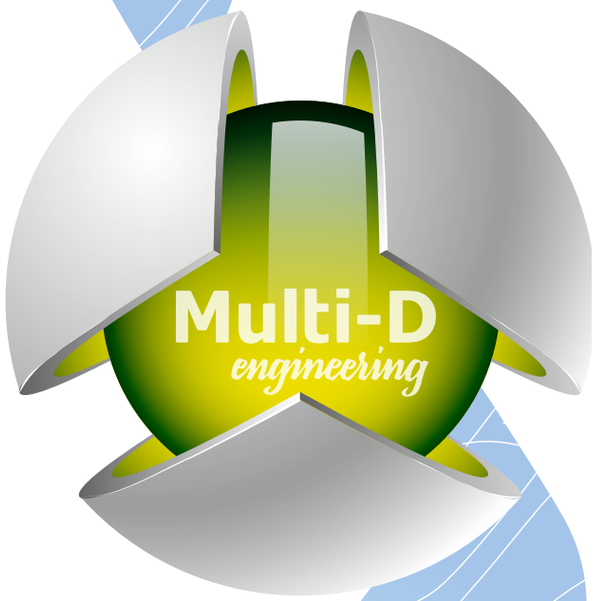
STATE ATOMIC ENERGY CORPORATION ROSATOM

Joint-Stock Company

Nizhny Novgorod Engineering Company

"ATOMENERGOPROEKT"



PUBLIC ANNUAL REPORT

2012

НИЭП

Transparency

Multi-D
engineering

as the mainstream 2012

Content

Joint-Stock Company NIZHNY NOVGOROD ENGINEERING COMPANY ATOMENERGOPROEKT

(hereinafter referred to as JSC NIAEP or NIAEP)

Details:

Postal address: 3, Svoboda sq., Nizhny Novgorod, 603006, Russia
Tel.: +7 831 421 79 00
Fax: +7 831 419 84 90; +7 831 421 06 04
Website: http://www.niaep.ru
E-mail: niaep@niaep.ru

Shareholders:

As of December 31, 2012 the sole shareholder of JSC NIAEP is Joint-Stock Company Atomic Energy Power Corporation (JSC Atomenergoprom).

Registrar:

The JSC NIAEP registered stock holders' register is kept by Open Joint-Stock Company Registrator R.O.S.T.
Address: 18, build.13, Stromynka str., Moscow, Russia.

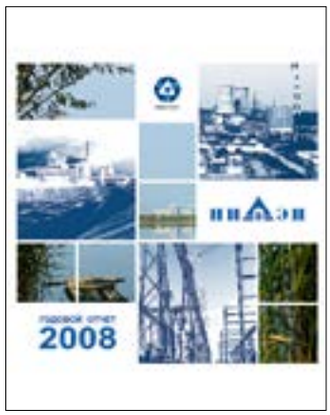
Auditor:

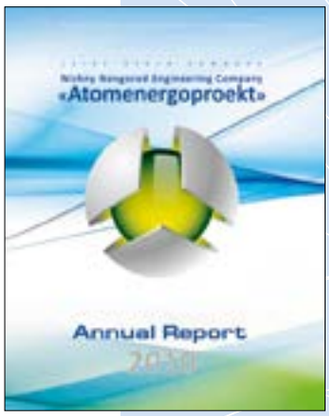
The JSC NIAEP external auditor is the Limited Liability Company Financial and Accounting Consultants (FBK Ltd.).
Postal address: 44/1, build. 2AB, Myasnitskaya str., 101990, Moscow, Russia
Tel.: +7 495 737 53 53.
Legal address: 44/1, build. 2AB, Myasnitskaya str., 101990, Moscow, Russia

Authorized capital:

As of December 31, 2012 the authorized capital of JSC NIAEP amounted to 500,001,877 rubles.

About this Report





The 2012 Public Annual Report (hereinafter referred to as the Report) is the fifth integrated report of JSC NIAEP (hereinafter referred to as NIAEP) disclosing its financial and non-financial performance results. The previous report was issued in 2012. The report is made in Russian and English and is available online.

Scope of Report

This Report covers the activity of NIAEP during the period from January 1, 2012 to December 31, 2012. The Report also includes information about Joint-Stock Company Atomstroyexport (hereinafter referred to as ASE) with regard to some aspects of performance. This is due to establishment of Integrated Company JSC NIAEP – JSC ASE in 2012 (hereinafter referred to as NIAEP-ASE or the Company). With regard to NIAEP subsidiaries and affiliates, the Report includes information in the field of human resources management only. This seems to be reasonable, so far as the NIAEP final financial indices are not changed considerably by the intra-company balance of the subsidiaries' financial indices; moreover, the NIAEP subsidiaries and affiliates bring no significant environmental impact . Only some aspects of the NIAEP Moscow Branch activity are presented, as it was established in 2012.

No material changes in data measurement methods and calculations were made.

Defining Report Content

The defining content process is based on consultations with interested parties. Feedback received from them during preparation of the previous report was taken into account (see Annex No. 11 Plans and Obligations to Interested Parties) and four dialogues as follows were carried out with the interested parties during preparation of the present:

1. January 30, 2013, Concept of 2012 Annual Report;
2. March 13, 2013, NIAEP-ASE Integrated Company Strategy;
3. March 13, 2013, Sustainable Development;
4. April 24, 2013, Public Consultations Regarding the Report Draft.

The Company has taken into account all comments and suggestions on information disclosure in the Report for 2012. The data regarding cooperation with the interested parties during preparation of the 2012 Report is given in Chapter 7.6.2 Dialogues with Interested Parties during Report Preparation, Chapter 7.6.3 Public Consultations on Report, and Annex No. 11 Plans and Obligations to Interested Parties.

According to the results of the Report discussion with the interested parties, elaboration of NIAEP-ASE Integrated Company strategy was named the most significant task set for 2013. In this connection the first-priority subject of the Report was defined as the NIAEP-ASE Integrated Company Strategy. This subject is covered by Section 2 Strategy. Moreover, information regarding some specific aspects thereof is specified in other sections of the Report.

[1] In the field of HR management of subsidiaries and affiliates NIAEP keeps records with regard to staff force only.

Standards and Regulatory Requirements

- Policy of State Atomic Energy Corporation ROSATOM in the field of public reporting;
- Federal Law on Joint-Stock Companies No. 208-FZ dated December 26, 1995.
- Order of the Federal Commission for the Securities Markets of Russia (FCSM) on Approval of Regulations Concerning the Disclosing of Information on Equity Securities to Emitters No. 06-117/pz-n dated October 10, 2006.
- Order of the FCSM of Russia on Recommendations Concerning Application of the Code of Corporate Conduct No. 421/r dated April 4, 2002.
- Order of the FCSM of Russia on Methodological Recommendations Concerning the composition and Form of Presentation of Data on Observance of the Code of Corporate Conduct in Annual Reports of Joint-Stick Companies No. 03-849/r dated April 30, 2003.
- Federal Law on National Security Information No. 5485-1 dated July 21, 1993.
- Federal Law on Commercial Confidential Information No. 98 dated July 29, 2004.
- Federal Law on Information, Informational Technologies and Information Protection No. 149-FZ dated July 27, 2006.
- Federal Law on Accounting No. 129-FZ of November 21, 1996.
- Typical public annual accounting standard of key organizations (for the purpose of public accounting) of the State Atomic Energy Corporation ROSATOM;
- JSC NIAEP Public Annual Accounting Standard;
- Code of Ethics of the State Atomic Energy Corporation ROSATOM;
- AA1000 Series International Standards;
- Global Reporting Initiative Sustainability Reporting Guidelines (GRI G3.1);
- Industry-specific supplement to the GRI Guidelines Construction and Real Estate Sector Supplement (CRESS) designed for construction companies;
- Primary Integrated Accounting Standard of the International Integrated Reporting Committee (IIRC).

Application of IIRC Recommendations

In the process of the Report preparation we took into account recommendations contained in the Primary Integrated Accounting Standard of the International Integrated Reporting Committee (IIRC). The main elements were reported in accordance with these recommendations:

- Overview and context of the company's activity (Section 1 About our Company);
- Management (Section 5. Management System);
- Opportunities and risks (Message from the President of JSC NIAEP and from the Chairman of the Boards of Directors of JSC NIAEP; Section 2. Strategy; Chapter 5.2. Risk Management);
- Strategy and plans on resources allocation (Section 2. Strategy);
- Business model (Section 4 Business Model);
- Performance results (Major Performance Indices; Key Events Calendar; Section 3. Performance Results of Strategic Importance; Section 7. Fund Development);
- Future prospects (Section 2. Strategy; Section 7. Fund Development).

The main difference of this Report from the NIAEP previous public annual reports consists in that the efficiency in the field of sustainable development is presented as activity on fund development:

- Economic efficiency – Chapter 7.1. Financial Capital, Chapter 7.2. Production Capital Chapter 7.5. Social and Economic Capital;
- Social efficiency – Chapter 7.3. Human Capital, Chapter 7.5. Social and Economic Capital;
- Environmental efficiency – Chapter 7.4. Natural Capital.

GRI Application Level

		C	C+	B	B+	A	A+
Standard Elements	**G3.1 Reporting Elements on Profile**	Report on: 1.1; 2.1–2.10; 3.1–3.8, 3.10–3.12; 4.1–4.4, 4.14–4.15	The Report was externally assured	Report on all criteria listed for Level C plus: 1.2; 3.9, 3.13; 4.5–4.13, 4.16–4.17	The Report was externally assured	The same as requirement for Level B	The Report was externally assured
	G3.1 Information Disclosure on Management Approaches	Not required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosure for each Indicator Category	
	G3.1 Performance Indicators and Sector Supplement Performance Indicators	Report on a minimum of any 10 Performance Indicators including at least one from each of: social, economic and environment		Report on a minimum of any 20 Performance Indicators, including at least one from each of: economic, environment, human rights, labor, society and product responsibility		Response on each G3.1 and Sector Supplement[2] Performance Indicators with due consideration of the Materiality Principle through: a) reporting on the indicator, or b) explaining the reasons of its omission	

Assurance of Report Information Credibility

The Report was externally assured by Closed Joint-Stock Company NP Consult which confirmed the A+ GRI Application Level. The external audit report on assurance of non-financial statements is given in the Annex No. 7.

Management and audited financial statements of NIAEP according to the Russian Accounting Standards were used during preparation of this Report. The Report Draft was reviewed by the NIAEP Internal Control and Audit Department. Conclusion on results of the review is given in Annex No. 8

Disclaimer on Disclosure of Pro Forma Information

The Report contains pro forma statements with regard to production, financial, economic, and social indicators characterizing further development of the Company. Implementation of assumptions and intentions is directly connected with political, economic, social, and legal situation. In this connection actual performance results of the Company may differ from the pro forma statements.

[2] Branch application in final version.

Message from the President of JSC NIAEP

Dear Colleagues,

On some extent 2012 is of historical importance for us. That year we made a decision on establishment of NIAEP-ASE Integrated Company. Merger with JSC ASE was carried out in accordance with the NIAEP Strategy adopted in 2010 and the Strategy on Engineering Development in Russia of State Corporation ROSATOM.

NIAEP-ASE Integrated Company shall form the basis for development of engineering business of State Corporation ROSATOM. We face the ambitious task of becoming the leading engineering company not only in Russia, but also worldwide. I am confident that our team of highly professional and responsible employees is equal to this task.

Integration of NIAEP advanced expertise in the field of NPP engineering and construction and ASE unique experience in international project management has significantly extended opportunities of our engineering company both on the Russian and global markets. It shall be noticed that our Company has more than 20 generating units, which are designed and constructed both in Russia and abroad.

Our most significant 2012 achievement is the commercial operation of generating unit 4 of the Kalinin NPP which took place on September 25. This achievement in the nuclear industry is of nationwide importance. Currently, Kalinin NPP generating unit 4 is the most advanced one in the territory of Russia. The construction proved that we are capable of keeping projects both on schedule and under budget. The main contributors to this achievement, our colleagues and employees, received state and official awards.

The Company proceeds with construction of units 3 and 4 of the Rostov NPP and units 1 and 2 of the Baltic NPP. Since October 2012 NIAEP-ASE has been the General Designer and General Contractor of the Kursk NPP second stage construction. It is planned to apply the most advanced reactor of VVER-TOI type in the structure of this power plant.

The second stage construction of the Yuzhnouralsk HPP is well under way; commissioning of unit 1 is planned for 2013.

Quite a number of significant events took place on international markets.

In the end of the year the reactor start-up of Kudankulam NPP unit 1 in India was launched. Initial concrete placement for Tianwan NPS unit 3 in China took place on December 27.

On July 18, 2012 we signed the general contract on construction of the Belarusian NPP. Under this Contract, the Republic of Belarus will receive a new ready-to-operate nuclear power plant in compliance with all international safety standards.

In 2012 we submitted a bid to the Temelin NPP (Czech Republic) tender.

enables 3D-modelling of construction and mounting operations with consideration of optimal employment of resources prior to start of actual construction. This technology provides the possibility to proceed to a modeling of design and construction work on the base of a 3D model with the optimized use of resources. Its application reduces duration of construction and cost of projects and simultaneously increases labor productivity, work quality, and safety level at nuclear power facilities. This new technology is utilized for NPP engineering with VVER-TOI reactor.

In 2012 NIAEP arranged International Research and Practice Forums on Multi-D Technology at the Nizhny Novgorod Fare. We are proud to say that the Forum is becoming an inportant platform where world-class experts can share their opinions. Over 600 participants representing nearly 100 companies and 20 countries were registered during the last Forum.

Among our major tasks for 2013 we highlight elaboration of NIAEP-ASE Integrated Company Strategy.

Priority objectives of the Company for 2012–2016 consist in performance of all Investment Program implementation plans declared as of today.

NIAEP is an open and transparent company which annually reports on its activity to the interested parties. Year after year we increase the level of reporting. I am proud to announce that in 2009, 2010, and 2012 our Company's annual reports were recognized the best in the nuclear power industry. This annual public report is prepared to acquaint all interested parties with the detailed results of our activity in 2012.

Our Company has also carried out significant large-scale work on spent fuel and nuclear waste handling at Russian and foreign facilities.

Entering the market as a global engineering company, in our activity we attribute equal importance to innovation, safety, and quality. We actively introduce the Multi-D technology to form the management system on its basis for control over the whole NPP life cycle from designing to decommissioning. This technology

In its activity NIAEP is always guided by sustainable development principles. Human capital is one of the Company's first priorities. We create new working places fitted out with modern equipment, providing our employees with safe working conditions, respectable salary, and social package and helping them to develop their professional skills and move up the career ladder.

President of JSC NIAEP  V.I. Limarenko

Message from the Chairman of the Board of Directors of JSC NIAEP

Dear Ladies and Gentlemen,

Reviewing the 2012 annual results, the NIAEP Board of Directors is pleased to declare: NIAEP-ASE Integrated Company established one year ago successfully performating the Strategy of State Corporation ROSATOM on Industry-Specific Engineering Development and demonstrates readiness to make fresh gains in Russia, as well as worldwide.

Today, JSC NIAEP is one of the leading engineering companies in Russia. During construction of Kalinin NPP unit 4, commissioned in 2012, JSC NIAEP performed the functions of the General Contractor. Kalinin-4 is the most significant project for the national nuclear power industry which demonstrated high professionalism of Russian nuclear experts. The unit was constructed green field within the time limits set and with considerable cost cutout.

Currently, NIAEP is engaged in construction of units 3 and 4 of the Rostov NPP, units 1 and 2 of the Baltic NPP, and second stage construction of the Yuzhnouralsk HPP and the Kursk NPP. These large-scale projects prove customers' confidence in the Company and its management.

In 2012 JSC NIAEP acted as Management Company of JSC Atomstroyexport, having successfully accomplished such tasks as full capacity operation of the Bushehr NPP (Iran), preparation for a reactor start-up of the Kudankulam NPP (India), initial concrete placement for Tianwan NPP unit 3 (China), construction site mobilization for the Ostrovets NPP (Belorussia), design and survey work organization at the Akkuyu NPP (Turkey), the Ninh Thuan NPP (Vietnam) and the Ruppur NPP (Bangladesh).

The NIAEP Board of Directors is confident that the Integrated Company will become the center of industry-specific engineering business development. Company's priorities remain unchanged: quality, innovativeness, efficiency, and safety above all. The high culture of environmental safety is an essential competitive advantage of NIAEP, necessary for successful promotion of domestic nuclear technologies on the world market.

Chairman of the Board of Directors
of JSC NIAEP,
Deputy General Director and
Director of Department for
Development and Global Business of
State Corporation ROSATOM

K.B. Komarov

Key Performance Indices

Table 1. Dynamics of Key Performance Indices for 2010–2013

Index	2010	2011	2012	2013[3]
Sales revenue, ths. rub.	41,081,487	35,304,724	38,683,911	51,384,656
Net profit, ths. rub.	776,306	707,624	1,355,872	1,049,973
Workforce productivity, ths. rub./person	17,011	14,492	12,580	12,944
Average number of listed employees, people	2,266.9	2,435.5	3,074.9	3,969.7[4]
Quantity of power generating units under construction within the accounting period	4	5	19	19
Tax deductions to the federal, regional, and local budgets (excluding personal income tax and state duties), ths. rub.	885,826	1,322,438	5,663,865	3,349,784
Social expenditures, ths. rub.	106,137	115,275	173,500	193,265
Internal performance (added value),%	8	6.3	12.6	12.9

[3] 2013 indices are of pro forma nature and may change in future.
[4] For the purpose of pro forma statement, consolidation exclude subsidiaries and ASE, as the average number of listed employees for 2013 has not been approved by State Corporation ROSATOM yet.

Key Events Calendar[5]

February, 21
- The NIAEP Board of Directors made a decision on establishment of the Belarusian Representation.

February, 24
- The Company launched construction of Baltic NPP unit 1.

March, 14
- A Belorusian delegation headed by the First Deputy Prime-Minister V.I. Semashko visited NIAEP.

March, 20
- The Company launched preparatory work on construction of Belarusian NPP units 1 and 2 in the Republic of Belarus.

April, 5–6
- A field meeting of the VVER-TOI Project Management Board under the guidance of the Deputy General Engineering Director of OJSC Rosenergoatom Concern took place in NIAEP.

April, 25
- NIAEP Director V.I. Limarenko was elected to the Russian Board of Employers in Nuclear Power Engineering, Power Engineering and Science Sector.

April, 30
- Safety systems of Kudankulam NPP unit 1 being constructed by the Integrated Company were successfully tested.

May, 14
- The Company launched construction of Yuzhnouralsk HPP-2 unit 2.

May, 18
- Bureau Veritas Certification (an independent agency for certification of management systems) completed recertification audit of the integrated management system (IMS) of ASE, NIAEP Moscow Branch, and NIAEP Moscow Representation. Upon completion of the audit certificates were issued confirming compliance of IMS with the requirements of ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007.

May, 24
- The NIAEP Board of Directors made a decision on establishment of the Navashino Branch.

June, 14–15
- NIAEP organized the 2nd International Research and Scientific Forum on Life Cycle Management of Complex Engineering Facilities and Development of Competitive Construction Technologies.

[5] The Milestone Schedule Section includes information concerning both the Integrated Company in whole, and NIAEP and ASE separately.

June, 20

- Kalinin NPP unit 4 constructed by the Integrated Company was launched at 100% capacity.

June, 28

- The NIAEP Board of Directors made a decision on establishment of the Yuzhnouralsk Branch.

July, 18

- A general contract for Belarusian NPP construction in the Republic of Belarus was signed.

August, 30

- The reactor system of Bushehr NPP unit 1 in Iran being constructed by the Integrated Company was launched at 100% of design capacity.

September, 17

- The Russian Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor) issued a certificate on Kalinin NPP unit 4 compliance with the requirements of technical regulations.

September, 18–21

- The Integrated Company took part in the 56th IAEA General Conference in Vienna.

September, 25

- Commercial operation of Kalinin NPP unit 4 started.

October, 19

- NIAEP presented its innovative developments during the 3D EXPERIENCE Forum Russia arranged by the French company Dassault Systemes.

November, 28

- The NIAEP Board of Directors made a decision on establishment of the Kursk Branch.

November, 29

- The Company signed a contract for preparatory work as part of the Framework Agreement for Fujian Sanming NPP Construction in China.

December, 12

- NIAEP adopted the 2013–2014 Collective Agreement.

December, 14

- Commissioning of the liquid radioactive waste treatment unit of the Kozloduy NPP in Bulgaria completed.

.

December, 27

- Construction of Tianwan NPS unit 3 launched in China.

Awards

Competition	Award
17th Russian Competition for the Best Building Company, Building Material Company and Construction Industry Company	1st class Grand Prix in the category Russian Building Sector Elite in 2012
Annual Reports Competition of State Corporation ROSATOM	Total winner
Regional stage of the Russian competition for Russian Companies Demonstrating High Social Efficiency	Winner in the categories Establishment and Development of Working Places in Production Companies and Establishment of Healthy Lifestyle in Production Companies Third place in the category Reduction in Industrial Injuries and Occupational Morbidity in Production Companies
Industry-specific competition on implementation of the Production System ROSATOM among young professionals	Winner
15th Annual Federal Competition of Annual Reports and Websites	Winner in the category Best Annual Report of State Corporation/Publicly Owned Company
40th International Exhibition of Inventions and Innovations in Geneva	Golden prize for the Prestressing Tendon utility model patent
2012 Region Innovation Competition	Winner in the category Innovation in Nuclear Power Industry for Shared Information Space Project
11th International Conference on Project Management "The Art of Project Management Using the Energy of Changes"	Winner in the category Leader in Project Staff Training
8th Russian competition Best Russian Staff Department 2012	Honorary Diploma for Successful Work in the area of effective staff policy according to 2011–2012 progress.


ДИПЛОМ


ГОСУДАРСТВЕННАЯ КОРПОРАЦИЯ
ПО АТОМНОЙ ЭНЕРГИИ
«РОСАТОМ»
НАГРАЖДАЕТСЯ
ДИМАРЕНКО
ВАЛЕРИЙ ИГОРЕВИЧ


ДИПЛОМ


Инновация региона


Диплом


DIPLÔME
Inventions
Geneva
SALON
INTERNATIONAL
DES INVENTIONS
GENÈVE


Диплом
ПОБЕДИТЕЛЯ


ПОЧЕТНЫЙ
ДИПЛОМ


ОАО «НИАЭП»
Лидер в подготовке
проектного персонала
PM

Multi-D engineering

Nizhny Novgorod,
the Strelka view

Multi-D engineering

About Our Company

НИЭЭП

Motive Power of New Energy

I.I. Description of Activity

NIAEP-ASE Integrated Company bills itself as the leader in the nuclear power engineering business in Russia. The Company renders services on designing, construction, and decommissioning of complex engineering facilities such as:

- Nuclear power plants abroad;
- Nuclear power plants in Russia;
- Radioactive waste and spent fuel handling units;
- Heat power engineering facilities.

In addition, NIAEP-ASE Integrated Company supplies equipment for complex engineering facilities.

Information on performance results is given in Section 3 Performance Results of Strategic Importance.

Presence Regions

The NIAEP central office is located in Nizhny Novgorod, and the ASE central office in Moscow.

The Company operates in 14 countries:

Armenia, Bangladesh, Belarus, Bulgaria, Hungary, Vietnam, India, Iran, China, Russia, Slovakia, Turkey, Ukraine, Czech Republic.

NIAEP Subsidiaries:

- Limited Liability Company Construction and Erection Department No. 1,
- Limited Liability Company Construction and Erection Department No. 2,
- Limited Liability Company Volgodonsk Erection Department.

Affiliates:

- NIAEP Udomlya Branch – Kalinin NPP General Contractor Directorate
- NIAEP Volgodonsk Branch – Rostov NPP General Contractor Directorate
- NIAEP Baltic Branch – Baltic NPP General Contractor Directorate
- NIAEP Yuzhnouralsk Branch
- NIAEP Moscow Branch
- NIAEP Kursk Branch – Kursk NPP General Contractor Directorate
- NIAEP Navashino Branch – Nizhny Novgorod NPP General Contractor Directorate.

Representations:

- NIAEP Moscow Representation,
- NIAEP St. Petersburg Representation,
- NIAEP Volgodonsk Representation,
- NIAEP Kharkov Representation,
- NIAEP Belarusian Representation.

Membership in Associations

- Russian Industrial Federation of Employers in Nuclear Power Engineering, Power Engineering and Science Sector;
- Association of Innovative Designing;
- European Utility Requirements Organization (EUR);
- Self-Governing Organization Non-Commercial Partnership SOYUZATOMGEO Association of Organizations for Engineering Surveys During Architectural and Structural Designing, Construction, Reconstruction, and Capital Repair of Atomic Industry Facilities;
- Self-Governing Organization Non-Commercial Partnership SOYUZATOMSTROY Association of Organizations for Construction, Reconstruction, and Capital Repair of Atomic Industry Facilities;
- Self-Governing Organization Non-Commercial Partnership SOYUZATOMPROEKT Association of Organizations for Architectural and Structural Designing of Atomic Industry Facilities;
- Czech Nuclear Forum.

Historical Background

1951

- Establishment of the Gorkovskoye Department of the Teploenergoproekt Institute. The Institute was mainly engaged in designing of thermal power facilities.
- NIAEP is a successor of the Gorkovskoye Department of the Teploenergoproekt Institute.

1968

- The Institute began to work in the atomic energy industry. A specialized NPP planning and design office was established. The startup project of the office was Armenian NPP.

1976

- Commissioning of Armenian NPP unit 1.

1970–1990

- The Institute designed Kalinin NPP-1 unit 1 and the Rostov NPP. Starting from 1990 NIAEP projects included Armenian NPP-2, the Rostov NPP-2, the Balakovo NPP, and the Novovoronezh NPP-2.

1996

- The Institute entered the international market of NPP designing.

1998

- Establishment of ASE.

2007

- Federal State Unitary Enterprise NIAEP was transformed into Engineering Company NIAEP operating according to the EPCM model. In accordance with it NIAEP began to perform the whole scope of work on NPP construction on its own.

2011

- NIAEP entered the international market of NPP construction.

2012

- Establishment of NIAEP-ASE Integrated Company. NIEAP became the managing company of ASE.

I.2. Activity Environment

Russian NPP Construction Market

Currently, 10 nuclear power plants operate in Russia (total of 33 generating units with design capacity of 24.2 GW) generating about 16% of the total electric energy produced.

Scope and prospects of development of the Russia's NPP construction market are defined in the Long-Term (2009–2015) Activity Program of State Corporation ROSATOM approved by the Resolution of the Government of the Russian Federation No. 705 of September 20, 2008, and in the General Allocation Scheme of Power Industry Facilities till 2020 approved by the Order of the Government of the Russian Federation No. 215-r of February 22, 2008.

In 2012 four companies acted as general contractors in the market of nuclear-power facilities construction in the Russian Federation:

- NIAEP-ASE Integrated Company;
- Atomenergoproekt;
- SPbAEP;
- Uralenergostroy.

19 NPP generating units are being designed and constructed in the Russian Federation as of the end of year 2012. 10 of them are being constructed by the Integrated Company (see Table 1.1).

The share of the Integrated Company in the NPP construction market of Russia amounts to 53% (see Fig. 1.1).

The main customer of the Integrated Company in the Russian market is the Rosenergoatom Concern being the member of State Corporation ROSATOM. State Corporation ROSATOM defines the Russian production distribution market, scope of work and duration of performance thereof.

Information on facilities being constructed and designed is given in Section 3 Performance Results of Strategic Importance.

Table I.1. Generating Units Being Constructed and Designed in Russia, End of Year 2012

Company	Facility	Number of Generating Units Being Constructed and Designed
NIAEP-ASE Integrated Company	Baltic NPP	2
	Kursk NPP	4
	Nizhny Novgorod NPP	2
	Rostov NPP	2
Atomenergoproekt	Novovoronezh NPP-2	4
SPbAEP	Leningrad NPP-2	4
Uralenergostroy	Beloyarskaya NPP-2	1

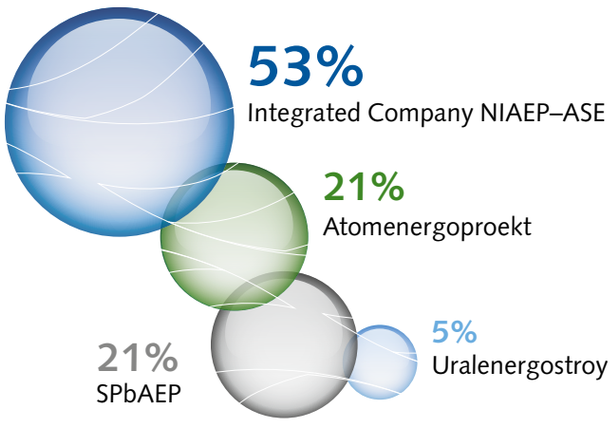


Fig. 1.1. Integrated Company Share in NPP Construction Market of Russia in 2012

International NPP Construction Market

According to the data of the World Nuclear Association (WNA)[6], over 60 generating units are currently at various stages of construction in 13 countries of the world. This estimate is confirmed by the IAEA report of September 9, 2012.

According to the IAEA report, the total NPP generating capacity in the world will increase from 375.3 GW to 501 GW (low scenario) or to 746 GW (high scenario) by 2030. If to assume that the average generating capacity of a reactor equals to 1,000 MW, one may forecast, that 126 generating units will be built under the low scenario and 371 – under the high scenario from 2010 to 2030.

Till 2030 the potential stock of orders of State Corporation ROSATOM in the international markets may amount to 80 generating units (currently, title establishing documents have been signed with regard to 19 generating units, in addition, organizations of State Corporation ROSATOM carry on negotiations and participate in tenders with regard to 21 NPP generating units abroad, 40 generating units afford ground for expansion of Russian companies) (see Fig. 1.2).

The share of the Company in the global NPP design and construction market, including the Russian market, amounted to 33% in 2012, and in the period from 2010 to 2030 this index may reach 30% under the low scenario or 10% under the high scenario.

Information on facilities being constructed or designed abroad is given in Section 3 Performance Results of Strategic Importance.

[6] See details: http://www.world-nuclear.org/

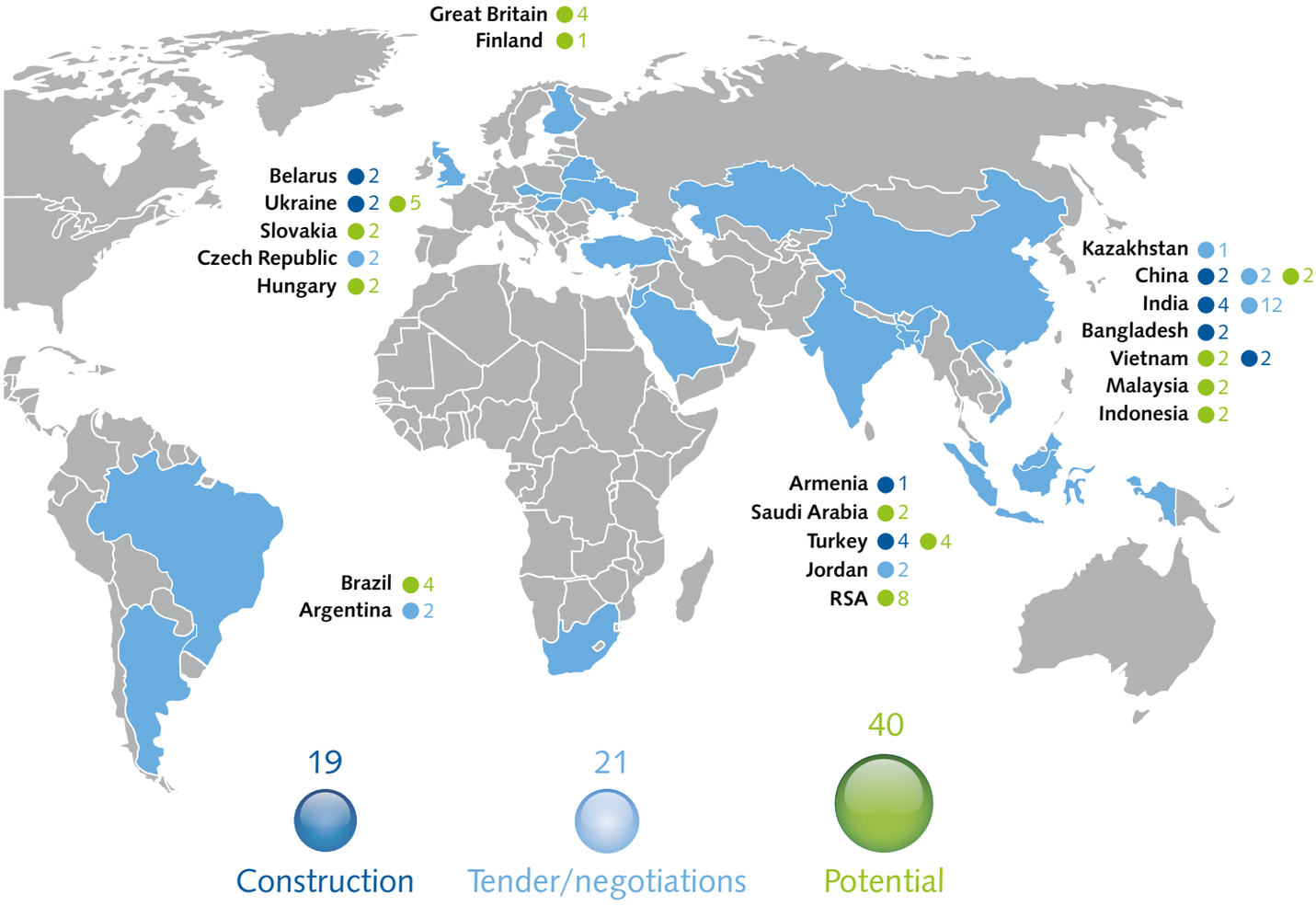


Fig. 1.2. Potential Market of Projects Abroad

Service Market

Currently, the Integrated Company is rendering services – maintenance and repair, modernization, assets management – for the following nuclear power plants:

- Paks,
- Temelin,
- Bohunice ,
- Tianwan.

An assessment of market opportunities was carried out. Need in competences for rendering services of various types is described in Figure 1.3.

In the services market the Company plans to act as a general contractor of large projects on technical maintenance, repair and modernization, and as a consultant in the field of assets and education management.

Market of Radioactive Waste and Spent Fuel Reprocessing Facilities Construction

The market of facilities construction in the field of radioactive waste and spent fuel reprocessing is divided into two segments: construction of storages for radioactive waste and spent fuel and radioactive waste reprocessing plants. The total potential volume of foreign markets amounts to 348.5 billion dollars (see Fig. 1.4).

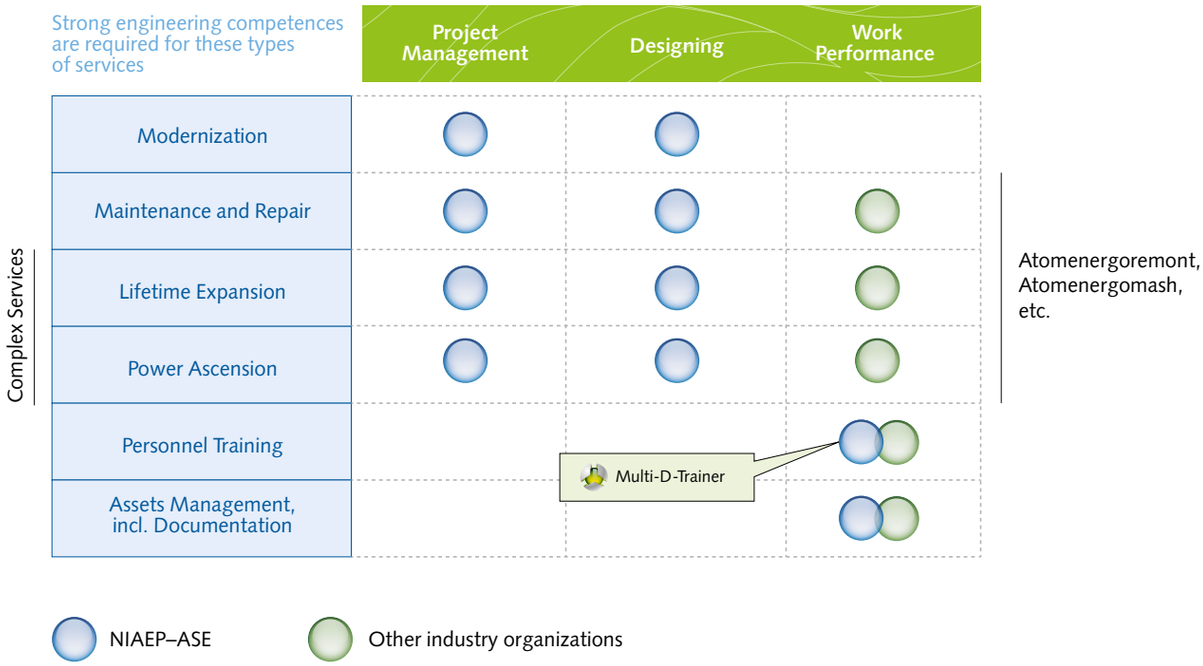


Fig. I.3. Need in Competences for Rendering Services of Various Types

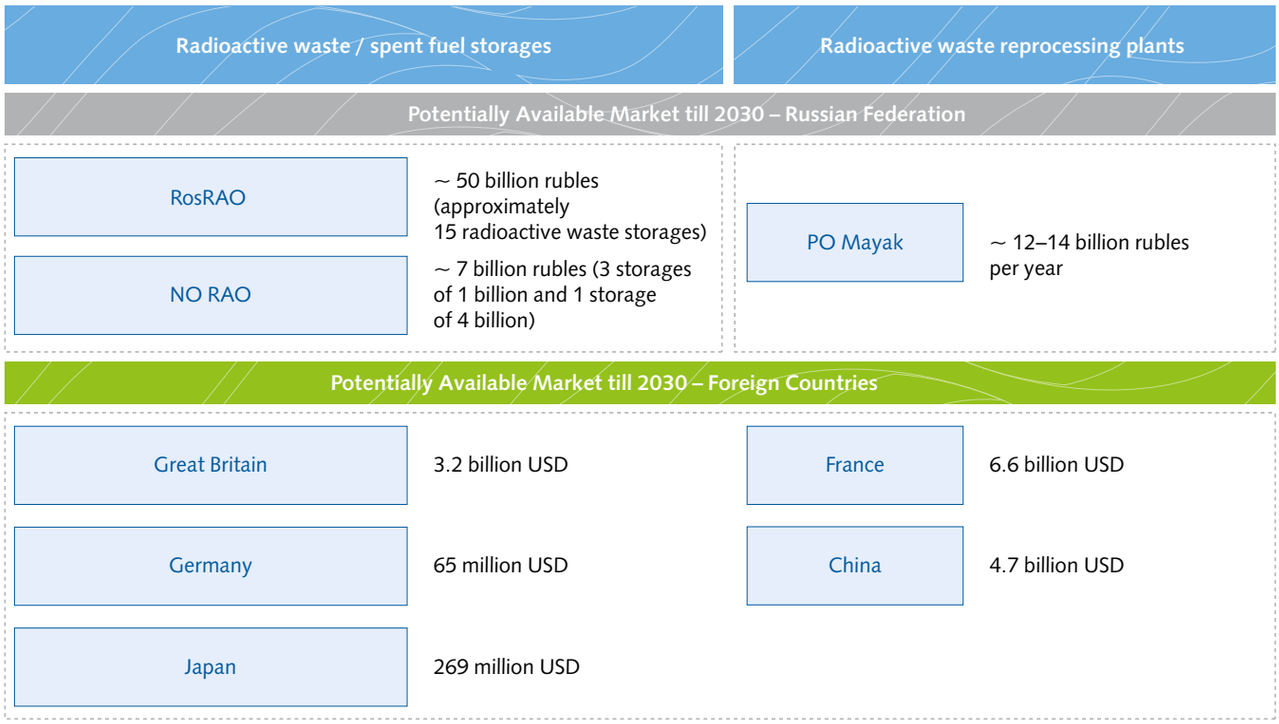


Fig. I.4. Potentially Available Market in the Field of Radioactive Waste and Spent Fuel Reprocessing

In order to strengthen its market positions, the Integrated Company plans to increase its competencies as a general contractor and designer of radioactive waste and spent fuel reprocessing plants and to establish its own production base.

Market of Thermal Power Plants Construction

Currently, the volume of the Russian thermal power market is rather restricted. The existing projects on construction and commissioning of additional facilities till 2020 are contracted within the Capacity Delivery Agreements (CDA) by various contractors. Commissioning of facilities without CDA requires establishment of an investment support mechanism which has not been yet elaborated. According to Booz & Company[7], from 2012 to 2020 it is planned to commission thermal power stations with a total capacity of up to 10 GW. Till 2030 it is planned to commission 25 to 35 GW, in addition modernization of 7 to 10% of the existing TPP facilities will be required. The current share of the Integrated Company in the TPP construction market amounts to 5 to 7%.

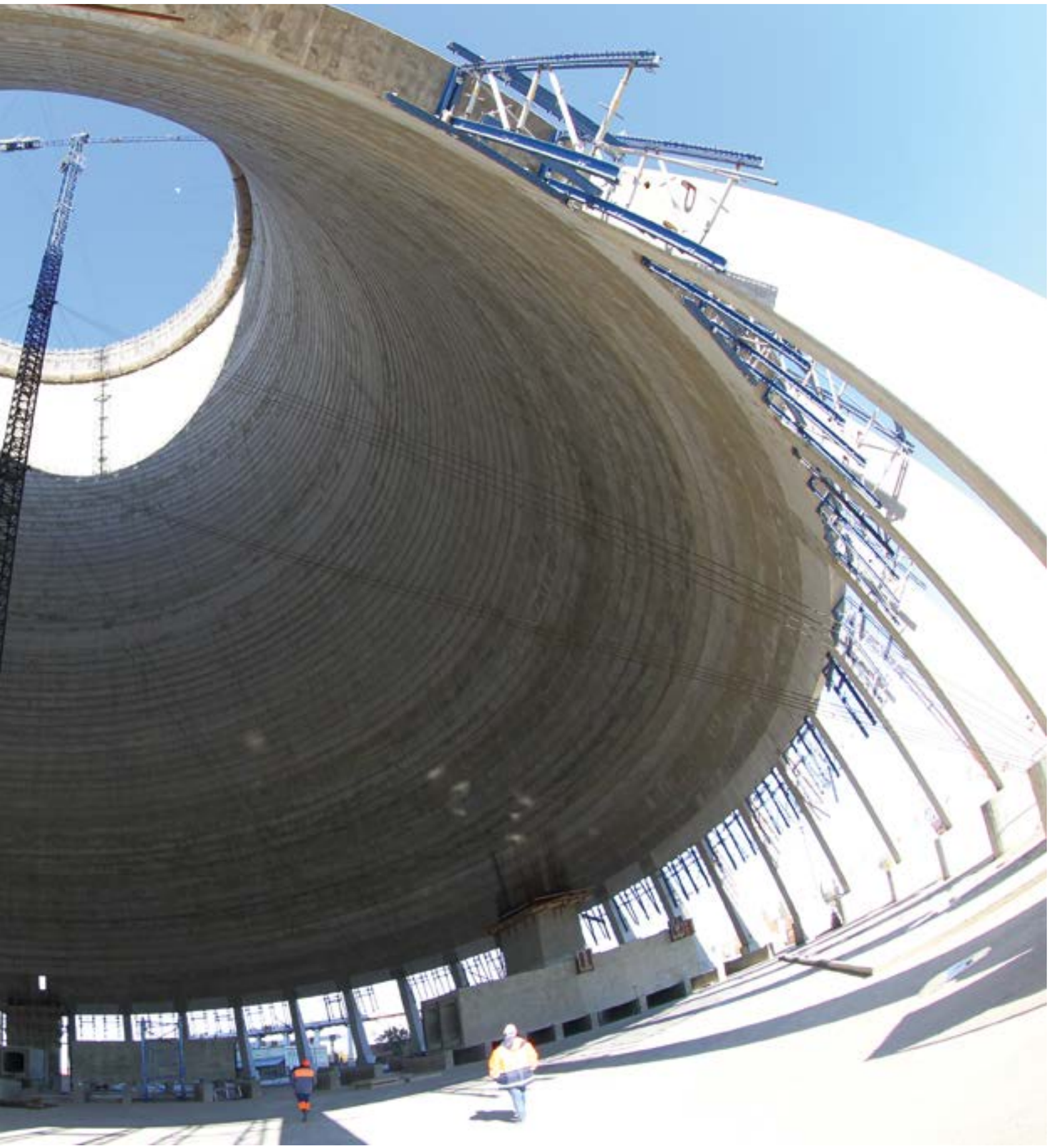
In the conditions of a restricted TPP construction market in Russia the Integrated Company sets the following targets:

- Preservation of the current share in the Russian market;
- Implementation of 3 to 4 projects in 1–2 countries abroad (see Table 1.2).

Table 1.2. Priority Foreign Markets of Thermal Power Facilities

Country	Volume of Declared Projects, billion dollars
India	699
China	76
Vietnam	68
Republic of South Africa	41
Brazil	22
Turkey	17.5

[7] http://www.booz.com



Multi-D engineering

2 Strategy

НИАЭП

Turning Ideas into Actions!

2.1. Mission and Values

Our Mission

Based on our wide experience in implementation of projects in the nuclear power industry, we manage construction of complex engineering facilities, deliver value for the shareholder and provide achievement of shareholder's goals in the Russian and international markets.

Our Vision

We strive to establish competitive business which successfully implements projects on construction of complex engineering facilities and is directed at maximization of shareholder value.

Our Values

2.2. Strategy Overview[8]

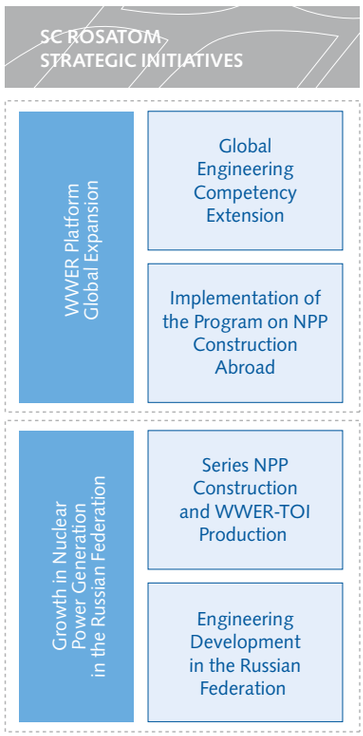


Fig. 2.1. Strategic Initiatives of State Corporation ROSATOM in the Engineering Business

The NIAEP strategy till 2017 was approved by State Corporation ROSATOM and ratified by an order of the NIAEP Directorate in 2010. In the beginning of 2012 the NIAEP strategy was considerably amended in connection with the NIAEP and ASE merger. In 2013 it is planned to elaborate NIAEP-ASE Integrated Company's strategy in the Russian and foreign markets till 2030. The Integrated Company's strategy is being elaborated in compliance with the State Corporation ROSATOM schedule and will be approved in 2013 according to the established corporate procedures of the Company and State Corporation ROSATOM.

Strategic initiatives of the Company define the following approach to business development:

- Development in the main segment of operation: super power low- and medium-powered NPP construction
- Development of promising business segments which it is possible to enter on the basis of existing competencies: construction of facilities comparable to NPP with regard to complexity and scope[9].

The Integrated Company's strategic initiatives with regard to development in the main segment of operation coincide with the strategic goals of State Corporation ROSATOM as follows: VVER Platform Global Expansion and Growth in Nuclear Power Generation in the Russian Federation (see Fig. 2.1).

Possible strategic development directions of the Integrated Company were outlined in 2012–2013 (see Fig. 2.2).

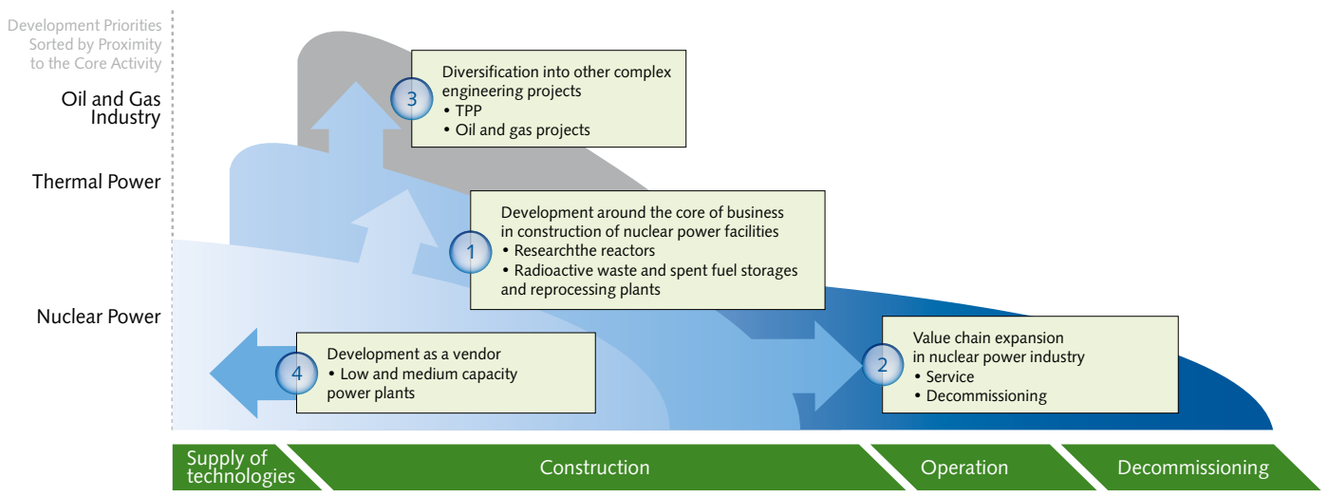


Fig. 2.2. NIAEP-ASE Integrated Company's Strategic Development Direction[10]

[8] It shall be noted that the Integrated Company's strategy has not been approved yet and an overview of the planned strategic vision of the Company is given in this Report.
[9] Nuclear power facilities (including back-end), TPP, LNG plants, oil refinery plants, oil platforms, oil and gas pipelines, RLNG terminals.
[10] The outlined directions of strategic development of the Integrated Company are not approved and final and they can be changed in the process of further work on the Integrated Company's Strategy elaboration.

2012 Contribution to Strategy Implementation

In 2012 the Integrated Company performed activity aimed at implementation of the outlined strategic development directions.

1. Development around the core of business in construction of nuclear power industry facilities

- NIAEP-ASE Integrated Company acts as a general contractor and general designer of the Vietnamese Center for Nuclear Science and Technology. We also conduct negotiations on establishment of similar center in the Republic of South Africa.
- In the field of construction of storages and reprocessing plants for radioactive waste and spent fuel the Integrated Company carries out activities in the capacity of:
  - General contractor for construction of radioactive waste and spent fuel storage facilities and radioactive waste reprocessing plants;
  - Engineering and technology expert in back-end;
  - Equipment manufacturer and construction and mounting expert in the field of radioactive waste and spent fuel.

The strategic goal in this direction consists in Company development as a general contractor for construction of radioactive waste and spent fuel handling facilities with own production base and competencies in designing.

Information on performance within this strategic direction is given in Chapter 3.1. Development around the Core of Business in Construction of Nuclear Power Industry Facilities.

2. Value chain expansion in nuclear power industry

- In 2012 the Integrated Company performed operations on turnkey NPP construction and decommissioning of nuclear power equipment.
- In 2012 the Integrated Company rendered services at the Paks, Temelin, Bohunice, and Tianwan NPPs.

The strategic goal within this direction consists in positioning of the Company as a general contractor for service operations and modernization and as an assets management consultant.

Information on implementation of this strategic direction is given in Chapter 3.2. Value Chain Expansion in Nuclear Power Industry.

3. Diversification into other complex engineering projects

- The Integrated Company has extensive experience in implementation of turnkey projects in the field of thermal power. In 2012 the Company completed construction of the Nevinnomysskaya TPP. The target vision in this direction is positioning of the Integrated Company in the capacity of a general contractor for TPP modernization and construction.
- An important direction of the Integrated Company's strategic development consists in entering the market of oil and gas facilities construction. Currently, the Company considers the prospects of this market access. Taking into account the existing competencies, the Company may act in the capacity of a contractor with regard to some elements of work and thus participate in projects in cooperation with its partners.

Information on implementation of this strategic direction is given in Chapter 3.3. Diversification into Other Complex Engineering Projects.

4. Development as a vendor

- The Integrated Company's activity is focused on construction of power plants. The Company is highly competent in turnkey NPP construction both in Russia, and abroad. In 2012 24 generating units abroad and 9 generating units in Russia were designed and constructed by the Company.

Information on implementation of this strategic direction is given in Chapter 3.4. Development as a Vendor.

2.3. Public Positions Concerning Sustainable Development[11]

The Company understands sustainable development as a system of successive social, economic and environmental activities making a contribution to achievement of the Company's strategic goal together with far-sighted use of resources, workforce capacity development, and focus on scientific and technical growth.

The Integrated Company introduces principles of sustainable development into its activity taking into account current world nuclear power challenges.

The Company's Management outlines 7 directions forming the Company's public position in the field of sustainable development:

- Safety and quality;
- Staff development;
- Innovative activity;
- Contribution to economic development of regions of operation;
- Social responsibility;
- Environmental protection;
- Transparency and accountability.

Safety and Quality

Safety and quality are the main characteristics of facilities built by the Integrated Company.

In its activity the Company strictly complies with all regulatory requirements for safety established at international, national and industrial levels.

Operational safety of NPP and other facilities depends on quality of work performance at all stages of construction. The Company guarantees high level of quality, reliability and safety of the facilities constructed by it. The Company applies the Quality Management System based on the principles of the Overall Quality Management reflected in the international ISO 9000 standards. NIAEP imposes the highest requirements for the necessary level of safety to its suppliers and contractors and strictly controls the quality of work, equipment and materials.

Detailed information is specified in Chapter 7.4.5. Nuclear and Radiological Safety of Nuclear Power Facilities.

Staff Development

The Company operates in an innovative high-tech market imposing higher requirements for the level of competence of the professional team. Due to this it is important to involve the best specialist of the industry and constantly improve knowledge and skills in all key aspects necessary for implementation of our projects.

The Company provides high level of remuneration and invests significant funds in staff development. The main principles in the field of staff management of the Company include impartial assessment of professional contribution of each employee, opportunity of advancement and interdependency of remuneration level with the employee's performance results.

Information on the Company's effectiveness in the field of staff development is given in Chapter 7.3. Human Capital.

Innovative Activity

Technical development of the Company is based on innovative approaches to management of NPP generating units designing and construction by means of modern information technologies.

The Company attaches equal importance to the level of technological and innovative development of its partners. Aiming at collaborative innovative development with its partners, the Company established the Innovative Designing Association.

Information about innovative projects is given in Section 6. Introduction of Innovations.

Contribution to Economic Development

Implementing large-scale projects important for the economy of the regions of operation, the Company realizes its responsibility for establishment of conditions for social and economic development of these regions.

The Company's activity leads to creation of new jobs in the regions of its operation both for suppliers, and for equipment and materials manufacturers.

Information about the Company's effectiveness in the field of contribution to economic development is given in Chapter 7.5. Social and Economic Capital.

[11] The Company's public position in the field of sustainable development is described in detail in the JSC NIAEP 2011 Annual Report.

Social Responsibility

Sustainable development of the Integrated Company directly depends on public acceptance of the activity on construction of nuclear power facilities. The Company lays special emphasis on social stability factor and sees social responsibility as one of the key principles of its activity.

Social influence of the Company is brought both at the internal (staff), and internal levels (local communities).

The collective agreement specified the NIAEP obligations as an employer in the field of social guarantees and benefits to employees.

Information on social responsibility of the Company is given in Chapter 7.3.3. Social Policy and Chapter 7.5. Social and Economic Capital.

Environmental Protection

The maximum impact of the Company's activity on the environment is exerted during construction of generating units.

In order to control the environmental impact of the Company's production activity, we elaborate the necessary documents on environmental safety, plans of activities on reduction of waste generation and disposal.

NIAEP complies with the regulations of the environmental legislation, hence, is not subject to punitive sanctions.

Information about the Company's environmental impact is given in Chapter 7.4. Natural Capital.

Transparency and accountability

Within the frames of its core activity the Company is responsible to its shareholders for performance of investment obligations. In addition, different requirements are imposed to the Integrated Company by the key interested parties, including regional authorities, local self-governing authorities, business partners and local communities. Effective cooperation with the interested parties includes assessment of their expectations and definition of the Company's reciprocal position, as well as taking their expectations into account in corporate policies, development strategy and current activity whenever reasonable.

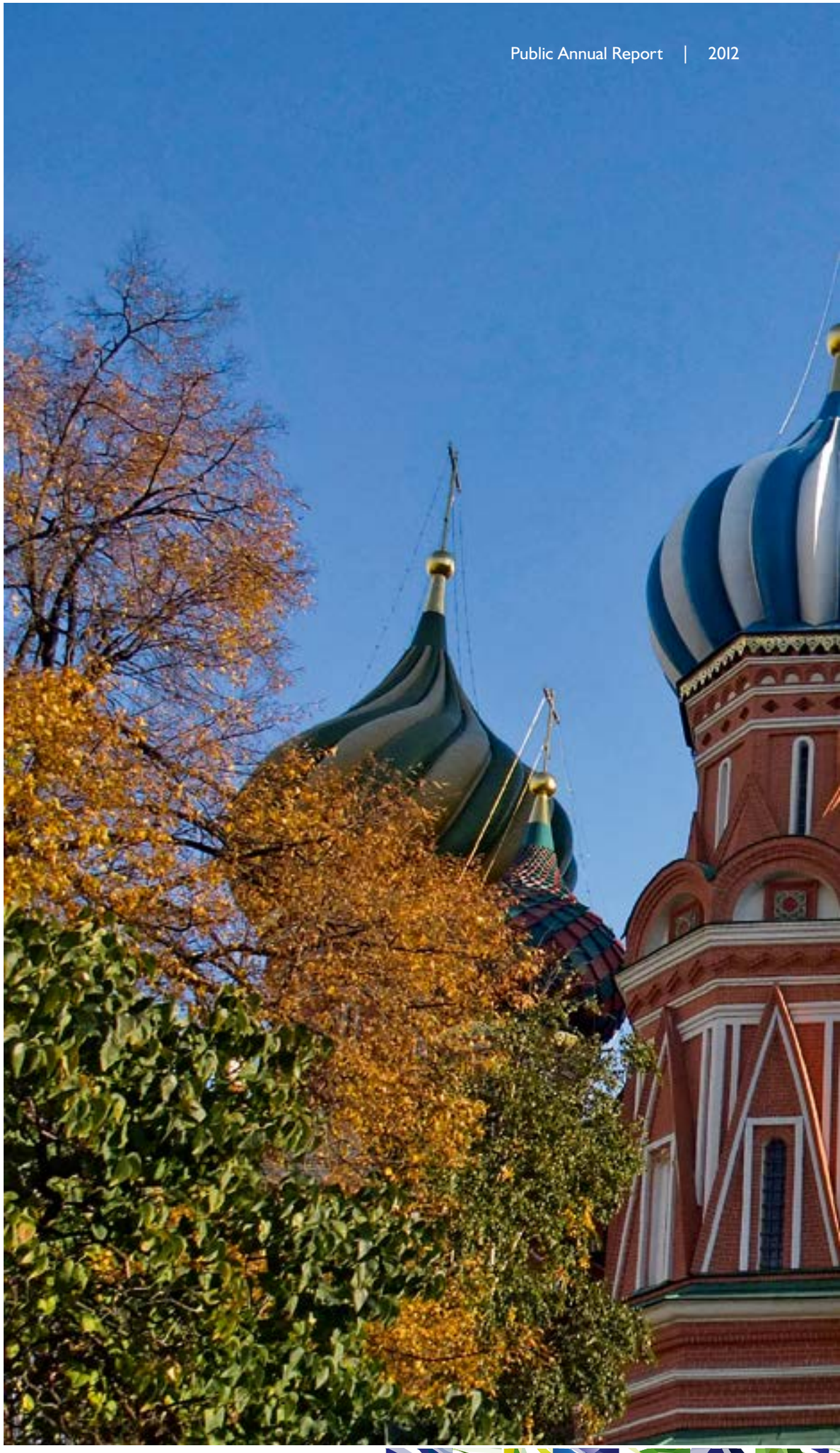
The Company strives to establish long-lasting and mutually beneficial relations with interested parties, respects their opinion, guarantees fulfillment of its obligations, and demands the same from the interested parties.

The Company undertakes to inform the interested parties on all aspects of its activity important for them, including public reporting mechanism.

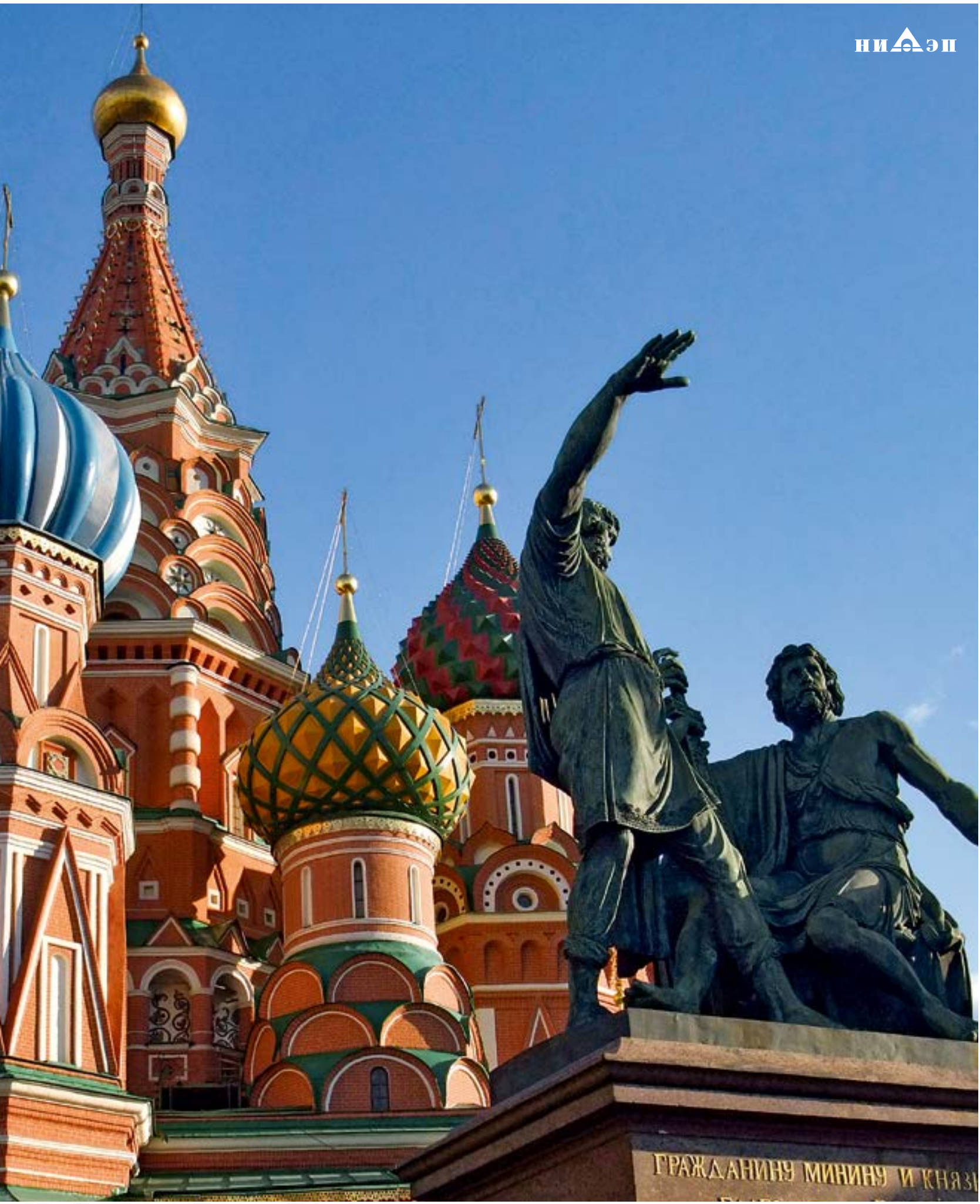
Information on fulfillment of the transparency and accountability principles in the Company's activity is given in Chapter 7.6. Relations with Interested Parties.


НИАЭП

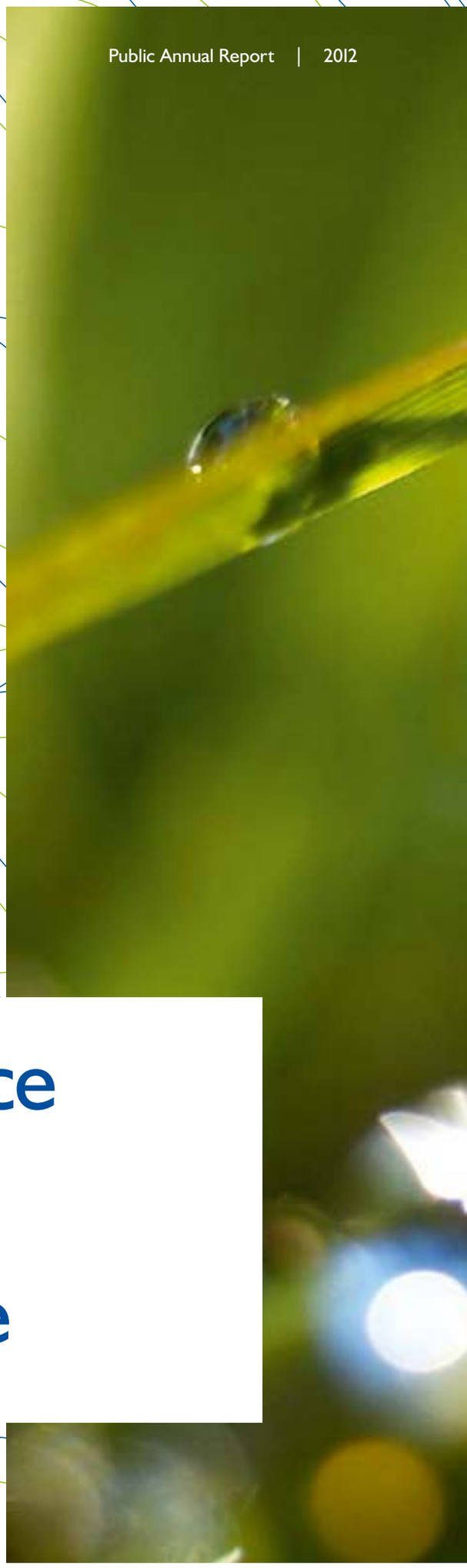
Multi-D engineering



Moscow,
St. Basil Cathedral


ГРАЖДАНИНУ МИНИНУ И КНЯЗ

Multi-D engineering



3 Performance Results of Strategic Importance


НИАЭП
Bringing Energy to Life

3.1. Development around the *Core* of Business in Construction of Nuclear Power Industry Facilities

3.1.1. Research Reactors

In 2012 the Integrated Company participated in construction of a research reactor in Vietnam.

Vietnam. Nuclear Science and Technology Center (NSTC)

Project description. In 2011 Russia and Vietnam concluded the Intergovernmental Agreement on Construction of the Nuclear Science and Technology Center for (NSTC) in Vietnam. ASE was appointed the project's general contractor. NSTC construction is planned for the period from 2014 to 2019.

2012 results. In 2012 the Russian party elaborated the Materials for Preliminary Feasibility Study on the Nuclear Science and Technology Center (NSTC) in the Socialist Republic of Vietnam, which was submitted to the customer on November 21, 2012.

2013 arrangements:

- Approval of a site for laboratory with non-reactor technologies;
- Conclusion of the contract on FS-JOI elaboration.

3.1.2. Radioactive Waste and Spent Fuel Storages and Reprocessing Plants

In 2012 the Integrated Company carried out work within 8 projects on construction of storages and reprocessing plants for radioactive waste and spent fuel (see Table 3.1).

Table 3.1. Projects on Construction of Radioactive Waste and Spent Fuel Storages and Reprocessing Plants

Country	Project
Bulgaria	Supplies of goods, work and services for construction of spent fuel and radioactive waste storages
Slovakia	Radioactive waste metal reprocessing
Russia	Construction of complex for cementation of liquid and heterogeneous medium active waste for the Federal State Unitary Enterprise Production Company FSUE PO Mayak
Russia	Extension of 120/12 building for placement of EP-500/5 electrical furnace and storage of vitrified radioactive waste for FSUE (Federal State Unitary Enterprise) PO Mayak
Russia	Preparation of EIA (Environmental Impact Appraisal) and EP (Environmental Protection) sections of project documentation for Andreeva Bay project
Russia	Designing of radioactive waste reprocessing and storage facilities for Andreeva Bay project
Iran	Designing and engineering during construction of the LRW RP
India	Designing and engineering during construction of the LRW SP

Bulgaria. Supplies of Goods, Work and Services for Construction of Spent Fuel and Radioactive Waste Storages

Project description. The project is executed within the partnership agreement concluded between the Integrated Company and Risk Engineering Ltd. (Bulgaria). Risk Engineering Ltd. is the customer of the project. NIAEP-ASE Integrated Company acts as the general contractor.

2012 results. The following work was performed: supplies of goods, work and services required for construction of spent fuel and radioactive waste storages, supplies of containers for spent fuel and radioactive waste transportation and storage and systems for transportation of containers, supplies of units, systems and plants for radioactive waste reprocessing, transportation, storage and burial, and rendering of services on NPP decommissioning, including designing, procurement of equipment (instruments and mechanisms), and deactivation and demounting services.

Slovakia. Radioactive Waste Metal Reprocessing

Project description. In March 2008 ASE signed a contract with the customer of the project, YAVIS Ltd. (Slovakia). The Integrated Company is the general contractor of the project. The contract does not stipulate for completion date.

2012 results. Import of radioactive waste metal to the territory of the Russian Federation for reprocessing is forbidden, due to this contractual work was suspended, in order to find ways for fulfillment of obligations.

Russia. Construction of Complex for Cementation of Liquid and Heterogeneous Medium Active Waste for FSUE PO Mayak

Project description. In July 2008 ASE concluded contract with the customer of the project, State Corporation ROSATOM. The Integrated Company performs work on a turnkey basis. It is planned to complete work in December 2013.

2012 results. The following work within the project was completed in 2012:

- Mounting of utility networks, heavy process equipment, ventilation and heating systems;
- Building inner finish;
- Mounting work and supply of additional equipment ordered by the customer at the end of 2011;
- Casting of foundation plates for radioactive waste storage;
- Mounting of metal structures (lining of compartments) for main construction facilities;

- Energy utilities construction;
- External lines arrangement;
- Mounting of concrete reinforcement of the process building and corrosion-resistant lining;
- Erection of cast-in-situ walls and floors;
- Mounting of heavy equipment.

Further plans under the project include completion of work, signing of work completion certificate, and, later on, fulfillment of obligations within the guarantee period.

Russia. Extension of 120/12 Building for Placement of EP-500/5 Electrical Furnace and Storage of Vitrified Radioactive Waste for FSUE PO Mayak

Project description. The project is executed within the intergovernmental agreement concluded between Russia and Italy and stipulating for cooperation in the field of disposal of Russian nuclear submarines decommissioned from the naval forces and safe handling of radioactive waste and spent fuel. The agreement was concluded on November 5, 2003. Work is performed on a turnkey basis. The customer of the project is State Corporation ROSATOM. Contractual work was launched in October 2010, it is planned to complete the project in December 2013. The total cost of the project amounts to 1,552,163 thousand rubles. The project is financed from federal budget resources of the Russian Federation within implementation of the Federal Target Program on Nuclear and Radiation Safety in 2008 and up to 2015.

2012 results. The following work was completed in 2012:

- Extension girder construction and reinforcement for EP-500/5 placement;
- Pile field driving for radioactive waste storage;
- Territory improvement;
- Removal of existing utility networks from the construction site.
- Extension frame erection for EP-500/5 placement and radioactive waste storage;
- Partial supply of process equipment.

Further plans under the project include completion of work on mounting of frame structures of the storage, completion of work on cast-in-situ structures, first-stage supply of nonstandard equipment; in the longer term: completion of work in 2015, fulfillment of obligations within the guarantee term.

Russia. Preparation of EIA and EP Sections of Project Documentation for Andreeva Bay Project

Project description. The Project is executed within the intergovernmental agreement concluded between Russia and Italy and stipulating for cooperation in the field of disposal of Russian nuclear submarines decommissioned from the naval forces and safe handling of radioactive waste and spent fuel. In 2010 for performance of work under the project ASE and the Federal State Unitary Enterprise Federal Nuclear and Radiation Safety Center (FSUE FNRSC) signed contract on elaboration of EIA and EP sections of project documentation. The customer of the project is FSUE FNRSC. It is planned to complete the project in June 2013. The scope of responsibility of the Integrated Company includes coordination of the Russian subcontractors during designing, supply and construction of radioactive waste reprocessing and storage plants at the Andreeva Bay facility.

2012 results. The project documentation including EIA and EP sections for radioactive waste reprocessing and temporary storage plants was elaborated in the reporting year.

Further plans under the project include completion of work, fulfillment of obligations within the guarantee term.

Russia. Designing of Radioactive Waste Reprocessing and Storage Facilities for Andreeva Bay Project

Project description. The goal of the project consists in establishment of infrastructure for radioactive waste disposal in the territory of the former technical base of naval forces. In February 2011 the contract was concluded between ASE and Ansaldo Nucleare (Italy) on elaboration of the Andreeva Bay project documentation. The project is executed within the intergovernmental agreement concluded between Russia and Italy and stipulating for cooperation in the field of disposal of Russian nuclear submarines decommissioned from the naval forces and safe handling of radioactive waste and spent fuel. The customer of the project is Ansaldo Nucleare. It is planned to complete the work in June 2013. The scope of responsibility of the Integrated Company includes coordination of the Russian subcontractors during designing, supply and construction of radioactive waste reprocessing and storage plants at the Andreeva Bay facility.

2012 results. In 2012 the project documentation including EIA and EP sections was elaborated for radioactive waste reprocessing and temporary storage plants at the Andreeva Bay facility.

Further plans under the project include completion of work, fulfillment of obligations within the guarantee term.

Iran. Designing and Engineering during Construction of the LRW Reprocessing Plant (LRW RP)

Project description. Since 2008 the Integrated Company has performed design elaboration and field supervision of equipment manufacturing for the LRW reprocessing plant (LRW RP) within the frames of the contract on construction of the Bushehr NPP first generating unit. The customer of the project is the Nuclear Power Production and Development Company of Iran, the general contractor is NIAEP-ASE Integrated Company.

2012 results. In the reporting year the Integrated Company completed mounting and start-up operations on establishment of the LRW reprocessing plant. We proceeded with LRW RP commissioning and launching of operation under design conditions.

Further plans under the project include LRW RP commissioning, field supervision of integrated testing and commissioning, correction of maintenance and construction documentation according to the results of start-up operations, field supervision of LRW casks manufacturing, staff training, and fulfillment of obligations within the guarantee term.

India. Designing and Engineering during Construction of LRW Solidification Plant

Project description. Since August 2008 the Integrated Company has elaborated design of the liquid radioactive waste solidification plant (LRW SP) and performed field supervision of equipment manufacturing within the contract on construction of Kudankulam NPP generating units 1 and 2. Work is carrying out under the internal order within fulfillment of obligations under the contract on construction of Kudankulam NPP generating units 1 and 2. The project customer is Atomic Energy Corporation of India, LTD. It is planned to complete the project in 2013.

2012 results. The Integrated Company has carried out mounting, start-up and commissioning of the cementation plant (CP), concentrating facility (CF) units, and CP and CF I&C systems.

Further plans under the project include commissioning of LRW SP, field supervision over mounting, start-up, integrated testing and commissioning, correction of maintenance and construction documentation according to start-up results, and staff training.

International Cooperation in the Field of Radioactive Waste and Spent Fuel Handling

Working group was established, including specialists of ASE, Nukem Technologies (Germany) and the Russian Federal Nuclear Center – the Russian Research Institute of Experimental Physics (RFNC – VNIIEF), for consolidation of efforts in introduction of joint concept on arrangement of centralized long-term storage of the Russian nuclear power stations' spent fuel assembly at FSUE GKH with application of cask storage technologies.

In June 2011 ASE and RFNC – VNIIEF signed the agreement on strategic partnership in the field of spent nuclear fuel handling. OJSC State Specialized Planning Institute (SSPI), OJSC SverdNIIKhimmash, NUKEM Technologies, ASE and NIAEP concluded the agreement on cooperation during turnkey execution of projects in the field of decommissioning of nuclear and radiation dangerous facilities (DNRDF), and spent fuel and radioactive waste handling. Cooperation is aimed at competitive growth, accumulation of competencies and creation of opportunity for distribution of experience in Russia, as well as further entrance to the global market. The partners have experience and competence in the following fields:

- OJSC SSPI – performance of project and construction operations for the needs of the nuclear industry of Russia;
- OJSC SverdNIIKhimmash – elaboration, manufacturing and supply of equipment for nuclear power plants and fuel cycle facilities;
- NUKEM Technologies – technologies and equipment for DNRDF and spent fuel and radioactive waste handling;
- ASE – construction of nuclear power plants with reactors of Russian design and turnkey construction of nuclear facilities and units on the basis of EPCM model;
- NIAEP – construction and commissioning of nuclear power plants in Russia and abroad.

3.2. Value Chain Expansion in Nuclear Power Industry

3.2.1. Service

The Integrated Company rendered services for the following nuclear power plants: Paks, Temelin, Bohunice, and Tianwan

Hungary. Paks NPP, Generating Units 1 to 4

Project description. The Company performs work within execution of the long-term framework contract concluded with CJSC Paks NPP for supply of equipment and components to provide operation of Paks NPP units 1 to 4. The current framework contract is in force from 2011 to 2014.

2012 results. In 2012 the Company fulfilled obligations in accordance with the contract. The scope of work performed amounted to 20.55 million rubles. The annual work plan was fulfilled 100 percent.

2013 arrangements. Plans for 2013 include rendering of consultation services under the executed contracts.

Czech. Temelin NPP, Generating Units 1 and 2

Project description. The work is carried out on the basis of three indefinite-term contracts for rendering of engineering and consultation services during NPP operation concluded with CEZ a.s.

2012 results. In 2012 the Company fulfilled obligations in accordance with the contract. The scope of work performed amounted to 5.89 million rubles. The 2012 annual work plan was fulfilled at 100%.

2013 arrangements. Plans for 2013 include rendering of consultation services under the executed contracts.

Slovakia. Bohunice NPP, Generating Units 3 and 4

Project description. The Company performed work on modernization of the Bohunice NPP within the guarantee obligations. Service operations under the project started in 2002. The scope of responsibility of

the Company included replacement of NFCE systems, and in the period from 2008 to 2012 work within the guarantee obligations.

2012 results. The Company performed obligations in accordance with the concluded contracts. 2012 the guarantee obligations under the project were completely fulfilled.

2013 arrangements. Work under the project is completed; no plans are scheduled for 2013.

China. Tianwan NPP, Generating Units 1 and 2

Project description. The facility was commissioned in 2007. In 2011 the contract was concluded on substantiation of opportunity to increase the time between overhaul of the equipment, systems and pipelines of Tianwan NPP units 1 and 2 during transition to an 18-month fuel cycle from a 12-month one. The work completion time is 2013. In addition, in 2011 JNPC and the Company signed the contract on extraction of surveillance specimen from the reactor body by means of MP394 manipulator with attraction of specialists of OJSC NIKIMT-Atomstroy.

2012 results. In 2012 the Company performed obligations in accordance with the concluded contracts.

2013 arrangements. Plans for 2013 include contract completion and provision of a rational for change-over on 18-month-long cycle and also rendering of consultation services under the executed contracts.

3.2.2. Decommissioning

In 2012 the Integrated Company carried out work on 2 projects in 2 countries (see Table 3.2) within rendering of decommissioning services.

Table 3.2. Projects on Decommissioning of Nuclear Industry Facilities as of February 20, 2012

Country	Project
Ukraine	Second-stage construction of new ventilation pipe and auxiliary systems of the Chernobyl NPP
Bulgaria	Supply of LRW reprocessing plant for the Kozloduy NPP

Ukraine. Second-Stage Construction of New Ventilation Pipe and Auxiliary Systems of the Chernobyl NPP

Project description. The project is executed within operations on Object Shelter (sarcophagus) of the Chernobyl NPP. For participation in the tender on performance of work within this project the Shelter consortium was established (ASE, being the leader, and PJSC Ukrenergomontazh). Conclusion of a design contract between the Shelter consortium and the state specialized enterprise Chernobyl NPP is scheduled for 2014. The customer of the project was the International Fund Shelter. Work under the project was launched in July 2010; completion of work is scheduled for September 2013. The total cost of the project amounts to USD 9,361,382.

2012 results. Work on construction of vent pipe was completed. We also proceeded with mounting of radiation control systems and auxiliary systems at the Chernobyl NPP.

Further plans under the project include completion of work, signing of work completion certificate; and later on fulfillment of obligations within the guarantee period.

Bulgaria. Supply of LRW Reprocessing Plant for the Kozloduy NPP

Project description. The project is executed within the frames of international program on decommissioning of units 1, 2, 3 and 4 of the Kozloduy NPP, Bulgaria. The project is aimed at treatment of water discharged to Danube and formed during decommissioning of the generating units. In 2004 the contract was signed within the tender of the European Bank for Reconstruction and Development, in 2005 project plan was elaborated, and supply of the equipment was completed in 2009.

2012 results. Test operations regarding the project are finished. The liquid radioactive waste reprocessing plant is commissioned.

3.3. Diversification into Other Complex Engineering Projects

Further plans under the project include fulfillment of obligations within the guarantee term (guarantee term expires in 2014).

Table 3.3. List of TPP Generating Units Being Constructed and Designed by the Integrated Company, and Status of Work

Projects	Status of Work as of the End of 2012
Nevinnomysskaya TPP Generating Unit 1	Project completed
Yuzhnouralsk TPP Generating Unit 1	Construction
Yuzhnouralsk TPP Generating Unit 2	Construction

In 2012 the Integrated Company carried out construction of two thermal power plants: the Nevinnomysskaya TPP and the Yuzhnouralsk TPP (see Table 3.3).

Stavropol Territory. Nevinnomysskaya TPP

Project description. In 2008 OJSC OGK-5 and the consortium of ENEL Produzione S.p.A. and ASE signed the contract on management of engineering, procurement and construction of the generating unit of the combined cycle gas turbine plant (CCGTP) with a capacity of 410 MW on the site of the Nevinnomysskaya TPP. The consortium executed this project on the basis of EPCM model. The scope of responsibility of the Integrated Company within this project included performance of engineering survey on the site, preparation of feasibility study (FS) and working design estimate specification (DES), supply of accessories, general construction operations (including supply of building materials), mounting of the equipment, assistance in start-up of the generating unit equipment, and modernization of high-voltage 330 kV substation on a turnkey basis. The customer of the project was OJSC OGK-5.

2012 results. Construction of the second, third and fourth start-up facilities was completed. The power plant construction was finished in due course. Consortium prepared, signed and passed to the customer the End Facility Acceptance Certificate and the Certificated of End Facility Acceptance by the Acceptance Committee. In 2012 the profit with respect to the project amounted to nearly 20.7 million USD excluding VAT.

2013 arrangements. Signing of the specified certificated by the customer is scheduled for 2013.

Chelyabinsk Region. Yuzhnouralsk TPP-2

Project description. In 2009 ASE and OJSC OGK-3 signed the contract on construction of energy complex of Yuzhnouralsk TPP-2 on the basis of the EPC model. The customer of the project is OJSC OGK-3. According to the technical solution of the customer, the energy complex of the Yuzhnouralsk TPP-2 is a condensate combined cycle power plant (CCCPP) including three generating units with a capacity of 400 MW each with additional structures and utility lines. ASE put forward a proposal on construction of three 415 MW single-shaft generating units on the basis of Siemens Power Island (gas turbine power plant, steam turbine power plant, and generator) and three-loop waste-heat recovery unit.

2012 results:

Generating Unit 1

In 2012 start-up operations were carried out and 90 percent completed by the end of the year. 2012 the profit with respect to the project amounted to nearly 12 billion rubles excluding VAT.

Generating Unit 2

On May 14, 2012 the general contractor contract was signed. 80 percent of working documentation was prepared by the end of the reporting period. In addition, in 2012 operations of the preparatory stage were fulfilled including vertical leveling, commissioning of temporary electricity supply, construction of motor highway and administrative building, arrangement of main building pit, foundations for main building structures, waste-heat recovery unit and smoke stack, mounting of main building metal structures. In 2012 the profit with respect to the project amounted to nearly 173 million rubles excluding VAT.

2013 arrangements:

Generating Unit 1

In 2013 it is planned to completed start-up and commissioning of the unit (planned date of commissioning September 30, 2013). Final completion of project operations is scheduled for October 2013.

Generating Unit 2

The main tasks for 2013 include completion of the main building thermal envelope (by the end of December), supply and mounting of the Power Island equipment. In 2013 it is planned to complete main construction operations, major part of work on equipment mounting, and to launch start-up.

3.4. Development as a Vendor

3.4.1. NPP Construction Abroad

In 2012 the Integrated Company performed operations on designing and construction of generating units of nuclear power plants in India, Iran, Belarus, Slovakia, Turkey, China, Ukraine, Vietnam and Bangladesh (see Table 3.4).

This included construction of 7 generating units as follows: Bushehr NPP generating unit 1; Kudankulam NPP generating units 1 and 2; Belarusian NPP generating units 1 and 2; and Tianwan NPP generating units 3 and 4.

Table 3.4. List of NPP Generating Units Being Constructed and Designed by the Integrated Company Abroad, and Status of Work

Projects	Status of Work as of the End of 2012
Bushehr NPP Generating Unit 1 (Iran)	Construction
Kudankulam NPP Generating Unit 1 (India)	Construction
Kudankulam NPP Generating Unit 2 (India)	Construction
Belarusian NPP Generating Unit 1 (Belarus)	Construction
Belarusian NPP Generating Unit 2 (Belarus)	Construction
Kudankulam NPP Generating Unit 3 (India)	Design and survey work
Kudankulam NPP Generating Unit 4 (India)	Design and survey work
Akkuyu NPP Generating Unit 1 (Turkey)	Design and survey work
Akkuyu NPP Generating Unit 2 (Turkey)	Design and survey work
Akkuyu NPP Generating Unit 3 (Turkey)	Design and survey work
Akkuyu NPP Generating Unit 4 (Turkey)	Design and survey work
Tianwan NPP Generating Unit 3 (China)	Construction
Tianwan NPP Generating Unit 4 (China)	Construction
Khmelnitskaya NPP Generating Unit 3 (Ukraine)	Initial project preparation
Khmelnitskaya NPP Generating Unit 4 (Ukraine)	Initial project preparation
Ninh Thuan-1 NPP Generating Unit 1 (Vietnam)	Initial project preparation
Ninh Thuan-1 NPP Generating Unit 2 (Vietnam)	Initial project preparation
Ruppur NPP Generating Unit 1 (Bangladesh)	Initial project preparation
Ruppur NPP Generating Unit 2 (Bangladesh)	Initial project preparation
Metsamor NPP New Generating Unit (NGU) (Armenia)	Initial project preparation
BN-800 Generating Unit (China)	Design and survey work

Iran. Bushehr NPP, Generating Unit 1

Project description. In 1976 the contract was concluded with the German trust Kraftwerk Union A. G. (Siemens/KWU) on construction of Bushehr NPP generating unit 1. The project construction was launched in 1995. The Customer of the project was the Atomic Energy Organization of Iran (AEOI). In October 2010 ASE obtained the license for NPP commissioning. The scope of responsibility of the Integrated Company in respect of this project includes commissioning.

The Bushehr NPP is constructed on the basis of VVER-446 project; all operations are carried out in accordance with the international standards, legislation, and non-proliferation regime, and are controlled by IAEA. It is planned to complete the project in 2015.

2012 results. 52 percent of annual work plan was completed according to the Bushehr NPP construction schedule. As of December 31, availability of Bushehr NPP generating unit 1 amounted to 99.85%, and the contribution of 2011 to the level of the project availability was only 0.16%. On August 30, 2012 Bushehr NPP generating unit 1 was launched at 100% of design capacity.

2013 arrangements. Field trial of the unit is scheduled for 2013.

India. Kudankulam NPP, Generating Units 1 and 2

Project description. In accordance with the cooperation agreement on construction of a nuclear power plant in India signed 1988 between the USSR and the Republic of India, the Russian Federation renders technical support to India in construction of two generating units of the Kudankulam NPP with VVER-1000 reactor units. It is planned to construct a total of 6 generating units at this NPP. In 2001 designing work was launched, in 2002 construction began.

After consolidation of NIAEP and ASE, execution of the Agreement on Construction of Kudankulam NPP Units 1 and 2 is performed by the Integrated Company on the Russian part and the Nuclear Power Corporation of India Limited (NPCIL) on the Indian part. The customer of the project is NPCIL.

The scope of responsibility of the Integrated Company within the project includes elaboration of project, start-up and maintenance documentation, supply of equipment and materials, rendering technical support during NPP construction, mounting and commissioning, as well as training of Indian staff.

2012 results. In 2012 construction of generating units 1 and 2 was carried out at the Kudankulam NPP.

The work plan on construction of the generating units was completed 100 percent. Availability of generating unit 1 amounted to 100% and of generating unit 2 to 98%. Contribution of the reporting period to the project availability is 2 to 3%. The volume of work performed amounted to 51 million USD. The following results were achieved in the reporting period:

- Work on generating unit 1 in accordance with the 2nd revision program completed;
- Work on generating unit 1 in accordance with the reactor start-up program launched;
- Process systems of generating unit 2 washed and hydro-tested;
- Functional testing of equipment of generating unit 2 started.

2013 arrangements. The expected 2013 contribution to the level of project availability is 2 percent. The following types of operations are scheduled for 2013:

- Launch of generating unit 1 at minimum controllable power;
- Synchronization and first network connection of the unit 1 generator;
- 50, 75, and 100% power testing of generating unit 1;
- Operations on the program of hydraulic testing and circulation flushing on generating unit 2;
- Hot operational testing of generating unit 2;
- Launch of operations within the reactor start-up program on generating unit 2.

Generating Units 3 and 4

Project description. Generating units 3 and 4 of the Kudankulam NPP will be also designed on the basis of VVER-1000 platform. The scope of responsibility of the Integrated Company within this project includes designing, supply of equipment and delegation of specialists for technical support.

2012 results. In 2012 initial project work was carried out including adjustment of technical and commercial proposal and conclusion of general framework agreement with the project customer.

2013 arrangements. Designing of generating unit 3 is scheduled for 2013. The key activities scheduled for 2013 include:

- Final approval of the technical and commercial proposal for construction of Kudankulam NPP generating units 3 and 4;
- Conclusion of the General Framework Agreement.

Belarus. Belarusian NPP. Generating Units 1 and 2

Project description. In 2011 the intergovernmental agreement was concluded between Russia and Belarus on construction of the Belarusian NPP. According to the agreement, ASE was appointed general contractor of the Belarusian NPP construction project, and the State Enterprise Nuclear Power Plant Construction Directorate (GU DSAE) acted as the customer. The Belarusian NPP will include two generating units with VVER-1200 reactors (V-491) with a capacity of up to 1,200 MW each. The gross installed capacity will amount to 2,400 MW. The commissioning of generating unit 1 is scheduled for 2018 and of unit 2 for 2020.

2012 results. In 2012 work was launched on designing of the Belarusian NPP. By the end of the year, 963 people worked on the project, number of construction machines engaged amounted to 260 units. By the end of 2012, availability of the project equaled to 10 percent, and 65% of the project documentation was elaborated. The following results were achieved in the reporting period:

- Designing of the foundation pit for generating unit 1;
- Initial designing of the foundation pit for generating unit 2.

2013 arrangements. The following operations are scheduled for 2013:

- Completion of work on concrete foundation arrangement for generating unit 1;
- Completion of soil excavation for the foundation pit and waterproofing of main buildings and structures of generating unit 2;
- Completion of work on concrete foundation arrangement for generating unit 1.

Turkey. Akkuyu NPP, Generating Units 1–4

Project description. In 2010 the intergovernmental agreement was signed between Russia and Turkey on cooperation in the field of construction and operation of the nuclear power plant. ASE was appointed general contractor of the project, and Akkuyu NGS A.S. acted as the customer.

In 2011 work was started on execution of the Akkuyu NPP project which includes construction of 4 generating units of AES-2006 type with VVER-TOI platform and total capacity of 4,800 MW.

2012 results. The scope of the work performed within the project amounted to 39 million USD. 84.3 percent of the annual work plan was completed. The 2011 contribution to the level of the project availability amounted to 0.02 percent, and the level of availability was 0.25% by the end of 2012.

In 2012 the general contractor performed the following operations within the Akkuyu NPP project:

- Engineering explorations at the design stage;
- Survey of the site's rocky soils to determine the possibility of their application for preparation of building materials during NPP facilities construction;
- Turkey market analyses;
- Survey of the existing site infrastructure;
- Elaboration of draft design for camp construction for operational staff;
- Tender for selection of contractor for excavation and site relief arrangement at the first stage.

2013 arrangements. The expected 2013 contribution to the level of the project availability will amount to 0.43%. The list of key scheduled operations includes:

- Signing of a contract with contractor on preparatory stage works (off-site access routes, complex of off-site facilities of potable water supply of Akkuyu NPP, temporary inhabited area for Akkuyu NPP constructors, building and installation facilities for Akkuyu NPP construction, cargo terminal);
- Engineering surveys and production of design and operational documentation for the facilities of preparatory stage (off-site access routes, complex of off-site facilities of potable water supply of Akkuyu NPP, temporary inhabited area for Akkuyu NPP constructors),
- Termination of temporary infrastructure facilities repair on site, including system of reliable energy supply,
- Start of engineering surveys of the stage ''Operational Documentation'',
- Monitoring of Akkuyu NPP site.

China. Tianwan NPP (TNNP), Generating Units 3 and 4

Project description. Generating units 3 and 4 refer to the second stage of the Tianwan NPP, are located on the NPP site in Jangsu Province (China) and border with TNNP generating units 1 and 2 (first stage) which were commissioned in 2007 and transferred to the Chinese customer after trial guarantee operation on April 15, 2010. The Tianwan NPP second stage (TNPP-2) is being constructed in accordance with the General Contract on the TNPP Generating Units 3 and 4 Construction which entered into force in 2011. The customer of the project is Jangsu Nuclear Power Corporation (JNPC). The service supplier is NIAEP-ASE Integrated Company. In accordance with the General Contract on the TNPP Generating Units 3 and 4 Construction, the Integrated Company is obliged to elaborate design and supply

equipment for nuclear island (NI), and also bears general technical responsibility for the NPP project in whole.

The planned term of commissioning of the generating units: generating unit 3 in February 2018, generating unit 4 in December 2018.

2012 results. In 2012 the Company performed elaboration of technical design documentation packs, including technical specifications for procurement of equipment in China and third countries, as well as documents for obtaining the permits required to launch construction of generating units 3 and 4 of TNNP. In December 2012 JNPC obtained the permit for construction of TNNP-2 generating units 3 and 4. In 2012 the total cost of work on construction and designing of TNPP generating unit 3 amounted to 14.8 million euro. 100% of the annual work plan was completed. The TNNP-2 availability level amounted to 5.19 percent by the end of 2012, the contribution of the previous year to the level of the project availability equaled to 1.21%.

The key 2012 activities on construction of TNNP generating units 3 and 4 include:

- Procurement of building permit for construction of both generating units;
- Start of construction (first concrete casting) of generating unit 3.

2013 arrangements. Generating unit 4 construction shall start on October 20, 2013. The expected 2013 contribution to the TNPP-2 availability level shall equal to 4.77%. In this connection the main plans for 2013 include:

- Final transfer of the first-priority NF working documentation for generating units 3;
- Supply of equipment for first concrete casting on generating unit 4;
- First concrete casting on generating unit 4.

Ukraine. Khmelnitskaya NPP, Generating Units 3 and 4

Project description. In 2010 the Government of the Russian Federation and the Cabinet of Ministers of Ukraine concluded an agreement on cooperation in construction of Khmelnitskaya NPP generating units 3 and 4. According to the agreement ASE was appointed general contractor and State Enterprise GP NAEK Energoatom acted as the customer of the construction of generating units 3 and 4 of Khmelnitskaya NPP. The signing of contract is scheduled for 2014. To ensure the delivery of an agreement dated 09.02.2011 between ASE and GP NAEK Energoatom a contractual arrangement was signed for the development of technical project (TP) of reactor plant (RP) VVER-1000/B-392 and the equipment supply of RP for generating units 3 and 4 of the Khmelnitskaya NPP, which is marked by frame character and provides a phased signing of series of contracts by parties.

The expected years of commissioning of Khmelnitskaya NPP generating units 3 and 4 are 2020 and 2021 accordingly.

2012 results. The conditions of draft contract on elaboration of detailed design of the VVER-1000 reactor units of B-329 project and contracts on manufacturing and supply of equipment for reactor units with prolonged manufacturing cycle were approved.

2013 arrangements. Further work on concept design of generating units 3 and 4, approved by the parties is planned for 2013.

Vietnam. Ninh Thuan 1 NPP, Generating Units 1 and 2

Project description. In 2010 Russia and Vietnam concluded an intergovernmental agreement on cooperation in nuclear power plant construction in the territory of Vietnam. The Integrated Company is the general contractor of the project. The customer is Electric Energy Corporation of Vietnam (EVN). The Nihn Thuan 1 NPP will include two generating units with a capacity of 1,000 MW each.

2012 results. In October 2012 NIAEP-ASE Integrated Company elaborated and approved the Nihn Thuan 1 NPP directive construction schedule at the level of joint working group. The schedule will be submitted for approval to competent authorities of Russia and Ukraine by the end of March 2013.

2013 arrangements:

- Elaboration and approval by the joint team of a Nihn Thuan 1 NPP construction schedule and submission thereof for approval to relevant competent Russian and Vietnamese authorities till the end of March 2013;
- Collection of initial data for preparation of contracts for elaboration of NPP and construction site detailed designs in 2014.

Bangladesh. Ruppur NPP, Generating Units 1 and 2

Project description. In 2011 Russia and Bangladesh signed an intergovernmental agreement on cooperation in nuclear power plant construction in the territory of Bangladesh. The Integrated Company is the general contractor of the project and will manage all operations on project construction.

2012 results. In 2012 initial project preparation was carried out: elaboration and approval by the customer of preparatory stage contracts on JOI and EIA elaboration, survey work, contracts on detailed design elaboration, and first-priority construction and mounting operations on site.

2013 arrangements:

- Launch of operations on designing and construction of Ruppur NPP generating units 1 and 2.

Armenia. Armenian NPP, New generating unit (NGU)

Project description. In 2010 an intergovernmental agreement on NGU Construction was signed. The engineering company CJSC Metsamorenergoatom (CJSC MEA) acts as the customer of the project and in future will become the owner of the nuclear power plant. The CJSC MEA founders are CJSC ASE on the Russian part and the Ministry of Energy and Natural Resources of the Republic of Armenia on the Armenian part.

2012 results. NIAEP-ASE Integrated Company has developed and presented to the customer projects of licensing plan and technical specifications for NGU, processes of preliminary period of NGU construction and pre-design proposition of In 2012 work was carried out on establishment of legal basis of the project, as well as arrangement and technical activities. The prepared international legal basis is sufficient for preparation of the project's contract basis.

China. Fujian Sanming NPP with Fast Reactors of BN-800 Type (NPP-FR)

Project description. Cooperation of Russia and China under the project on construction of the Fujian Sanming NPP started after conclusion of the memorandum between State Corporation ROSATOM and China National Nuclear Corporation (CNNC) on October 28, 2008. The document stipulates construction of two generating units in China within the frames of the project on expansion of the Tianwan NPP and of one demonstration commercial fast reactor within the two generating units with BN type reactors with electric capacity of 800 MW each. The customer of the project is Fujian Sanming Nuclear Power Co Ltd (FSNPC). Initial project preparation was carried out from 2009 to 2012.

2012 results. On November 29, 2012 NIAEP-ASE Integrated Company, FSNPC and China National Nuclear Corporation signed a contract on preparatory work for the framework contract on construction of the Fujian Sanming NPP with fast reactors.

2013 arrangements:

- Elaborate materials for framework contract preparation;
- Send the elaborated materials to the customer.

3.4.2. NPP Construction in Russia

In 2012 the Integrated Company carried out designing and construction of 7 generating units in Russia (see Table 3.5), including construction of 5 generating units in the capacity of general contractor: Kalinin NPP generating unit 4; Rostov NPP generating units 3 and 4; and Baltic NPP generating unit 1 and 2.

Table 3.5. List of NPP Generating Units Being Constructed and Designed by the Integrated Company in Russia, and Status of Work

Projects	Status of Work as of the End of 2012
Kalinin NPP Generating Unit 4	Put into commercial operation
Rostov NPP Generating Unit 3	Construction
Rostov NPP Generating Unit 4	Construction
Baltic NPP Generating Unit 1	Construction
Baltic NPP Generating Unit 2	Construction
Nizhny Novgorod NPP Generating Unit 1	Design and survey work
Nizhny Novgorod NPP Generating Unit 2	Design and survey work

In all projects on NPP construction in Russia the Integrated Company acts in the capacity of general contractor and renders the whole range of services from designing to commissioning of facility. The customer of each project is OJSC Rosenergoatom Concern.

Tver Region. Kalinin NPP, Generating Unit 4

Project description. The work on construction is carried out on the basis of a contract signed between NIAEP and OJSC Rosenergoatom Concern in 2008. Construction of Kalinin NPP unit 4 started in 2007 and was completed in 2012.

2012 results. The scope of design and exploration work amounted to 147,828.61 thousand rubles in 2012. The key events in the reporting period were the completion of work on the project and commissioning of Kalinin NPP unit 4 in September 2012. The level of the project availability on 2012 was 100% and contribution of the reporting period to the availability level amounted to 8.82%. In 2012 the Integrated Company cooperated with 12 subcontractors during performance of work on the Kalinin NPP project. The total number of staff of the subcontracting organizations amounted to 1,083 people, including 903 workers.

2013 arrangements. Construction is completed.

Rostov Region. Rostov NPP, Generating Units 3 and 4

Project description. The work on construction of Rostov NPP units 3 and 4 is carried out on the basis of a contract concluded by NIAEP and OJSC Rosenergoatom Concern in 2009. Construction of generating unit 3 started in 2009, and it is planned to complete the work in 2014. Construction of generating unit 4 started in 2009, and it is planned to complete the work in 2017.

2012 results. All scheduled work was completed in due course in 2012. The scope of design and exploration work in respect of generating unit 3 amounted to 1,217,978.42 thousand rubles, and in respect of generating unit 4 273,12.07 thousand rubles. In October 2012 voltage supply for the balance of the plant was performed on unit 3. As of the end of 2012 the availability of generating units 3 and 4 amounted to 42.07% and 15.55%. The contribution of the reporting period to the project availability was 16.07 and 9.09 percent for units 3 and 4 accordingly. The total scope of work on generating unit 3 is completed to 101.97% and on generating unit 4 to 97%. In 2012 the Integrated Company cooperated with 42 subcontracting organizations during performance of work on the Rostov NPP project. The total number of staff engaged amounted to 6.253 including 5.148 workers.

2013 arrangements. Further work on the project is scheduled for 2013. The expected contribution of 2013 to the availability of generating unit 3 amounts to 23.13%, thus, by the end of 2013 the availability of the unit will be 65.2%. The expected contribution of 2013 to the availability of generating unit 4 amounts to 12.47 percent, thus, by the end of the year generating unit 4 will be completed to 28.02%.

Kaliningrad Region. Baltic NPP, Generating Units 1 and 2

Project description. The work on construction of generating units 1 and 2 is carried out on the basis of a contract signed by NIAEP and OJSC Rosenergoatom Concern in 2011. Construction of generating unit 1 started in 2011, it is planned to complete the work on unit 1 in 2017 and on unit 2 in 2018.

2012 results.

For generating units 1 and 2 accordingly:

- The scope of design and exploration work amounted to 846,622.37 thousand rubles and 303,277.30 thousand rubles.
- The availability by the end of 2012 amounted to 4.14% and 1.16%.
- The contribution of the reporting year to the project availability amounted to 4.14% and 1.16%.
- In 2012 the total scope of work is completed to 87.84% and 93.11%.

In 2012 the Integrated Company cooperated with 24 subcontracting organizations during generating units installation on the Baltic NPP project. The total number of staff of the subcontracting organizations amounted to 1,160 people, including 935 workers.

2013 arrangements. By the end of 2013 it is planned that generating unit 1 will be completed to 15.52%, and generating unit 2 to 2.64%. Thus, the 2013 contribution to the availability of units 1 and 2 will amount to 11.37% and 1.48% accordingly.

Nizhny Novgorod Region. Nizhny Novgorod NPP, Generating Units 1 and 2

Project description. The initial project preparation was completed in 2010. Expert conclusions were issued by the Scientific and Engineering Center for Nuclear and Radiation Safety. In January 2011 OJSC Rosenergoatom Concern obtained a license for construction of generating units 1 and 2 of the Nizhny Novgorod NPP issued by Rostekhnadzor (Federal Service of Environmental, Technological and Nuclear Supervision).

2012 results. In 2012 design and exploration work was carried out. Justifications of investment, materials on safety cases, engineering surveys were elaborated. In 2012 the total amount of design and exploration documentation amounted to 975,889.38 thousand rubles.

2013 arrangements. It is planned to complete design by the end of 2013.

4 Business Model


НИЦЭП
Cooperation Synergy

The Company constantly improves its business-model for the purpose of its Strategy (see Section 2. Strategy).

The main element of the Company's business-model (see Fig. 4.1) is the value chain.

The specified value chain in the engineering business on NPP construction is a component of the value chain in the nuclear industry (see Fig. 4.2).

The costs of capital transform along the value chain, either increasing or decreasing. Transformation of five capitals takes place in the Integrated Company's business model. The changes thereof are described in the corresponding chapters of the Report:

1. Financial capital – see Chapter 7.1;
2. Production capital – see Chapter 7.2;
3. Human capital – see Chapter 7.3;
4. Natural capital – see 7.4;
5. Social and economic capital – see Chapter 7.5.

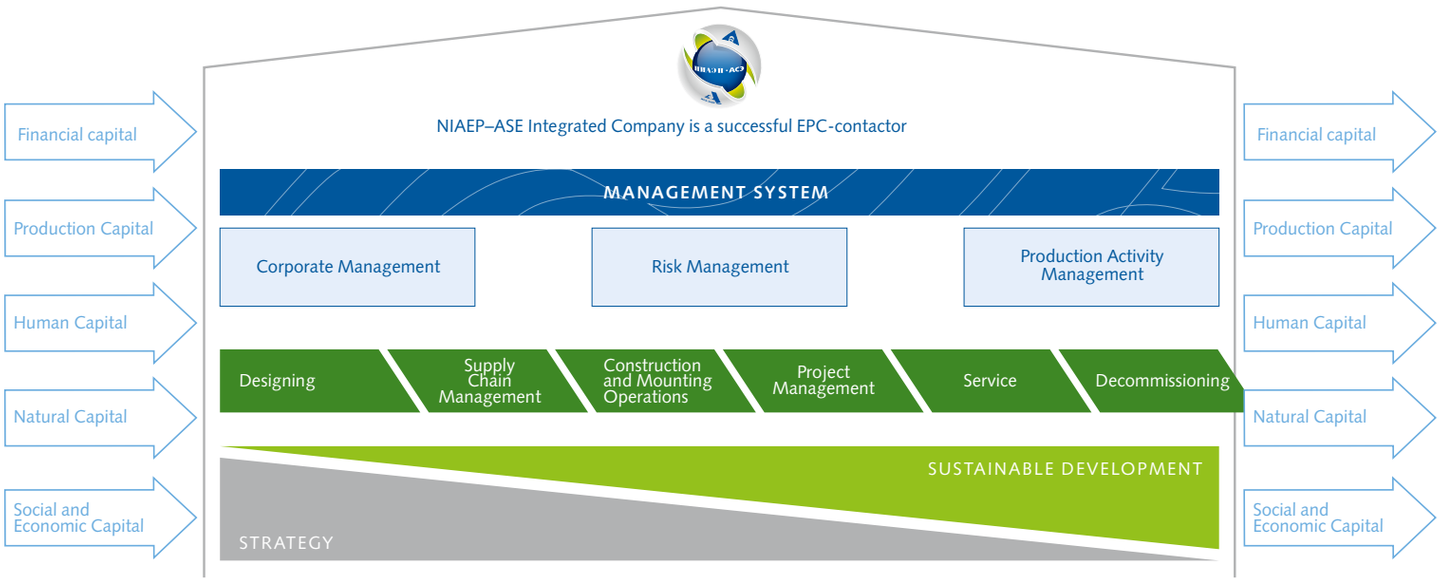


Fig. 4.1. NIAEP-ASE Integrated Company's Business Model

Effective management of the specified capital is performed on the basis of a management system (see Section 5. Management System). The general target view of the described business model is the development of NIAEP-ASE Integrated Company in the capacity of a successful EPC-contractor.

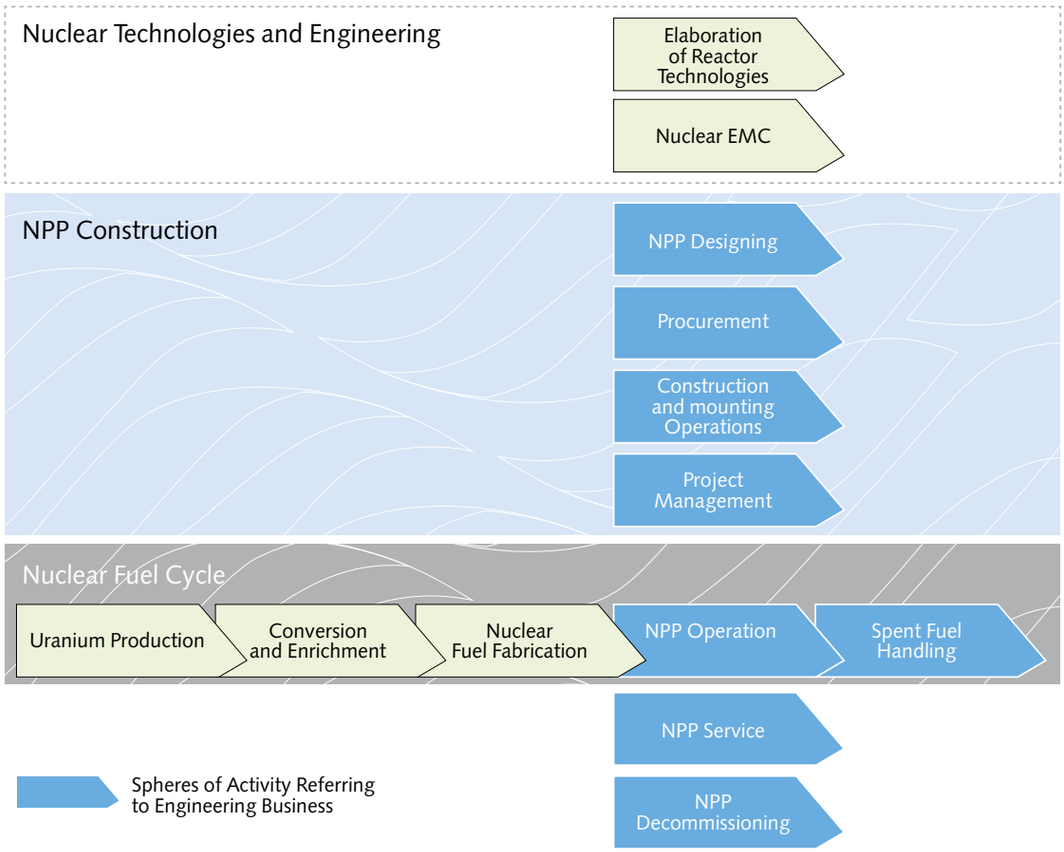
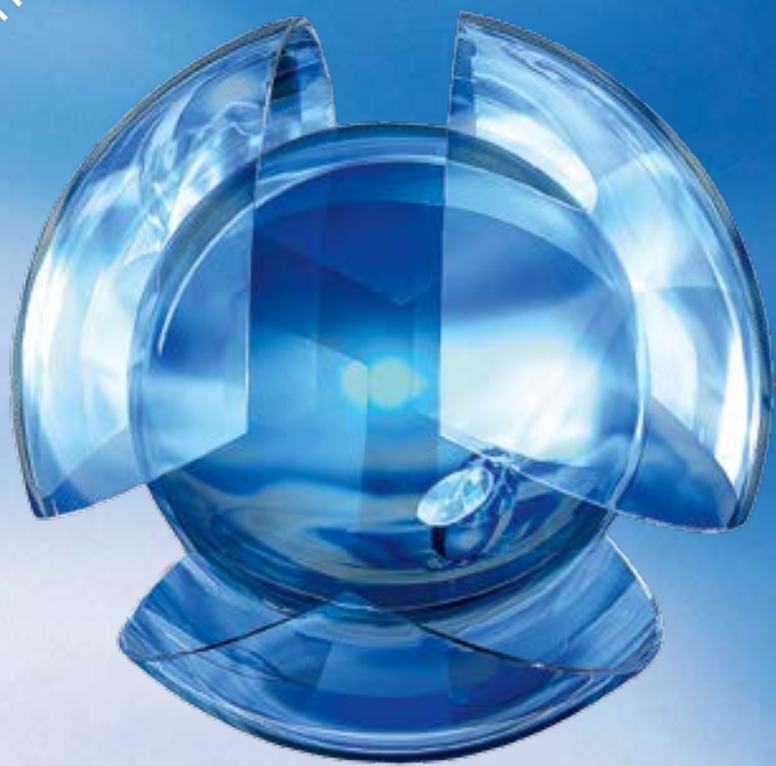


Fig. 4.2. Nuclear Industry Value Chain

5 Management System

НИАЭП

Using Experience for Good Cause



5.1. Corporate Management[12]

The JSC NIAEP corporate management system is based on the requirements of State Corporation ROSATOM with consideration of interests of the key parties concerned. The corporate management is carried out in accordance with the following regulatory documents:

- Federal Law No. 208-FZ on Joint-Stock Companies.
- Regulation on cooperation of the JSC NIAEP structural subdivisions during preparation of materials for meetings of the JSC NIAEP Board of Directors and the JSC NIAEP General Shareholder Meeting.
- Provision on cooperation of the JSC NIAEP structural subdivisions and executive officers in the course of management of JSC NIAEP subsidiaries.

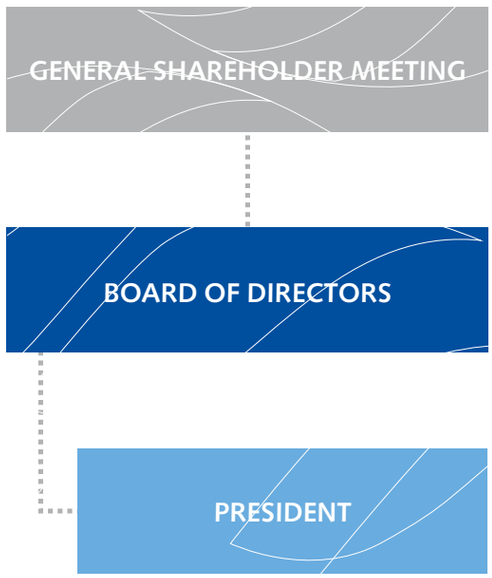


Fig. 5.1. Corporate Management Bodies

[12] Information in Chapter 5.1. Corporate Management is given only in respect of the head company, JSC NIAEP.

5.1.1. Corporate Management Bodies

The JSC NIAEP management bodies are the General Shareholder Meeting, President and the Board of Directors.

General Shareholder Meeting

The General Shareholder Meeting is the highest management body of JSC NIAEP. The sole shareholder of the Company is JSC Atomenergoprom, included into the structure of State Corporation ROSATOM. Relations of JSC NIAEP with the sole shareholder are regulated by Federal Law No. 208-FZ on Joint-Stock Companies of December 26, 1995 and the Charter of JSC NIAEP.

Decisions on issues referring to the competence of the General Shareholder Meeting are made by the sole shareholder alone; hence, possibility of a corporate conflict is reduced to a minimum.

President of JSC NIAEP

Starting from 2007, the sole executive body of the Company is the Director of JSC NIAEP, Valery Igorevich Limarenko. Since November 2012 the position of Director has been renamed into President of JSC NIAEP. President is accountable to the Board of Directors and the General Shareholder Meeting and is elected by the sole shareholder. President organizes execution of decisions of the sole shareholder and the Board of Directors.

The size of remuneration of President of JSC NIAEP is determined by the labor contract. President of JSC NIAEP acts on the basis of sole shareholder's decisions No. 1 of December 22, 2008 and No. 26 of November 7, 2012. Dependency of remuneration on KPI is described in Chapter 7.3.2. HR Management.

Board of Directors

The membership of the JSC NIAEP Board of Directors, determined by the sole shareholder's decision includes five members. The Board of Directors may not include independent directors (this issue refers to the competence of the sole shareholder; as of today the sole shareholder has never made a decision on inclusion of independent directors into the Board of Directors).

In the course of 2012 the Board of Directors changed twice:

- On the basis of sole shareholder's decision No. 23 of June 29, 2012;
- On the basis of sole shareholder's decision No. 25 of August 24, 2012.

The members of the JSC NIAEP Board of Directors as of December 31, 2012 are:

- Kirill Borisovich Komarov, Chairman,
- Ivan Alekseevich Borisov,
- Yevgeniya Gennadyevna Gorbunova,
- Valery Igorevich Limarenko,
- Yekaterina Viktorovna Lyakhova.

No committees under the Board of Directors are established. The issue on establishment of such committees refers to the scope of the JSC NIAEP Board of Directors, and as of today a decision on establishment thereof was never made.

Kirill Borisovich Komarov, Chairman of the Board of Directors

Kirill Borisovich Komarov was born 1973 in Leningrad. In 1992 he graduated from the Law Lyceum under the Urals State Law Academy; in 1997 from the Judicial and Prosecution Faculty of the Urals State Law Academy; in 2000 he accomplished postgraduate study in the Academy. Kirill Borisovich holds a degree of candidate of legal sciences.

From 1993 to 2000 he worked in JSC YurKon Consulting Company (Yekaterinburg) on various positions from Specialist to First Deputy President. From 2000 to 2005 he worked in the Renova Group of Companies (Director for Legal Issues and Project Management of JSC Renova, First Deputy General Director of JSC Renova, General Director of JSC Renova – Razvitiye). Sphere of activity: projects in the field of privatization, shareholding, bankruptcy, property protection, establishment of corporate management systems, establishment of large holdings. From 2005 to 2006 he took the position of Deputy Head of the Federal Agency for Water Resources. Scope of responsibility: management of state property and subordinated organizations, coordination of state procurements, communication, R&D.

From 2006 to 2007 he combined the positions of the Vice-President of the JSC Korporatsiaya TVEL and the General Director of JSC Atomenergomash, from March 2007 he occupied the position of the General Director of JSC Atomenergomash. From December 2007 to March 2010 he was Deputy Director of JSC Atomenergoprom, Executive Director of JSC Atomenergoprom. From March 2010 to March 2011 he was Executive Director of the Directorate for Nuclear Weapon Complex of State Corporation ROSATOM, from April 2011 Deputy General Director and Director of the Department for Development and International Business of State Corporation ROSATOM. From April 2010 has been combining this position with the position of the Director of JSC Atomenergoprom.

Since 2012 he has been the Chairman of the Board of Directors of JSC NIAEP. Kirill has no share in the charter capital of JSC NIAEP.

Ivan Alekseevich Borisov

Ivan Alekseevich Borisov was born in 1981 in Leningrad. In 2003 he graduated from the St. Petersburg State University with a degree in Mathematical Methods in Economy.

Career in State Corporation ROSATOM: from November 2008 to March 2009 Deputy Director of the Center for Organized Development and Project Management; from March 2009 to February 2010 Deputy Director of the Department for Long-Term Development and System Engineering; from February 2010 to January 2011 Deputy Director of the Strategic Management Department, Head of the Department for Strategy Elaboration and Long-Term Planning; from January 2011 to January 2013 Development and Restructuring Director (Department for Development and International Business); from February 2013 has been the Vice-President for Development of JSC NIAEP.

Since 2012 he has been a member of the Board of Directors of JSC NIAEP. He has no share in the charter capital of JSC NIAEP.

Yevgeniya Gennadyevna Gorbunova

Yevgeniya Gennadyevna Gorbunova was born in 1972 in Moscow. In 1994 she graduated from the Moscow State University of Economics and Statistics (MESI) with a degree in Applied Mathematics.

From 1994 to 1999 Yevgeniya worked in AKB Metallinvestbank taking various positions from Economist of the Department of Debit Operations of Credit Management to Head of Project Financing Management. From 1999 she occupied the position of Head of Economic Department of JSC OMK, from 2003 to 2005 was the Vice-President of JSC OMK. From 2005 to 2009 Yevgeniya held the position of the Director for Organizational Development in OJSC Federal Network Company of Unified Energy System (OJSC FSK EES).

Since 2010 she has taken the position of the Director of the Organizational Development Department in State Corporation ROSATOM. Scope of responsibility: organization of activity on elaboration and introduction of target model of management and management of projects on organizational changes.

Since 2012 she has been a member of the Board of Directors of JSC NIAEP, since 2013 a member of the Board of Directors of JSC Atomenergomash. She has no share in the charter capital of JSC NIAEP.

Valery Igorevich Limarenko

Valery Igorevich Limarenko was born in 1960 in Kharkov. In 1983 he graduated from the Kharkov Aviation Institute with a degree in Liquid Propellant Jet Engines. From 2001 to 2003 he took the position of the Minister of Construction and Housing and Utility Services of the Nizhny Novgorod Region Government. From 2005 to 2007 he was the Deputy Governor, Deputy Chairman of the Nizhny Novgorod Government for Construction, Energy, Housing and Utility Services, and Information Technologies. Valery is a 3rd category State Councilor of the Russian Federation.

From May 2007 to November 8, 2012 he was the Director of JSC NIAEP. Since November 9, 2012 he has taken the position of President of JSC NIAEP. Since 2007 Valery has been the member of the Board of Directors of JSC NIAEP. He holds no share in the charter capital of JSC NIAEP.

Yekaterina Viktorovna Lyakhova

Yekaterina Viktorovna Lyakhova was born in 1975 in Yekaterinburg. In 1997 she graduated from the Urals State Law Academy with a degree in Law; 2003 she gained a diploma of additional education on the program Master of Business Administration, MBA degree, in the Lomonosov Moscow State University; from 2008 to 2011 she studied the program of Executive MBA (EMBA) in the Universiteit Antwerpen Management School.

In 1995 Yekaterina took the position of Legal Adviser in the Urals State Medical Academy. From 1996 to 2000 she worked in the JSC YurKon Consulting Company. From 2000 to 2008 work in Renova on the positions from the Head of the Law Department of CJSC Renova to the Head of the Representation of Renova Project Limited (Republic of Cyprus). In 2008 she was appointed the General Director of OJSC Koltsovo-Invest (managing company of the Koltsovo airport in Yekaterinburg).

From 2010 to 2011 Yekaterina took the position of Vice-President for Corporate Management of OJSC TVEL. Since 2011 she has been the Director for Investment and Operational Efficiency Management of State Corporation ROSATOM, Chairman of the Board of Directors of OJSC Atomenergoprom, OJSC Atomenergomash and OJSC SPbAEP.

Since 2012 Yekaterina has been a member of the Board of Directors of JSC NIAEP. She holds no share in the charter capital of JSC NIAEP.

In 2012 48 meetings of the Board of Directors were held. During the meetings issues were discussed and decisions made with regard to 6 main directions:

- Decision making on suggestions made to the sole shareholder concerning changes in the Charter of JSC NIAEP;
- Decision making on establishment of separate subdivisions of the Company and approval of corresponding provisions;
- Approval of the Provision on Procurement of JSC NIAEP;
- Approval of the Collective Agreement of JSC NIAEP for 2013–2014;
- Approval of transactions;
- Decision making on issues referring to the competence of the General Shareholder Meeting of JSC NIAEP subsidiaries.

According to the decision of the sole shareholder, members of the Board of Directors may receive remuneration and (or) reimbursement of expenditures connected with performance of their functions as members of the Board of Directors of JSC NIAEP during the period of fulfillment of their obligations thereof. The amount of remuneration and reimbursement shall be determined by the sole shareholder's decision.

According to the results of work of the JSC NIAEP Board of Directors in 2012, no such decision was made by the sole shareholder; during the reporting period remuneration to the Board members was neither assigned nor paid.

5.1.2. Financial and Economic Activity Control

JSC NIAEP financial and economic activity control is carried out by the Review Committee, independent auditor and Internal Control and Audit Department of JSC NIAEP.

Review Committee

In order to control financial and economic activity of the Company, the JSC NIAEP Review Committee is annually elected by the General Shareholder Meeting. By decision No. 31 of the JSC NIAEP General Shareholder Meeting made on April 4, 2013, the Review Committee was elected including members as follows:

- Aleksey Alekseevich Pimenov
- Vera Yevgenyevna Topilskaya
- Elena Vladimirovna Samogorodskaya

The competence of the Review Committee is determined by:

- Federal Law on Joint-Stock Companies;
- Charter of JSC NIAEP;
- Provision on the JSC NIAEP Review Committee.

The Review Committee is accountable to the General Shareholder Meeting only and is independent from executive officers of the Company's management bodies. Conclusion of the Review Committee according to the results of work in 2012 is given in Annex No. 6.

According to the sole shareholder's decision, members of the JSC NIAEP Review Committee may receive remuneration or reimbursement of expenditures connected with performance of their obligations. The amount of remuneration and reimbursement is determined by the sole shareholder's decision.

No such decisions were made in 2012, no remuneration paid and no expenditures reimbursed.

Independent Auditor

Limited Liability Company Financial and Accounting Consultants acts as the JSC NIAEP independent auditor in accordance with decision of the sole shareholder No. 23 of June 29, 2012.

Internal Control and Audit Department

The Internal Control and Audit Department carries out control over financial and economic activity of JSC NIAP and its subsidiaries. The work of the Internal Control and Audit Department is regulated by the schedule of inspections approved by the Internal Control and Audit Department of State Corporation ROSATOM and the decisions of the JSC NIAEP management bodies, as well as orders and instructions of the JSC NIAEP sole executive body.

In accordance with the Agreement on Transfer to JSC NIAEP of Powers of the JSC ASE Sole Executive Body, since 2012 the Department has performed the functions of internal control and audit in JSC ASE as well. As a consequence, in 2012 the number of inspections increased and changes were made in the list of objects subject to review and in the inspection structure.

83 inspections were held in 2012 (72 in 2011). The share of field inspections of financial and economic activity of JSC NIAEP separate subdivisions and its subsidiaries and affiliates amounted to 77% of the total number of inspections.

As in the previous periods, in 2012 procurement and contractual work was reviewed on a mandatory basis during inspections of financial and economic activity of subdivisions: the carried out procurement procedures were reviewed for compliance with the Unified Industry Standard of Procurement and supply contracts were checked for fulfillment. Special attention was paid to purchases from the sole supplier.

A considerable number of violations were revealed in such business processes as procurement and management of suppliers' services during design and exploration work; procurement and management of subcontracting organizations' services during construction and mounting work; investment management; informational technologies management. In order to reduce the risks in these business processes, corrective measures were elaborated. Elimination of the revealed violations is controlled by the Internal Control and Audit Department.

This notwithstanding, in 2012 a considerable reduction (4 times compared to 2011) was noted in the number of violations revealed during inspection of procurements and supplies of equipment and materials for the facilities under construction. According to the results of inspections, 11 executive officers were brought to disciplinary responsibility (6 only in 2011), including 10 top managers.

5.1.3. JSC NIAEP Share Capital

In 2012 the share capital of JSC NIAEP remained unchanged. As of December 31, 2012, the JSC NIAEP share capital amounted to 500,001,877 rubles. The number of placed securities was 500,001,877. All shares are placed by means of closed subscription. The nominal cost of one security issued amounts to 1 ruble.

5.1.4. Information on Payment of Dividends

The procedure of payment of dividends in JSC NIAEP is regulated by Section 8 of the Company's Charter. In accordance with the Charter, pursuant to the results of the first quarter, half-year period, nine month period of the financial year and/or financial year, the sole shareholder is entitled to make decision (announcement) on payment of dividends. The decision on payment of dividends pursuant to the results of the first quarter, half-year period, nine month period of the financial year can be made within three month after completion of the corresponding period. The decision on payment of dividends, including amount, procedure, form and terms thereof, shall be made by the OJSC Atomenergoprom sole shareholder. In this case the amount of dividends can not exceed the one recommended by the JSC NIAEP Board of Directors.

According to the results of financial and economic activity in 2012, the sole shareholder made Decision No. 23 of June 29, 2012 on payment of dividends in the amount of 585,238,630.60 rubles. Payment of dividends (excluding profit taxes) was made by transfer of monetary funds to the settlement account of JSC Atomenergoprom within 60 days from the date of decision making.

5.2. Risk Management

One of the main factors providing achievement of the Company's strategic goals is risk management. Risk management in the Company is not centralized, and in this connection responsibility for specific risk management is distributed between the corresponding functional subdivisions.

Functioning principles of the Company's Risk Management System correspond to the principles reflected in the Risk Management Policy of State Corporation ROSATOM approved by order of the General Director No.1/4 – P of January 13, 2011.

On the basis of the results of poll taken among the subdivisions, key risks and mitigation measures were determined (see Table 5.1).

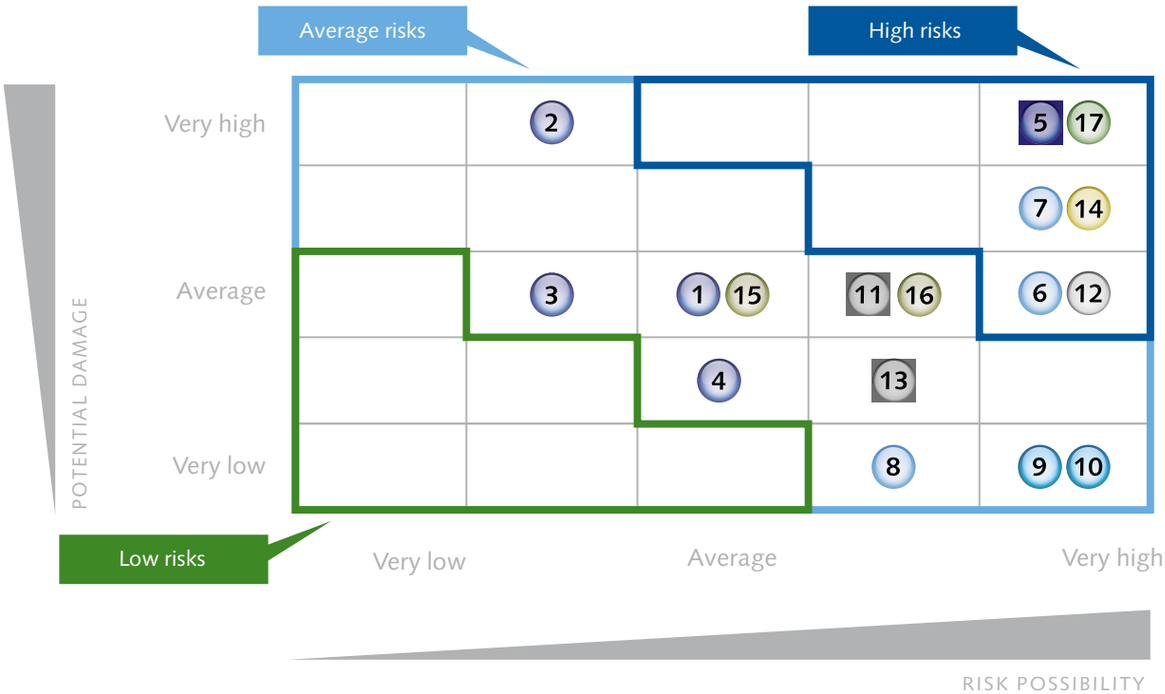
Table 5.1. Key Risks and Mitigation Measures

Types of Risks	Mitigation Measures
Operational Risks	
Internal mistakes during designing	Change in mounting sequence of process pipelines and equipment from steam generators to provide for reduction in performance time by 3 months. Elaboration of new KPI for the project unit to provide timely introduction of modern and competitive equipment into the project.
Ineffective supply chain	Quality control of unreliable suppliers. Increase in volume of warehouses for equipment on construction sites. Clarification of documentation on mounting and setup of pipe and power fittings to workers and engineers. Improvement of quality control process of designated companies. Insurance against losses incurred as a result of non-fulfillment of obligations by counteragent. Liability insurance of motor vehicle owner. Cargo insurance. Insurance during tenders on purchase of equipment.
Delay in equipment supply	Application of unified information system for work with suppliers. Performance of additional checks to secure timely deliveries. Change in the process of equipment integration, reduction in number of approval cycles. Insurance against losses incurred as a result of non-fulfillment of obligations by counteragent.
Inefficient organization of subcontractors' work	Investment in development of subcontractors owned by the Company (vertical integration). Establishment of consolidated structure of subcontractors (the target condition is 5 strong financially stable companies). Change in structure of regulatory documents for even distribution of cost effectiveness of work. Improvement in coordination within the frames of performance of day/night tasks on construction site. Insurance against losses incurred as a result of non-fulfillment of obligations by counteragent.
Low quality of work	Application of modern equipment. Optimization of number of workers on construction site. Training of subcontractors' engineers twice a year. Application of Primavera schedule as priority one. Synchronization of other Primavera schedules to secure concentrated and uninterruptible performance of single operations. Attraction of specialized subcontractors to reduce risk of improper quality of work performance. Increase in subcontractors' production facilities (increase in number/duration of shifts, attraction of additional staff). Insurance of construction and mounting operations including all applied materials, equipment of construction site and building equipment, construction machines, expenses of territory cleanup and garbage removal, and auxiliary structures.

Types of Risks	Mitigation Measures
Strategy Risks	
Competitive expansion on the part of Korea and China	More active position of NIAEP-ASE Integrated Company in respect of cooperation with foreign customers in future projects.
Insufficient financing	Parallel work on alternative sources of financing (commercial crediting, attraction of partners and investors).
Deterioration of competitiveness in connection with development of other generation sources	Presentation of advantages of nuclear generation over renewable sources to countries being potential customers.
Low readiness of machine building enterprises in Russia for the required volume of supply	Location-restricted supplies to customer countries.
Political nature of decisions on selection of supplier of nuclear technologies	Strengthening of projects support.
Missing culture of safety and developed elements of nuclear infrastructure on new markets	Cooperation with countries being potential customers on elaboration of plan of infrastructure development to achieve the level which is sufficient for further management of project on NPP construction.
Lack of financing for elaboration of new projects	Substantiation of the high level of market attractiveness and necessity to execute projects on construction of low and medium capacity NPP by NIAEP-ASE Integrated Company as a general contractor and vendor.
Underdeveloped market and unclear prospects	Additional market surveys.
High competition on the market	Increase in quality of elaboration of tender offers. More active monitoring of the market and participation in negotiations.
Insufficient experience in NPP operation of the newcoming countries	Suggestion of programs on staff training of the countries-newcomers.
High dependency of the segment on political decisions	Promotion of projects at national level.
Fine subdivision of orders by legacy holders	Conduct of negotiations with large Russian customers in respect of participation in projects in the capacity of general contractor.
Absence of final regulatory framework	Participation in activity of the State Corporation on elaboration of suggestions for finalization of regulatory framework.
High competitiveness on the part of local contractors	Acquisition of local players. Elaboration and market promotion of suggestion in the field of complex services.
Affiliation of engineering companies with customers	Development of partnership relations with customers and large engineering companies to gain access to projects.
High uncertainty of market volumes till 2020	Expansion of geography of the Company's operation through entrance to foreign markets.
High competitiveness on the part of existing players	Application of PMC-model and competence in project management as a point of entrance to segment and means of differentiation.

Types of Risks	Mitigation Measures
Financial Risks	
Credit risks	• Identification of credit risks: detection of possible financial losses on the basis of contractual obligations of counteragents, i.e. banks, financial institutions, organizations of the State Corporation, etc; • Assessment of credit risks: complex of actions connected with determination of quantitative characteristic of credit risks in monetary terms; • Regulation of credit risks: complex of measures performed in order to reduce credit risks including reduction in position subject to risks (correlation of obligations and requirements of counteragent to the State Corporation and its organizations, fixing of ceilings); • Monitoring of risks: complex of actions connected with monitoring of changes in financial condition of counteragents, i.e. banks, financial institutions, organizations of the State Corporation, etc; • Control of credit risks: performance of regular inspections on compliance with the fixed ceilings and preparation of corresponding reports.
Liquidity risk	Management of excessive liquidity in cash-pulling of State Corporation ROSATOM.

Strategic risks are risks of the highest level which may lead to non-performance of the Company's strategic goals. In the reporting year the map of strategic risks was prepared in the Company (see Table 5.2).



Types of risks

- Market risks
- Political and regulatory risks

Market segments

- High power NPP
- Low and medium capacity NPP
- Teaching reactors
- Back end
- NPP service
- Thermal power stations
- Oil and gas facilities

List of strategic risks

1. Competitive growth on the part of Korea and China
2. Insufficient financing
3. Deterioration of competitiveness in connection with development of other generation resources
4. Low readiness of machine building enterprises in Russia to the required volume of supplies
5. Political nature of decisions on selection of supplier of nuclear technologies
6. Missing culture of safety and developed elements of nuclear infrastructure on new markets
7. Lack of financing for elaboration of new projects
8. Underdeveloped market and unclear prospects
9. High competition on the market
10. Insufficient experience in NPP operation of the newcoming countries
11. High dependency of the segment on political decisions
12. Fine subdivision of orders by legacy holders
13. Absence of final regulatory framework
14. High competitiveness on the part of local contractors
15. Affiliation of engineering companies with customers
16. High uncertainty of market volumes to 2020
17. High competitiveness on the part of existing players

Fig. 5.2. The map of strategic risks

5.3. Production Activity Management

Within the frames of production activity management the Company makes its mission to reduce duration and cost of construction. In order to solve these tasks the Integrated Company executes a number of projects:

- Elaboration and introduction of the Multi-D technology for optimization of construction and mounting operations;
- Introduction of Production System Rosatom (PSR);
- Improvement and introduction of construction cost management method;
- Optimization of procurement procedures.
- Calculation of the best path for each element's rigging;
- Calculation of the best mounting sequence with detailed planning of welded joints;
- Even distribution of workload among mounting workers within the whole period of construction;
- Reduction in labor expenditures in the mounting zone due to enlargement of elements into mounting modules;
- Detailed planning of operations (including twenty-four-hour planning) and preparation of staff of mounting organizations on the basis of this planning;

In 2012 elaboration, setup and trial operation of the NPP construction management system based on the Multi-D technology was completed within the VVER-TOI project. This technology provides for management of designing and construction on the basis of an information model (Multi-D model) of the facility.

5.3.1. Multi-D Technology for Optimization of Construction and Mounting Operations

The Multi-D technology is aimed at optimization of construction and mounting operations and based on detailed planning of the working operations sequence. The main goal of using the Multi-D technology consists in reduction in time of NPP generating unit construction. Application of the technology permits to plan the schedule of construction precisely and solve the problems connected with this stage of construction at the design stage. This technology supplements the traditional expert directive approach to planning of construction and mounting operations which provides for determination of completion schedule with consideration of expert assessments of stage duration.

The Multi-D model includes a comprehensive 3D model of the facility, information on schedule and network planning (4D), information on configuration, completeness and supplies of materials and equipment (5D), and information about labor, technical and other resources required for generating unit construction (6D).

The efficiency of NPP construction management with application of the Multi-D technology is increased due to:

- Optimal placement of each element of the facility with the help of a 3D-model;
- Consideration of scheduled dates of equipment supply and possible deviations from the schedule;
- Construction process control in real time mode.

The Integrated Company is planning further development of the Multi-D technology in 2013.

5.3.2. Introduction of Production System Rosatom (PSR)

Since 2009 the Production System Rosatom (PSR) has been introduced into enterprises of the industry. PSR is based on the principles of the efficiency enhancement system of Toyota recognized as one of the most successful programs in this sphere. PSR helps to increase efficiency and quality, reduce expenditures and time of work performance and achieve maximum satisfaction of customer's requirements. Application of PSR tools facilitates the reduction in time of NPP generating unit construction and in cost of work due to a more effective process control system.

Results of PSR introduction in 2012:

- Reduction in total duration of production processes on generating units 3 and 4 of the Rostov NPP by 100 days;
- Development of opportunity to issue actual weekly-daily task (with application of the Multi-D system);


МИРОВОЕ ПРИСУТСТВИЕ
Калининская АЭС
Структура НИАЭП – АСЭ
История НИАЭП
История АСЭ
ВВЭР-1000
Вклад НИАЭП в энергетику России
НИАЭП + АСЭ
Экология и атомная энергетика
Подготовка кадров
Социальные и гуманитарные программы
Награды за развитие атомной энергетики


etap

Table 5.2. Results of PSR Introduction in 2012

Project	Results of PSR Introduction
Manufacturing, mounting and casting of cornice and crown of the reactor compartment confinement blocks of Rostov NPP generating unit 3	Reduction of production cycle by 153 days
Construction of the 1st confinement tier of Rostov NPP generating unit 4	Reduction of production cycle by 55 days
Mounting and reinforcement of the 1st confinement tier of Rostov NPP generating unit 4	Reduction of production cycle by 55 days
Manufacturing, mounting and casting of foundation plate at the level of +1,200 of Rostov NPP generating unit 4	Reduction of production cycle by 15 days

An important part of PSR introduction consists in staff training. In 2012 NIAEP obtained a state license for training according to the Production System Rosatom Program. Currently, the central platform for training on this program is the Rostov NPP. Upon completion of training, participants of the program gain a state-recognized degree.

- Execution of the first stage of work on introduction of bar-coding system for stock in warehouses of the Volgodonsk Branch;
- Twofold reduction in accident frequency on the construction site of the Rostov NPP;
- 5% increase in efficiency during designing operations (field engineering) at the Rostov NPP.

Due to the PSR introduction the time of work performance during execution of pilot projects was reduced (see Table 5.2).

2013 Arrangements on PSR introduction include reduction in duration of production cycles at the Rostov NPP, the Baltic NPP, and the Yuzhnouralsk TPP.

5.3.3. Construction Cost Management Method

In 2012 the Integrated Company carried out activities on improvement and introduction of the construction cost management method applied for construction of NPP generating units. This method is elaborated to perform tasks assigned by State Corporation ROSATOM and OJSC Rosenergoatom Concern in respect of reduction in investment costs of projects on construction of generating units.

In 2012 the marginal cost determination and control model for construction of NPP generating units was elaborated in the Company. This model was approved by the OJSC Rosenergoatom Concern and submitted to State Corporation ROSATOM for consideration of the opportunity of industrial introduction thereof (see Fig. 5.3). The model permits to calculate the cost of NPP generating unit construction at each stage of NPP construction (concept design stage, project approval stage, detailed design documentation elaboration stage, construction stage, and commissioning stage), control compliance with the fixed limits, and elaborate compensating measures.

In accordance with this model it is possible to track the cost of construction of Rostov NPP generating units 3 and 4, and Baltic NPP generating units 1 and 2. Due to the model application in 2011 and 2012 during construction of Rostov NPP generating units 3 and 4 the saving was achieved in the amount of 107.5 million rubles relative to the fixed marginal cost of 164.4 billion rubles; during construction of Baltic NPP generating units 1 and 2 in 2012 the saving amounted to 654.08 billion rubles relative to the fixed marginal cost of 249.6 billion rubles.

The model was applied for calculation of NPP construction cost in Russia and abroad. In 2012 the following operations were performed with application of the model:

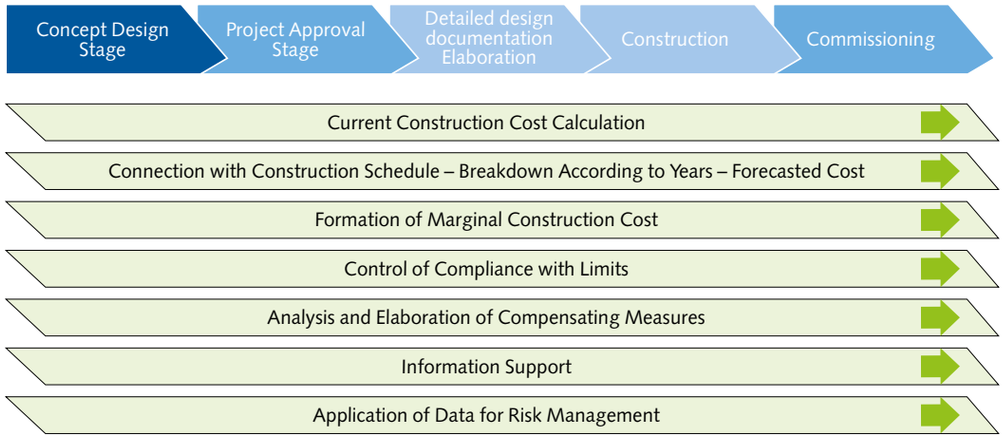


Fig. 5.3. Scheme of Marginal Cost Determination and Control Model for Construction of NPP Generating Units

- Calculation of cost of the Nizhny Novgorod NPP and Kursk NPP;
- Calculation of construction cost of the Belarusian NPP;
- Formation of tender documentation and submission of technical and commercial proposals on construction of the Temelin NPP (Czech) and the Majdal NPP (Jordan);
- Correction of construction costs calculated for the Kudankulam NPP (India) and the Tianwan NPP (China).

Information on relevant purchases made during execution of construction projects of the Integrated Company, Atomenergoproekt and SPbAEP was used in calculations.

The technology of construction cost management with consideration of changes was presented during the 2nd International Scientific and Research Forum "Multi-D Project: Development of Competitive Technologies of Complex Engineering Facilities Construction".

In 2012 the database was provided on cost of material and labor resources applied during NPP construction on the basis of VVER-TOI platform. Relevant information on current cost of resources with supporting materials was included in the database.

In 2012 during execution of orders of State Corporation ROSATOM management the package of primary documentation was elaborated including substantiating calculations on cancellation of reduction factors applied to overhead and profit. On the basis of the presented documents the Ministry of Regional Development of the Russian Federation made a decision on cancellation of reduction factors applied to operations on NPP construction.

The following activities on cost management are scheduled for 2013:

- Development of the marginal cost determination and control model for construction of NPP generating units at the level of State Corporation ROSATOM;
- Commissioning of extended module of the Automated Cost Management System (ACMC CCMS NIAEP);
- Further application of the model to foreign construction projects;
- Finalization of materials Catalogue with consideration of industry practices.

5.4. Executive Management of JSC NIAEP

LIMARENKO
Valery Igorevich

President

IVANOV
Yury Alekseevich

Senior Vice President,
Designing Director

KATZ
Vladimir Lazarevich

Senior Vice-President,
Economics and Finance

SAVUSHKIN
Vladimir Nikolaevich

Senior Vice President, Head
of the Moscow Branch

BELOV
Vladimir Sergeevich

Vice-President of construction
in North West Russia and CIS

PETRENKO
Nikolay Vasilyevich

Vice-President

SHESHOKIN
Nikolay Pavlovich

Vice President, Human Resources

PAVLOV
Vladimir Nikolaevich

Vice President of Construction in Middle East and Central Asia

IVANOV
Yury Germanovich

Vice President of Projects in East and South-East Asia

LEBEDEV
Andrey Olegovich

Vice President of Construction in South Asia

TEPKYAN
Gennady Onikovich

Vice President

OLONTSEV
Sergey Petrovich

Vice President of Construction in Russia

VAGANOV
Leonid Sergeevich

Supply Chain Director

STRELTSOV
Sergey Aleksandrovich

Quality Management Director,
Head of Moscow Office

MEDVEDEV
Andrey Arkadyevich

Procurement and
Purchasing Director

KHAZIN
Aleksandr Borisovich

Director of Rostov
NPP Construction

MAKHONIN
Vyacheslav Mikhaylovich

Director of Baltic NPP
Construction

PUSTOVOY
Yury Alekseevich

Director of Belarusian NPP
Construction, Director of
Representative Office

KRUUZ
Igor Vladimirovich

Construction and
Installation Director

RYMAR
Oleg Vladimirovich

Cost Management Director

SHCHERBAK
Mikhail Yuryevich

Capital Construction Director

JARYGIN
Vladimir Gavrilovich

Security Director

SHKITILEV
Dmitry Vladimirovich

Chief Engineer

6 Introduction of Innovations

НИЭП

Welcome to the Future!

In 2012 the following work was carried out on introduction of innovation systems and technologies:

- Elaboration of an NPP lifecycle management system;
- Elaboration of a unified industry-specific nomenclature Catalogue of NPP equipment and materials;
- Elaboration of an electronic technical document management system (ETDMS);
- Development of capital construction complex management system (CCMS NIAEP).

6.1. NPP Lifecycle Management System

Pursuant to the results of the session of the Russian Federation Presidential Committee for Modernization and Technological Development of the Russian Economy which took place on July 22, 2009, the President of Russia set a challenge before the nuclear industry to optimize performance characteristics of pressurized water reactors and create VVER-TOI Project (see Section 2. Strategy). Solving this task the Integrated Company elaborates the NPP Generating Unit Lifecycle Management System.

The NPP Generating Unit Lifecycle Management System is designed to provide the VVER-TOI Project participants with access to relevant information about a generating unit. The system provides for informational cooperation both of participants of one NPP unit lifecycle stage, and of participants of various stages.

Within the frames of establishment of the Lifecycle Management System the Integrated Company plans to elaborate the unified information model of VVER-TOI and create an organizational and functional model (OFM) of the VVER-TOI lifecycle management (see Table 6.1).

Within the frames of the VVER-TOI Project in the period from 2011 to 2012 work was carried out on creation of lifecycle management system with results as follows:

- Repository of unified information model of generating unit;

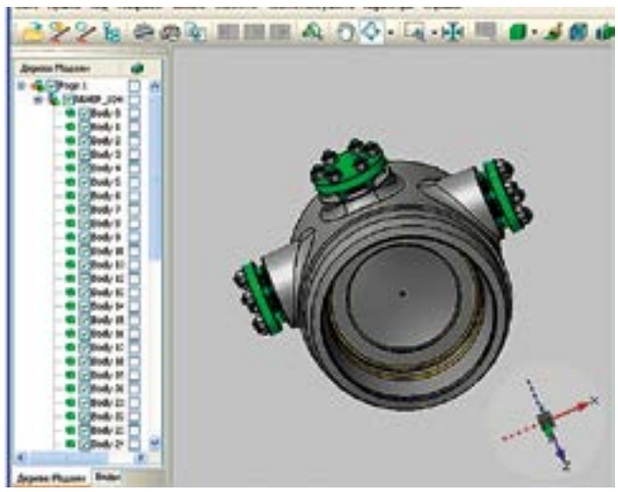
Table 6.1. VVER-TOI Project Key Indices

Index	Value
NPP construction time, months	40
Reduction in marginal commercial unit construction costs,%	20
Reduction in project generating unit operating costs,%	10

- Repository of organizational and functional model;
- Package of organizational and methodical documents on design and construction process management including description of business-processes at NPP design and construction stages, generating unit configuration management standard; standard for management of changes in basic project part, standard for connection of the VVER-TOI Project to sites of NPP under construction.

In the reporting year the volume of investments to elaboration of Lifecycle Management System amounted to 176.4 million rubles.

In 2013 it is planned to perform trial operation and preparation for pilot commissioning of elements of the NPP Generating Unit Lifecycle Management System as it pertains to cooperation with the Multi-D technology.



6.2. Unified Industry-Specific Nomenclature Catalogue of NPP Equipment and Materials

Elaboration of the Unified Industry-Specific Nomenclature Catalogue of NPP Equipment and Materials (UISNCEM) was launched in 2011 within the frames of development of the typical Project of Optimized and Information-Supported Generating Unit on the Basis of VVER-TOI Technology.

The main goals of UISNCEM elaboration were determined as follows:

- Simplification of designing and procurement;
- Creation of a centralized database on equipment and materials.

The catalogue is a comprehensive systemized and user-friendly database about all products manufactures for the needs of nuclear industry (see Fig. 6.1).

In December 2012 the Company completed the first stage of the UISNCEM project. On the basis of the first stage results an effective tool was elaborated for optimization of design processes and further procurement of equipment. Optimization is based on application of the centralized equipment and materials database formed in accordance with information of the manufacturing plant.

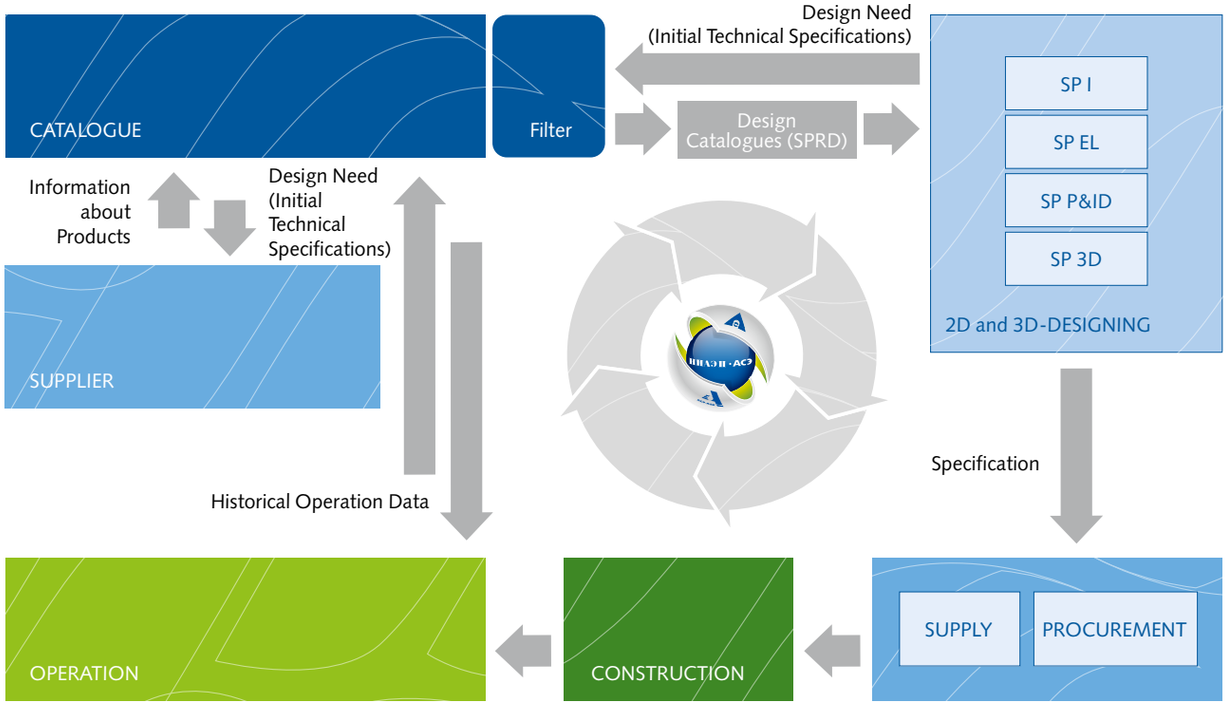


Fig. 6.1. UISNCEM Application Concept

As of the end of 2012 the centralized NPP equipment and materials database included 2 thousand nomenclature types of products. A unique pattern of standard description of technical and operational characteristics was created for each product.

Over 500 manufacturers and suppliers are registered in the capacity of permanent partners and participants of the UISNCEM project, including more than 100 foreign ones. The catalogue includes over 140 thousand notes on equipment (equipment cards) and over 15 thousand various 3D-models. The Verification Center established in NIAEP provides manufacturers and suppliers with informational and methodical support and secures monthly processing and verification of up to 1.5 thousand of equipment cards created by them.

Among the registered users of the system there are over 60 employees of design subdivisions of the Integrated Company, Atomenergoproekt and SPbAEP which introduced UISNCEM as the main source of data on manufactured products.

It is planned to include information on new types of products in the database and verify these data in 2013. Moreover, an increase in quantity of UISNCEM constant users to 150–200 people is expected in the industry by the end of 2013.

6.3. Electronic Technical Document Management System (ETDMS) on the Basis of Intergraph SmartPlant Foundation Software

Work on elaboration of the Electronic Technical Document Management System with application of an electronic digital signature (EDS) is carried out pursuant to the Order of the Director of State Corporation ROSATOM of August 18, 2011 on Execution of the Project on Creation of Information Space between General Contractor and Customer for Work with Technical Documentation during NPP Construction.

Creation of Electronic Technical Document Management System with application of EDS is aimed at simplification of communication technology inside the Company and between the Company and customers in the process of elaboration, coordination and storage of technical documentation.

In 2012 the ETDM system went through operation testing and was put into trial operation. In the course of the unified information space elaboration between SPbAEP and the Integrated Company the infrastructure of detailed design documentation preliminary approval was developed on the basis of the SmartPlant Foundation document management system. The joint Regulation was approved concerning the work in the electronic technical document management system of the unified information space between the Integrated Company and SPbAEP during elaboration, approval up to the status "approved for construction" and transfer of detailed design documentation issued during designing of the Baltic NPP.

It is planned to put the system into commercial operation in 2013.

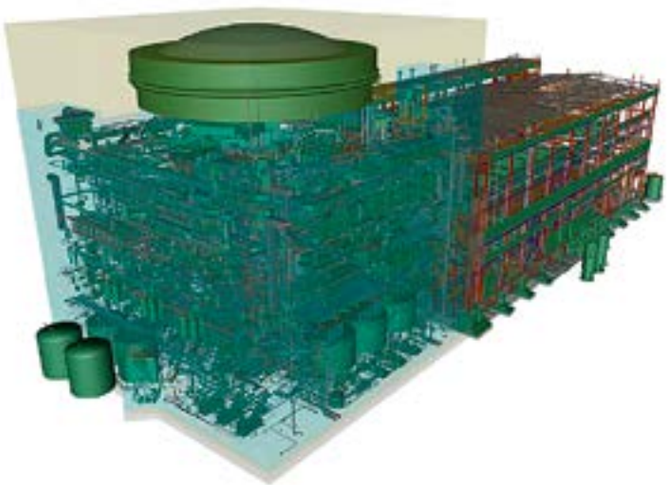
6.4. Capital Construction Complex Management System (CCMS NIAEP)

Since 2009 NIAEP has been applying the Capital Construction Complex Management System CCMS. The System includes automated systems of capital construction, contract management, equipment procurement, and data integration.

The main tasks solved with the help of CCMS NIAEP include:

- Contractual arrangements management;
- Detailed design documentation elaboration management;
- Management of estimate limits and period-based financing;
- Actual work performance control;
- Subject-related planning and reporting;
- Equipment and materials procurement management;
- Monitoring of actual number and labor expenditures of contracting organizations;
- Summary analysis of constructed facilities' condition.

In 2012 the Integrated Company proceeded with execution of the project on automation of construction cost management. Functionality of the CCMS NIAEP system was elaborated permitting to plan costs prior to completion of construction.



6.5. Development of Procurement and Supplies Management System

One of the most significant innovations currently introduced into the Integrated Company is the standard Procurement and Supplies Management System (PSMS). Elaboration thereof is carried out within the VVER-TOI Project and is oriented to foreign construction projects. PSMS is an integrated platform with a set of tools for cooperation of all participants of NPP construction project: designer, purchasers, engineering and construction companies, etc. PSMS is controlled by means of the SmartPlant Materials information platform.

The main tasks to be solved by the Procurement and Supplies Management System:

- Elaboration of an integrated solution for management of material supplies, logistics and relationship with suppliers;
- Development of a unified platform for cooperation of all project participants;
- Reduction in costs of project execution and time of work performance, increase in risk management efficiency, and gaining advantage on complex highly competitive markets;
- Assurance of easy access to data on materials and equipment for each department or functional unit of an enterprise.

The total volume of financing of the System from the VVER-TOI Project budget funds amounts to 83.4 million rubles. Additional financing to provide staged and trial application of the System is made at the Company's expense.

In 2012 work on elaboration of the Procurement and Supplies Management System was carried out in two directions approved by the VVER-TOI Governing Board:

1. Development of the Procurement and Supplies Management System to be applied in the territory of Russia;
2. Development of the Procurement and Supplies Management System to be applied abroad.

2013 plans on further elaboration of the Procurement and Supplies Management System on the basis of SmartPlant Materials software include:

- Holding of open tender for improvement of the SmartPlant Materials platform;
- Improvement of the SmartPlant Materials platform;
- Carrying out of tender procedures within the frames of execution of the Procurement and Supplies Management System;
- Elaboration of possibility to download the reports from SmartPlant Materials in xls format;
- Holding of tender of work execution for elaboration of locks against unauthorized access, mass mail distribution and junk mail;
- Integration with Atomsmeta[13] Complex;
- Integration with accounting system of the enterprise.

Pilot commissioning of the Procurement and Supplies Management System in the Integrated Company is scheduled for 2013 within the database of the Belarusian NPP.

[13] The unified costing complex of the nuclear industry companies which permits to use the integrated method of costing documentation control within the full accounting chain, including application of a single approach to cost formation for various facilities of the nuclear industry.

7 Development of Capitals

НИЭП

Built as Required

Development of five capitals is described in the Integrated Company's business-model (see Section 4. Business-Model):

- Financial;
- Production;
- Human;
- Natural;
- Social and economic.

Increase in and expenditure of capitals takes place as a result of actions on value increment. According to the terminology defined in the prototype standard of integrated reporting, each type of capital is determined as follows:

- **Financial capital** consists of monetary funds used by the Company to carry out its activity;
- **Production capital** inlcudes production physical and infrastructure objects available to the Company and applied in its activity, as well as projects providing for effective production activity management;
- **Human capital** is the staff of the Company;
- **Social and economic capital** means social and economic relations of the Company with local communities and suppliers and contractors in regions of operation;
- **Natural capital** implies natural physical objects (water, air, soil, energy resources) applied by the Company in its activity and subject to effects of this activity.

7.1. Financial Capital[14]

All in all, a positive dynamics of financial and economic indices is observed due to expansion of production activity coverage as a result of formation of the NIAEP Moscow Branch. Consequently, we observe increase in proceeds from other services, growth in volume of design and survey work on new projects (Belarusian NPP, Nizhny Novgorod Project Contract), and conclusion of the contract for elaboration of detailed design documentation for the Baltic NPP.

In 2012 the proceeds of NIAEP amounted to 38,683.9 million rubles, which is 9.6% higher compared to the same index in 2011 (35,304.7 million rubles). In 2012 the net profit increased by 91.6% compared to the net profit in 2011 and amounted to 1,355.9 million rubles against 707.6 million rubles accordingly. The net profit margin increased from 2.0% in 2011 to 3.5% in 2012 (see Tables 7.1 and 7.2).

Table 7.1. Financial Results of NIAEP Activity[15]

Index	2010	2011	2012	2012/2011, %
Revenues from sales, million rubles	41,081	35,304.7	38,683.9	109.6
Cost of sales, million rubles	37,623	33,208.7	35,535	107.0
Gross profit, million rubles	3,458	2,096	3,149	150.2
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), million rubles	1,132.1	474.7	1,088.6	229.3
Net profit, million rubles	776	708	1,355.9	191.5

Table 7.2. Created and Divided Direct Economic Value, million rubles

Index	2010	2011	2012
Income	41,496	36,085	40,114
Divided economic value	41,375	36,117	39,137
Operating costs (payments to suppliers and contractors, expenditures for materials procurement)	36,400	32,574	32,854
Wages and other payments and benefits to employees	1,980	1,856	3,007
Payments to suppliers of capital (payment of dividends)	940	656	582
Payments to state (gross tax payments)	886	1,322	5,664
Investment in communities, including donations	125	83	84
Undivided economic value	121	-32	977

[14] Information in Chapter 7.1 Financial Capital is given with regard to JSC NIAEP.
[15] Indices are calculated in accordance with the data of the 2012 accounting records prepared for the purpose of generation of State Corporation ROSATOM consolidated statements. Deviations of indices taken from the accounting records submitted to tax, statistical and other public authorities are insignificant.

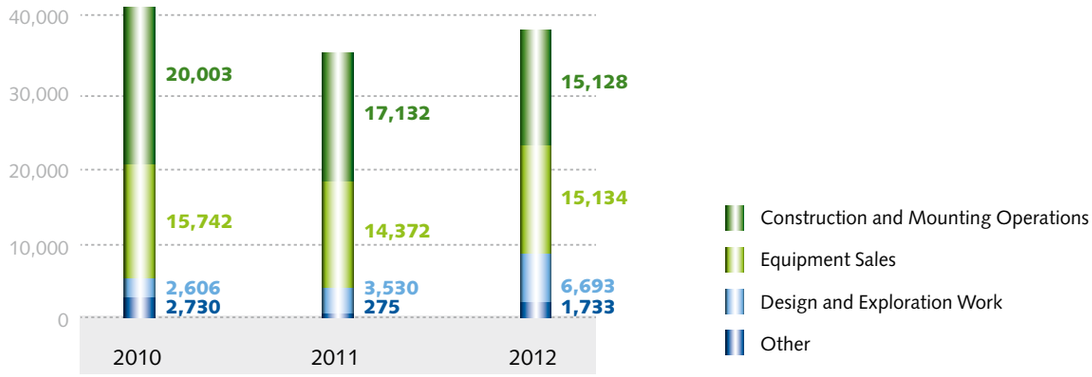


Fig. 7.1. Dynamic Structure of NIAEP Proceeds over 2010–2012

Compared to 2011, in 2012 increase in proceeds in the segments "Equipment Sales", "Design and Exploration Work" and "Other" amounted to 5.3%, 89.6% and 530% accordingly. At the same time the proceeds in the "Construction and Mounting Operations" segment decreased by 11.7%.

Table 7.3. Performance Indices

Index	2010	2011	2012
Efficiency of labor, million rubles/person	18,123	14,492	12,580
Internal performance (added value),%	8	6,3	12.6

According to the 2012 results, the index of return on assets (ROA) amounted to 1.73%, which is almost twice as high as in 2011. The increase in this index is connected with increase in the net profit by 91.6% from 707.6 million rubles in 2011 to 1,355.9 million rubles, whereas the amount of assets of the Company remained almost unchanged: 78,727.1 million rubles in 2011 and 78,288.7 million rubles in 2012. At the same time, decrease in this index in 2011 to 0.9% compared to 1.97 in 2010 is conditioned by the drastic increase in the amount of the Company's assets from 39.376,4 million rubles in 2010 to 78.727,1 million rubles in 2011, while the net profit has slightly decreased from 776.3 million rubles to 707.6 million rubles accordingly. A significant growth in assets is connected with advance financing received for current and new projects.

The 2010–2012 dynamics of the return on equity (ROE) index was conditioned by the net profit received in the reporting period and change in the Company's equity capital. The equity in its turn was formed by the Company's charted and surplus capital which remained unchanged in the analyzed period and the amount of net profit minus dividends paid (undivided profit). Thus, in 2010, when net profit amounted to 776.3 million rubles, and equity equaled to 2,811.8 million rubles, the ROE index value amounted to 27.61%. In 2011 reduction in index was insignificant due to a small growth in the Company's equity to 2,863.4 million rubles, and net profit amounted to 707.6 million rubles. In 2012 due to significant growth in net profit to 1,355.9 million rubles with an increase in equity by 770.8 million rubles to 3,634.2 million rubles, the ratio reached the value of 37.31. It shall be also noted, that 2011 the dividends were paid for 2010 in the amount of 656.2 million rubles, and in 2012 dividends paid for 2011 equaled to 585.2 million rubles. Decision on payment of dividends in 2012 will be taken in 2013. Profit margin value is given in Table 7.4.

Table 7.4. Return Indices

Index	2010	2011	2012
Return on sales (ROS),%	1.89	2	3.5
Return on assets (ROA),%	1.97	0.9	1.7
Return on equity (ROE),%	27.6	24.72	37.1
EBITDA return,%	2.7	1.34	2.8

Table 7.5. Liquidity Indices

Index	2010	2011	2012
Current liquidity ratio	1.04	1.05	2.23
Quick assets ratio	0.85	1.6	0.99

The growth in current liquidity ratio is connected with an insignificant change in the NIAEP balance structure, namely reduction in short-term liabilities of the Company by 5,457.5 million rubles as a result of return of recurring advances gained in the balance sheet line "Other Long-Term Liabilities" (+ 4,248.2 million rubles). At the same time, the amount of current assets of the Company has reduced by 1,433.3 million rubles only.

According to the results of 2012, the quick assets ratio reduced to 0.99 due to reduction in the line "Financial Investments" from 30,320 million rubles as of December 31, 2011 to 18,200 million rubles as of December 31, 2012. Funds in the amount of 12,120 million rubles were allocated for advance payments to counteragents, mainly long-term ones. Consequently, long-term receivable which is not taken into account during calculation of the quick assets ratio has increased by 12,034 million rubles in 2012, and current receivable has increased by 1,760 million rubles only, which led to reduction in ratio.

7.2. Production Capital[16]

Development of NIAEP production capital is aimed at achievement of the strategic goals both of the Company and of State Corporation ROSATOM in whole. Increase in production capital was achieved through execution of investment programs.

Making Investment Decisions

Investment decisions in NIAEP are made on the basis of the approved Investment Program. The Investment Program for 2012–2016 was approved during the Board meeting of State Corporation ROSATOM (Minutes of the meeting No. 62 of December 22, 2011).

2012 NIAEP entered the unified hierarchical investment management structure of State Corporation ROSATOM in the capacity of Financial Responsibility Center-2 "Foreign Construction". In 2012 the project approach was introduced to investment projects management (introduction of the Company's Standard on Investment Activity Management No. 35.02-12).

Execution of Investment Projects in 2012

The investment projects are financed from the NIAEP equity capital (amortization and profit). In addition, leasing tools are used.

In 2012 within the NIAEP Investment Program the Company's investment projects were reviewed and rescheduled up to 2017 (see Table 7.6).

Motorization of Construction Sites for Performance of Construction and Mounting Operations

Within this project NIAEP shall be provided with the necessary mechanisms of high lifting capacity, equipment and rigging for performance of construction and mounting operations during construction of generating units. It is planned to purchase construction machines, sometimes unique ones, for performance of general contractor functions, including provision of subcontracting organizations with expensive machines on a rental basis. Execution of the project excludes the risk of violation of the construction deadlines set by the customer, as it permits to conclude contracts with highly qualified subcontractors, whether they posses expensive construction machines or not.

Purchase of Equipment and Machines for Design and Exploration Work

Within the frames of this project it is planned to purchase special equipment and machines for performance of field surveys. The main scope of exploration work is carried out within the first two or three years from the moment

Table 7.6. Investment Projects Executed by NIAEP

Investment Project	Investment within the Project (excl. of VAT), Million Rubles		
	2009–2011	2012	Total (2009–2017)
Motorization of construction sites for performance of construction and mounting operations	684	185	4,565
Equipment for design and exploration work	72	5	210
IT-projects	718	463	4,681
Infrastructure development	378	67	908
Total:	1,851	720	10,364

[16] Information in Chapter 7.2. Production Capital is given with regard to JSC NIAEP.

of decision making on location of NPP construction site (substantiation of site location safety and parameters for making project decisions on NPP structures and equipment, creation of monitoring networks for control over environmental parameters significant for NPP safety). Further work is carried out within monitoring of facilities construction and operation. The project provides for procurement of geodesic equipment, drilling equipment, and measuring devices.

IT Projects

Within the frames of this direction it is planned to purchase modern software for development of key competences in the field of designing and engineering, to provide NIAEP employees with modern computers and office machines, develop communication means, including construction of telecommunication infrastructure of NIAEP branches for implementation of field engineering functions.

Infrastructure Development

Execution of the project provides for performance of a number of activities aimed at reconstruction of buildings and structures, improvement of labor conditions, purchase of motor vehicles for uninterruptible day-to-day operation, and development of infrastructure on construction sites.

2013 Arrangements

In 2013 it is planned to actively purchase modern equipment and machines on the basis of leasing procedures. Application of leasing shall intensify re-equipment of key assets and is aimed at keeping of leading positions on the market of engineering services.

In 2013 NIAEP investment management will be performed in strict compliance with the Standard of the Company.

7.3. Human Capital[17]

7.3.1. Human Capital Description

A total of 5,239 specialists and qualified workers work in NIAEP. 1,789 specialists work in the Central Office. The total number of employees in branches and representations amounts to 1,590 people; the number of staff in subsidiaries equals to 1,860 people.

Table 7.7. NIAEP Employees According to Sex and Age as of December 31, 2012

Category of Employee	Up to 30 years				31–50 years				51 and older			
	M	F	Total	Average Age	M	F	Total	Average Age	M	F	Total	Average Age
Managers	44	25	69	28.3	307	148	455	40.3	214	85	299	56.9
Specialists	401	405	806	26.8	348	536	884	38.6	158	241	399	57.4
Office workers	–	14	14	26.1	5	24	29	39.7	2	16	18	55.6
Workers	33	26	59	26.4	130	66	196	41.2	91	60	151	55.4

Table 7.8. NIAEP Employees According to Sex, Average Age of Employees According to Categories as of December 31, 2012 (Excluding Subsidiaries and Affiliates)

Category of Employee	Male	Female	Average Age
Managers	565	258	45.3
Specialists	907	1,182	37.6
Office workers	7	54	41.3
Workers	254	152	44.3

Table 7.9. Number of NIAEP Employees According to Type of Employment, Labor Contract, Region of Operation and Sex as of December 12, 2012 [18]

Region of Operation	Contract Type						Total
	Permanent			Fixed-Term			
	M	F	Total	M	F	Total	
Total number	2,906	1,704	4,610	388	241	629	5,239
JSC NIAEP:	1,490	1,450	2,940	241	198	439	3,379
Nizhny Novgorod	788	848	1,636	47	45	92	1,728
Central Office	784	844	1,628	47	45	92	1,720
St. Petersburg Representation	4	4	8	–	–	–	8

[17] In Chapter 6.3 Human Capital all data on JSC NIAEP and JSC ASE are given separately.
[18] Employees of the Company may occupy remote positions in other branches.

Region of Operation	Contract Type						Total
	Permanent			Fixed-Term			
	M	F	Total	M	F	Total	
Moscow	279	256	535	–	2	2	537
Central Office	8	4	12	–	–	–	12
Moscow Branch	242	239	481	–	–	–	481
Moscow Representation	29	13	42	–	2	2	44
St. Petersburg	23	10	33	–	1	1	34
St. Petersburg Representation	23	10	33	–	1	1	34
Volgodonsk, Rostov Region	306	243	549	10	12	22	571
Central Office	22	4	26	–	1	1	27
Volgodonsk Branch	278	234	512	10	11	21	533
Volgodonsk Representation	6	5	11	–	–	–	11
Sovetsk, Kaliningrad Region	31	17	48	69	56	125	173
Baltic Branch	31	17	48	69	56	125	173
Udomlya, Tver Region	22	59	81	–	1	1	82
Central Office	11	19	30	–	–	–	30
Udomlya Branch	11	40	51	–	1	1	52
Uvelsky Settlement, Chelyabinsk Region	23	10	33	45	37	82	115
Yuzhnouralsk Branch	23	10	33	45	37	82	115
Ostrovets, Republic of Belarus	12	7	19	70	44	114	133
Representation in the Republic of Belarus	12	7	19	70	44	114	133
Kharkov, Ukraine	6	–	6	–	–	–	6
Kharkov Representation	6	–	6	–	–	–	6
Subsidiaries and Affiliates of JSC NIAEP	1,416	254	1,670	147	43	190	1,860
Volgodonsk, Rostov Region	1,232	200	1,432	106	31	137	1,569
Construction and Erection Department No. 1 LLC	692	119	811	106	31	137	948
Volgodonsk Erection Department LLC	540	81	621	–	–	–	621
Udomlya, Tver Region	42	34	76	–	–	–	76
Construction and Erection Department No. 2 LLC	42	34	76	–	–	–	76
Sovetsk, Kaliningrad Region	142	20	162	–	–	–	162
Baltic Branch, Construction and Erection Department No. 1 LLC	142	20	162	–	–	–	162
Visaginas, Lithuania	–	–	–	41	12	53	53
Lithuanian Branch, Construction and Erection Department No. 1 LLC	–	–	–	41	12	53	53

Table 7.10. Number of ASE Employees According to Region and Sex

Total Number as of December 12, 2012	Moscow			Other Regions of Russia			Abroad		
	Total	M	F	Total	M	F	Total	M	F
677	244	111	133	32	17	15	401	287	114

Table 7.11. Number of JSC ASE Employees According to Type of Contract and Type of Employment

Total Number	Type of Contract				Type of Employment	
	Prime Contract of Employment	Part-Time Work	Temporary	Permanent	Full-Time	Part-Time Employment
677	673	4	404	273	673	4

Table 7.12. NIAEP Turnover According to Region and Sex in 2012

Subdivisions	Average Number in 2012, People	Number of Discharged, People	Turnover Ratio in 2012,%	Male		Female		Ratio of New Employees, %
				Discharged, People	Turnover Ratio,%	Discharged, People	Turnover Ratio,%	
Total Number	3,074.9	246	8.00	129	7.9	117	8.05	41.4
Central Office, Nizhny Novgorod	1,578.6	54	3.42	30	3.75	24	3.08	14.4
Baltic Branch, Sovetsk	136.6	11	8.05	6	7.05	5	9.69	57.2
Volgodonsk Branch, Volgodonsk	501.1	51	10.18	24	8.79	27	11.83	21.6
Moscow Branch, Moscow	475.6	96	20.19	51	20.05	45	20.34	120.8
Udomlya Branch, Udomlya	205.6	16	7.78	3	3.19	13	11.65	3.8
Yuzhnouralsk Branch, Uvelsky Settlement	36.7	6	16.35	6	27.78	0	0.00	98.3
Representation in the Republic of Belarus, Ostrovets	57.1	8	14	6	10.5	2	3.5	100
Volgodonsk Representation, Volgodonsk	12.2	1	8.20	0	0	1	19.23	9.1
Moscow Representation, Moscow	32.6	4	12.27	4	17.16	0	0.00	84.1
St. Petersburg Representation, St. Petersburg	32.8	3	9.15	2	8.69	1	10.20	71.4
Kharkov Representation, Kharkov	6	0	0.00	0	0.00	0	0.00	16.7

According to a Collective Labor Agreement while dismissing a employee because of staff optimization the employer gives him employment assistance, including among others the placement in companies from the profile of State Corporation Rosatom.

Age and Education of Employees

The share of NIAEP employees aged under 35 increases yearly. NIAEP is interested in attraction and retention of young specialists, including graduates of institutions of higher education. Detailed information on work with young people is given in Chapter 7.3.2. HR Management.

Among the employees of NIAEP there are 28 candidates of sciences, 1 doctor of sciences, and 3 specialists holding an MBA degree.

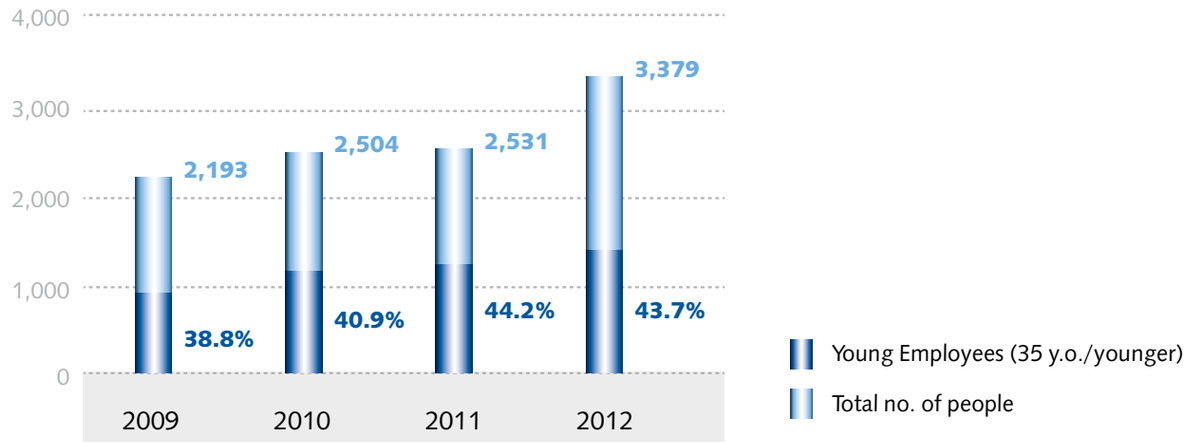


Fig. 7.2. Dynamics of Number of NIAEP Employees Aged under 35

Table 7.13. Share of NIAEP Employees with Higher Education According to Branches and Representations,%

Subdivision	2010	2011	2012
Central Office	67.7	70.3	87.2
Moscow Branch [19]	–	–	87.1
Volgodonsk Branch	49.5	54.4	60.6
Baltic Branch	–	76.7	79.1
Udomlya Branch	43	46.5	53.8
Volgodonsk Representation	61.7	46.7	54.5
Kharkov Representation	–	100	100
Yuzhnouralsk Branch	–	–	71
Representation in the Republic of Belarus	–	–	75.9

[19] The Moscow Branch was established in 2012.

Gender Composition

1,910 women and 2,146 men are employed by NIAEP-ASE Integrated Company (41.1% of women and 52.9% of men).

Table 7.14. Number of Employees According to Sex

Company	2010			2011			2012		
	M	F	Total:	M	F	Total:	M	F	Total:
NIAEP	1,185	1,319	2,504	1,254	1,277	2,531	1,731	1,648	3,379
ASE	1,027	637	1,664	617	422	1,039	415	262	677
Total:	2,212	1,956	4,168	1,871	1,699	3,570	2,146	1,910	4,056

7.3.2. HR Management

The main strategic goal in the field of HR management is achievement of NIAEP competitive advantage through increase in effectiveness and qualification of employees with preservation of key competences. The main management tasks of HR management are specified in Table 7.15.

Table 7.15. Main Management Tasks of HR Management

Management Tasks in the Field of HR Management	Efficiency in Solving Management Tasks in 2012
Provide the Company with qualified employees in full scope and in accordance with needs, also by attracting young specialists	1. Increase in percentage of hiring of graduates from higher and specialized secondary educational institutions. 2. Activities were elaborated and executed on attraction, adaptation and development of young specialist. 3. Staff training system was elaborated including unified training programs, planning, organization, control and reporting. 4. Models of technical qualification and profiles of positions were elaborated, used when selecting staff.
Increase efficiency of the remuneration and compensation system	1. Unified matrix of labor remuneration was approved with consideration of external (market) and internal factors. 2. Unified standards of social programs were elaborated and introduced.
Increase efficiency of the Company through increased labor productivity	1. Unified organizational structure was approved. 2. Standards were elaborated on the number of employees performing the corresponding functions. 3. Availability of program on the number of employees for each project within the whole period of construction in accordance with work schedule.

Social and labor relations in NIAEP are regulated by the following documents:

- Labor Code of the Russian Federation;
- Industry-Specific Agreement on Nuclear Energy, Industry and Science for 2012–2014;
- NIAEP Charter;
- NIAEP Regulations on Internal Labor Order;
- NIAEP Code of Corporate Conduct;
- Company's Standard No. 25-01-12 Staff Training (approved on September 30, 2012);
- Company's Standard No. 25-02-12 Arrangement of Recruitment, Hiring and Adaptation of Staff (approved on December 26, 2012);
- Provision on Certification of Managers and Specialist of JSC NIAEP approved by Order No. 697 of August 8, 2011;
- Provision on Annual Performance Assessment of JSC NIAEP Employees approved by Order No. 40/250-P of March 30, 2012;
- Collective Agreement for 2013–2014.

In social partnership the NIAEP employees are represented by the Trade Union. The primary association of employees of the nuclear power engineering and industry is registered in the Company. The NIAEP administration creates the conditions necessary for operation of the Trade Union and takes into account its opinion in cases stipulated by legislation.

For the second year in a row within the project of State Corporation ROSATOM, NIAEP participates in the survey on staff involvement of its employees. Involvement means personal interest of employees in achievement of the Company's strategic goals and is directly connected with financial results. According to a 2012 survey, the level of involvement in NIAEP amounted to 80%, which is 18% higher as compared to the industry in whole. Thanks to the high level of involvement the Company entered the number of organizations participating in the international survey which were awarded the title of the Best Employer.

Remuneration

An effective system of labor remuneration and compensations is applied in NIAEP providing for adequate wage level and encouraging the employees to achieve the NIAEP strategic and operating goals. The Provision on Labor Remuneration to the NIAEP Employees is elaborated in accordance with the Unified Labor Remuneration System of State Corporation ROSATOM (ULRS).

The ULRS has been applied in ASE since October 1, 2012. Within preparation for introduction of the system the following activities were carried out in ASE:

- Evaluation and ranging of positions, elaboration of an ASE positions classification;
- Preparation for the analysis of current and ULRS-planned wages paid to the ASE employees;
- Elaboration of a matrix of wages paid to the ASE employees in Russian and foreign currencies;
- Elaboration and approval of the Provision on Labor Remuneration to the ASE Employees, Regulation ASE.004-2012;
- Elaboration and approval of the Provision on Assessment of Monthly Key Tasks, Regulation ASE.005-2012.

In 2012 the average wage in JSC NIAEP amounted to 81,480 rubles (see Table 7.16).

Stable involvement is a true reflection of the situation in the Company, where the main factors of success include satisfaction of employees with the top management having a clear vision of the future, attractive image of NIAEP on the labor market and on the product market, trust of employees in the long term stability and success of NIAEP.

Table 7.16. Average monthly wages at JSC NIAEP

Region	2010			2011			2012		
	Average Number of Employees	Labor Remuneration Fund (Ths. Rub.)	Average Monthly Wage (Ths. Rub.)	Average Number of Employees	Labor Remuneration Fund (Ths. Rub.)	Average Monthly Wage (Ths. Rub.)	Average Number of Employees	Labor Remuneration Fund (Ths. Rub.)	Average Monthly Wage (Ths. Rub.)
Nizhny Novgorod Region	1,294.4	1,347,959.92	86.782	1,446.82	1,539,457.35	88.669	1,644.00	1,934,555.79	98.061
Rostov Region	524	292,684.02	46.546	496.08	232,308.87	39.024	513.30	247,140.07	40.123
Tver Region	448.5	233,103.06	43.312	477.98	265,940.09	46.365	205.60	164,558.39	66.698
Kaliningrad Region	–	–	–	10.13	11,587.56	95.324	136.60	104,706.73	63.877
Kharkov Region	–	–	–	4.5	3,620.64	67.049	6.00	5,858.77	81.372
Moscow	–	–	–	–	–	–	475.60	499,025.81	87.438
JSC NIAEP Representation in the Republic of Belarus	–	–	–	–	–	–	57.10	30,678.20	44.773
Chelyabinsk Region	–	–	–	–	–	–	36.70	20,044.70	45.515
Total	2,266.9	1,873,747.00	68.881	2,435.51	2,052,914.51	70.242	3,074.90	3,006,568.46	81.48

Table 7.17. Ratio of Basic Wages in NIAEP Central Office According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	29,250	39,300	1.3
Specialists	21,750	21,750	1.0
Other office staff	19,250	10,300	0.53
Workers	7,200	7,200	1.00

Table 7.18. Ratio of Basic Wages in NIAEP Belarusian Representation According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	23,200	14,600	0.63
Specialists	14,600	17,100	1.17
Office staff	14,600	–	0.00
Workers	7,200	7,200	1.00

Table 7.19. Ratio of Basic Wages in NIAEP Baltic Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	18,800	14,600	0.78
Specialists	13,300	14,600	1.09
Office staff	14,600	–	0.00
Workers	7,200	7,900	1.09

Table 7.20. Ratio of Basic Wages in NIAEP Udomlya Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	14,600	23,200	1.59
Specialists	13,300	18,800	1.41
Office staff	14,600	–	0.00
Workers	7,200	7,200	1.00

Table 7.21. Ratio of Basic Wages in NIAEP Moscow Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	24,400	26,600	1.09
Specialists	24,400	21,750	0.89
Office staff	21,750	–	0.00
Workers	19,250	21,750	1.13

Table 7.22. Ratio of Basic Wages in NIAEP Yuzhnouralsk Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	14,600	32,000	2.19
Specialists	14,600	17,100	1.17
Office staff	17,100	–	0.00
Workers	–	13,300	0.00

Table 7.23. Ratio of Basic Wages in NIAEP Volgodonsk Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	14,600	23,200	1.59
Specialists	13,300	13,300	1.00
Office staff	7,900	11,700	1.48
Workers	7,200	7,900	1.10

Differences in basic wages of various staff categories are connected with the fact that in 2012 positions taken by male employees and female employees belonged to various grades. For instance, the minimum wage of a female manager refers to grade 14 (stock manager, logistics manager), and of a male manager to grade 11 (production manager, master). In 2012 no men occupied the positions of stock manager and logistics manager. Wages of men and women within one grade are equal.

The NIAEP Provision on Labor Remuneration provides for unified principles in organization of labor remuneration and financial incentives of the employees and establishes the wage rate determination procedure.

The wage includes:

- Position wage rate;
- Incentive payment:
  - Integrated incentive markup (IIM);
  - Integrated incentive markup for fulfillment of performance targets (IIM PT);
- Motivational payments:
  - Bonus for fulfillment of key performance indices (KPI);
  - Bonus for fulfillment of very important task;
- Compensatory payments for fulfillment of work in conditions other than normal (including markups for work with information presenting a state secret);
- Other payments stipulated by the Labor Code of the Russian Federation.

The KPI system is aimed at achievement of Integrated Company's strategic goals through placement of tasks to managers and workers and provision of correlation of these tasks with the Company's goals.

The amount of wage rate, IIM, and bonuses for KPI fulfillment depend on the level of an employee's position, his or her professional competences and effectiveness.

Each position and profession of a certain qualification category in the corporate schedule of NIAEP is assigned a grade and inter-grade zone. The position (profession) grade is based on characteristics of this position (profession) and its value for NIAEP. The inter-grade zones are used to range the structural subdivisions and single positions (professions) according to priority.

The IIM is introduced as an instrument helping to determine the money remuneration of an employee corresponding to his or her professional competence and effectiveness of labor (professional status). The IIM PT is generally paid to workers of large production subdivisions.

The employees are given bonuses pursuant to the results of KPI fulfillment once a year. The NIAEP key performance indices are described in the NIAEP President Map of KPI and translated or decomposed to subordinated workers and structural subdivisions. Fulfillment of key goals and KPI by a worker or structural subdivision leads to fulfillment of goals and KPI of NIAEP in whole or top managers. The key performance indices are established for one year in accordance with the major goals of a worker or structural subdivision and functional workload (see Table 7.24).

Table 7.24. Fulfillment of KPI by President of NIAEP in 2010–2012

Year	Total of KPI fulfillment
2010	0.8957
2011	1.1161
2012	1.0646

Due to the fact that the key performance indices of the Vice-President are built on the principle of the President KPI decomposition, the final ratios are also connected with the level of fulfillment of the President KPI. The amount of bonus directly depends on the ratio of KPI fulfillment. Thus, remuneration of a top-manager of the Company will directly depend on fulfillment of the assigned tasks.

For the purpose of flat incentives the employees may receive bonuses for fulfillment of very important tasks pursuant to the Decision of the NIAEP President. The very important tasks include tasks connected with special requirements for time-frame and quality and imposing higher responsibility on the executing employee.

The approach to labor remuneration of top managers is equal to the approach of labor remuneration of other workers. The incentive system for top managers and other managers is based on ULRS. The wage of top managers includes a fixed part and an annual bonus, with the amount of the latter depending on KPI performance.

Issues connected with President labor remuneration are regulated by the Labor Agreement, Decisions of the Board of Directors and Provision on Labor Remuneration of NIAEP.

One of the basic principles of the labor remuneration system in NIAEP consists in assurance of equal opportunities for various age-sex groups.

Staff Training

The staff professional training and development system is elaborated and updated with consideration of tasks and strategic priorities of NIAEP. The staff training system is applied in NIAEP which covers all levels of the Company's staff and includes assessment of training effectiveness. This system is constantly updated in connection with rapidly changing market conditions.

The activity on staff training in NIAEP is regulated by Company's Standard No. 25-01-12 Staff Training.

1,429 NIAEP employees have improved their professional skills and received training in educational centers of State Corporation ROSATOM and other organizations in 2012 (see Table 7.25).

Main training courses called for in 2012:

- Planning and control with application of Primavera, basic course;
- Planning and control with application of Primavera, advanced course;

Table 7.25. Number of NIAEP Employees Who Received Training

Offices and branches	2010	2011	2012
Central Office	418	586	951
Moscow Branch	0	0	149
Volgodonsk Branch	84	101	187
Baltic Branch	0	0	97
Yuzhnouralsk Branch	0	0	20
Representation in the Republic of Belarus	0	0	25

- Elaboration of estimate documentation for construction, repair and construction, mounting and commissioning operations;
- Environmental management system, internal audit in accordance with international standards ISO 14001:2004, ISO 19001:2011, and OHSAS 18001:2007;
- Management of procurement activity in nuclear power industry on the basis of the Unified Industry-Specific Procurement Standard.

Additional target training in the field of IT applied in NIAEP was provided to 80 managers in 2012. The training was arranged in June and October in the Volgodonsky and Baltic Branches on the following subjects:

- Production logistics;
- Innovative methods of management and designing;
- Management and engineering of complex technical facilities;
- Introduction of information technologies into designing and production.

Lectures and practical training were carried out by the highly qualified employees of NIAEP and leading lecturers of the Nizhny Novgorod Alekseev State Technical University. The training took place in both full-time and remote modes (with application of remote means of communication).

In 2012 NIAEP training expenditures amounted to 13,807 thousand rubles or 0.3% of the remuneration fund. In 2012 expenses for training of one employee with consideration of external and internal education excluding expenses for obligatory education amounted to 3,800 rubles (2,720 rubles in 2010, 3,115 rubles in 2011).

The average number of training hours increases yearly (see Table 7.27).

In 2012 Globalization Leaders Development Program and Globalization Participants Development Program were launched. These programs are aimed at identification and development of specialists having skills in the field of international business. The programs on development of globalization leaders and participants provide for off-the-job training lasting 2-3 days every month. Experts with international experience from leading business schools are invited in the capacity of lecturers. In 2013 the participants of the programs received Industrial Expert of International Level certificates. 12 employees of NIAEP took part in the globalization leaders and participants development programs.

1 employee of NIAEP is studying at Skolkovo International Management School under the educational program Engineering Innovations Management in State

Table 7.26. NIAEP-ASE Expenses for Staff Training

Training Expenditure, Ths. Rub.	2010	2011	2012
NIAEP	6,140	7,961	13,807
Share of training expenditure of total expenses for staff,%	0.33	0.31	0.3
ASE	8,986	7,469	668
Share of training expenditure of total expenses for staff,%	0.55	0.28	0.12

Table 7.27. Average Number of Training Hours per NIAEP/ASE Employee

Category of Employees	2010 NIAEP	2011 NIAEP	2012	
			NIAEP	ASE
Managers	0.3	1.3	6.7	6.7
Specialists	7.9	17.2	9.8	5.6
Workers	9.9	16	22.4	3.9

Corporation ROSATOM. The program participants investigate contemporary models of arrangement of scientific and research activity which are applied in modern European countries.

Work with HR Reserve

Currently, growth of HR potential is one of the most significant tasks of NIAEP management. In 2012 HR reserve was approved in the Company.

During appointment of employees to managing positions in NIAEP, priority is given to internal candidates selected normally from the HR reserve. In 2012 27.4% of vacancies were filled by managers from the HR reserve (see Table 7.28).

In accordance with NIAEP Order No. 40\482-P of May 30, 2012 the initial program was approved on elaboration of corporate skills of the employees included in the HR reserve.

Within the frames of the approved program 27 employees from the NIAEP HR reserve received training in the period from September to November 2012. The program included 48 hours of training lessons on the following subjects:

- Efficient manager
- Effective communication
- Changes management
- Activity planning and arrangement.

Staff Assessment

The staff assessment system is applied in NIAEP and ASE. The results of assessment are used for decision making in the process of HR management.

Staff assessment is part of the employee effectiveness management model. The assessment system allows an employee to understand which results an employer expects from him or her and which criteria will be used to assess his or her performance, and to implement career expectations and obtain recognition.

In 2012 NIAEP-ASE managers and specialists participated in various assessment procedures:

- In accordance with the Order of State Corporation ROSATOM on Execution of the Integrated Program on Professional Development of Managers Working in the Industry and ROSATOM Reserve Development, 18 managers of NIAEP took part in the event aimed at assessment of managerial skills (Capsim business stimulation) within the TOP-1000 evaluation;
- In accordance with the NIAEP Order on Arrangement of Testing and Training for HR Reserve Employees, 84 NIAEP employees passed the test for determination of their level of managerial skills;
- In accordance with the NIAEP Order on Annual Assessment of Employees Performance, 218 employees of NIAEP and 119 employees of ASE participated in the annual assessment procedure REKORD (including 78% of men and 22% of women).

Plans for staff evaluation in 2013:

- 830 employees will go through the annual REKORD performance assessment procedure;
- 200 employees will be tested for determination of their level of managerial skills;
- Assessment of managers appointed to positions of the TOP-1000 level.

According to the performance assessment, the system of individual financial incentives of an employee can be reviewed; a decision can be made on his or her transfer to a higher position or on inclusion in the HR reserve.

Results of staff assessment are of great importance both for the NIAEP management, and for each single employee. Support of the assessment process by the top and middle management of NIAEP is the key factor of success of all assessment activities.

TTable 7.28. NIAEP HR Reserve Structure in 2012

HR Reserve Structure	Number of Employees in HR Reserve	Number of Vacancies for Managers Filled in 2012	Number of Vacancies for Managers Filled from HR Reserve in 2012	
			People	%
Top managers	10	13	10	77
Middle managers	327	93	19	20.4
TOTAL	337	106	29	27.4

Table 7.29. Share of NIAEP Employees Subject to Performance and Career Development Assessment

Year	2010	2011	2012
Share,%	3.9	8.7	6.5

Attraction of Young Specialists and Cooperation with Institutions of Higher Education

Planning its long-term development, NIAEP is eager to attract graduates of field-specific institutions of higher education.

In 2010 NIAEP instituted the Pozdyshev monthly grant in the amount of 5 thousand rubles. Currently, the grant is paid to 15 senior students from field-specific institutions of higher education: Nizhny Novgorod Alekseev State Technical University (NNSTU) and Nizhny Novgorod State Architecture and Construction University. All grant holders were selected on a competitive basis according to the results of assessment of progress in studies, public activity, and interest in profession.

In 2012 the Basic Chair of Lifecycle Management System for Complex Engineering Facilities was established in NNSTU. President of NIAEP V.I. Limarenko, Doctor of Economic Sciences, headed the Chair. Students of the University and employees of NIAEP study there.

In 2012 models of professional skills required to take engineering positions of designing subdivision were elaborated in cooperation with the employees of the Sarov Physical and Technical Institute of the National Research Nuclear University MEPhI (NRNU MEPhI). These models are applied during preparation and selection of graduates for employment in NIAEP.

In accordance with contracts between NIAEP and institutions of higher education, students from the following institutes and universities may undergo practical training in NIAEP:

- Russian Presidential Academy of National Economy and Public Administration (RANEPA);
- The Nizhny Novgorod State Architecture and Construction University (NNSACU);
- Nizhny Novgorod Alekseev State Technical University (NNSTU);
- Lobachevsky Nizhny Novgorod State University;
- Balakhna Polytechnic College;
- National Research Nuclear University MEPhI.

During the reporting period 85 people underwent all types of practical training in NIAEP.

250 senior students of the Volgodonsk Engineering and Technical Institute, National Research Nuclear University MEPhI, NNSTU, South-Russian State Technical University, Azov-Black Sea State Agricultural and Engineering Academy and Kostroma State Agricultural Academy worked on the Rostov NPP construction site within 5 construction teams from the beginning of July till the end of August 2012.

On the basis of contracts, 5 students of institutions of higher education underwent pre-degree practice and internship in ASE in 2012.

Plans on cooperation with institutions of higher education in 2013 are as follows:

- 300 students from different institutions of higher education will participate in work of construction student teams on construction sites of the Volgodonsk Branch;
- 100 students from different institutions of higher education will undergo internship in the NIAEP structural subdivisions;
- 40 senior students from two field-specific institutions of higher education (Nizhny Novgorod State Technical University and Nizhny Novgorod State Architecture and Construction University) will participate in elimination round for participation in the Pozdyshev Grant program;
- 55 students will proceed with education on the Basic Chair of Lifecycle Management System for Complex Engineering Facilities.

Table 7.30. Work with Students in 2012

Categories of students who underwent practical training	2010	2011	2012
Number of students who underwent practical training	97	107	85
Number of students employed according to the results of practical training	34	14	18
Number of students studying in institutions of higher education within programs of target preparation	25	35	42
Number of young specialist employed after graduation from institutions of higher education, including field-specific ones	62	36	89

Youth Policy

The NIAEP youth policy is focused on creation of conditions for attraction and retention, encouragement of initiative, improvement of professional skills and assistance in self-realization of young specialists.

The program of professional orientation and adaptation of young specialists was elaborated in NIAEP.

To help young professionals acquire the necessary professional skills quickly, NIAEP established the mentorship institute within which the most skilled employees are engaged in adaptation and training of newcomers.

In accordance with the Collective Agreement, the labor of mentors is remunerated: in 2012 mentorship expenses amounted to 291 thousand rubles.

Young specialists are actively engaged in scientific and innovative activity.

In June 2012 the 4th Scientific and Technical Conference of Young Scientists and Specialists of Nuclear Industry Team-2012 took place in St. Petersburg. The NIAEP delegation was represented by 7 young specialists. Anna Yuryevna Dodonova, Engineer of the Department for Filling of Catalogues of the Directorate for Informational Development Projects (DIDP), took first place in the section Economy and Procurement Activity.

In July 2012, 10 young specialists of NIAEP took part in the Second Youth Innovation Forum Forsazh–2012 organized at the initiative of State Corporation ROSATOM. The main goals of the Forum consisted in establishment of communication between employees of various divisions and shaping of notion on branch structure and operation of its parts.

Young specialists participated in field-specific creative and sport festivals and competitions.

2012 the young team of NIAEP took the first place at the Festival of Friendship arranged by State Corporation ROSATOM and NNSTU.

Table 7.31. Mentorship Expenses in 2010-2012, Ths. Rubles

	2010	2011	2012
Mentorship Expenses	170	420	291

Inter-Company Communications

Procedures for communication between employees and top managers are established in the Company. Employees may give recommendations to the highest managing body by means of internal electronic network.

In addition, the employees may lodge various complaints, including those referring to human rights, through this network and the Company's website or the Trade Union Committee.

Quarterly the Information Sharing Days are held in the Company. The managers of the Company and structural subdivisions answer the employees' questions by means of video materials prepared by State Corporation ROSATOM. The package of materials is formed to hand down the information to the subordinates in the most precise way.

7.3.3. Social Policy

The NIAEP activity in the field of social and labor relations is based on the Labor Code of the Russian Federation, the Industry-Specific Agreement on Nuclear Energy, Industry and Science for 2012-2014 and documents regulating the NIAEP activity, in particular the NIAEP Charter, the Regulations on Internal Labor Order, the Code of Corporate Ethics and the Collective Agreement.

All social benefits and guarantees to the NIAEP employees are formalized in the Collective Agreement and put into practice in accordance with the unified social policy of State Corporation ROSATOM within current social programs. Social benefits are provided to regular employees.

In social partnership the NIAEP employees are represented by the Trade Union. A primary association of employees of the nuclear power engineering and industry is registered in the Company. The NIAEP administration complies with the conditions necessary for operation of the Trade Union and takes into account its opinion in cases stipulated by legislation. The Youth Board and the Council of Veterans actively operate in the Company.

The NIAEP obligations as an employer in the field of social guarantees and benefits to the employees are formalized in the Collective Agreement and Annexes setting forth specific sums and payment procedures. The provisions of the Agreement apply to all NIAEP employees independent of their membership in the Trade Union. Thus, 100% of employees are covered by social programs.

In December 2012, upon collective negotiations, a conference of employees was carried out to sum up the results of execution of the NIAEP Collective Agreement in 2010–2012 and to adopt the Agreement for 2013-2014. In the course of the conference the delegates unanimously acknowledged that administration's obligations on execution of Collective Agreement for 2010–2012 had been fulfilled. The Collective Agreement for 2013–2014 stipulates new types of one-time social benefits, monthly payments to employees being on maternity leave, benefits to employees in case of serious diseases of a child, increase in payments to veterans, and other benefits.

The Collective Agreement stipulates that the Agreement itself and all changes and amendments to it shall be brought to the notice of the employees within one month from the date of signing. Sharing of information is executed by means of allocation of the document's full text in the electronic network of the Company. In addition, regulatory acts of NIAEP reflecting all significant changes in the Company's activity shall also be uploaded to the internal electronic network on the date of signing.

The volume of monetary funds allocated by NIAEP for activities of social nature increases annually (see Fig. 7.3).

In 2012 the amount of social benefits per one employee was 19% higher compared to the same index achieved in 2011. In 2013 it is planned to further increase this value. A significant part of payments refers to material assistance to the employees.

The volume of financing of social programs according to directions over 2010–2012 is shown in Figure 7.5.

In 2012 the most considerable increase was achieved in respect of expenses for social support of the employees. This is mainly considered by increase in number of the Company's staff.

In 2012 the program on assistance to the Company's employees in procurement of lodgings was updated and approved. Approval of the reviewed program made it possible to provide the employees with interest-free loans for initial installment for procurement of lodgings. In 2012 nearly 6 million rubles were allocated for execution of this program, and over 40 employees got reimbursed for payment of interests on mortgage loans. According to the results of application campaign, in 2012 the number of the program participants increased by 37 people, and the total majority is represented by the employees aged under 35.

A significant part of payments refer to material assistance to employees. In the reporting period, 660 material assistance payments were made in the total amount of 16 million rubles. All payments were made in accordance with the Provision on Rendering Material Assistance.

NIAEP made sequential contribution to execution of the state family, maternity and childhood support policy. Employees receive 25 thousand rubles in case of marriage and 55 thousand rubles in case of childbirth. In

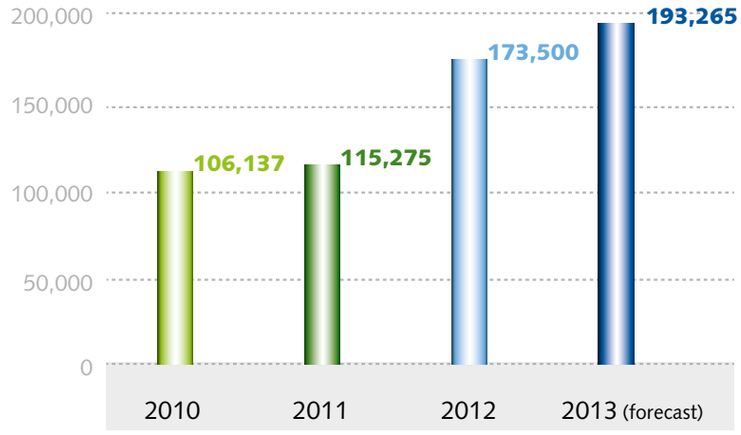


Fig. 7.3. Total Social Expenses of NIAEP, Ths. Rub.

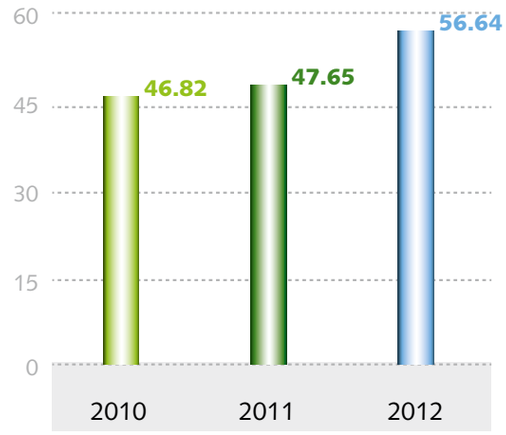


Fig. 7.4. Total Social Benefits per Employee, Ths. Rub.

the reporting period the allowance to families with three and more children under 18 years old amounted to 36 thousand rubles per year for each child (see Fig. 7.6).

In the reporting period child-care leave in the Company was granted to women only. Only women as well were among the employees who returned after child-care leave within 2012.

NIAEP considers it important to encourage effective and creative labor of its employees. The amount of incentive payments pursuant to state or departmental rewards for special labor achievements and great personal contribution to execution of production plans amounted to 3.1 million rubles in the reporting period.

Within a number of years the Company concluded contracts with insurance medical companies on organization and payment of medical assistance to the employees. The number of VMI-insured employees increases yearly. The employees of the Central Office, branches and representation are insured according to unified programs. Funds allocated for voluntary medical

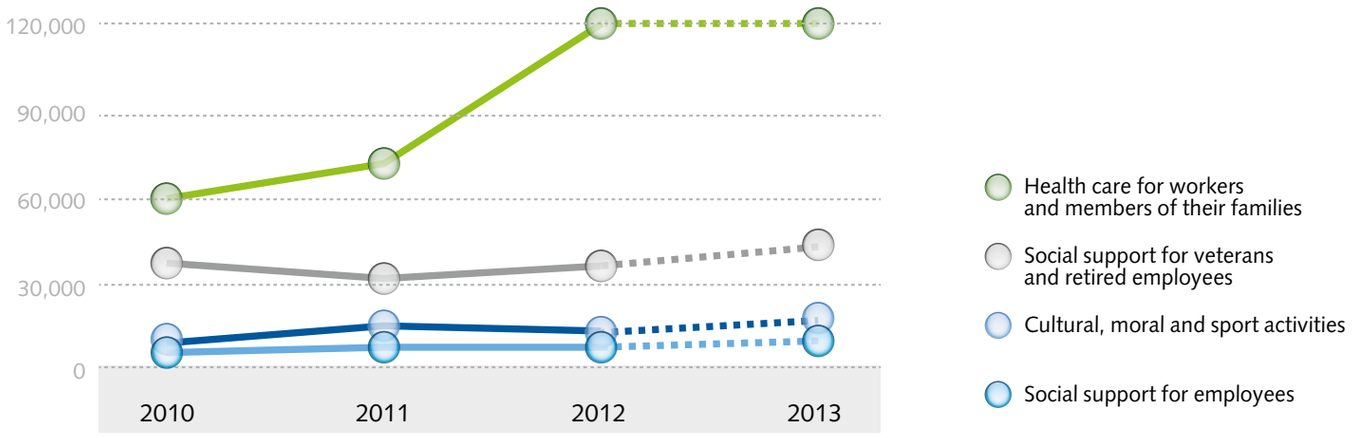


Fig. 7.5. Volume of Financing of Social Programs According to Directions (over 2010–2012)

insurance are also subject to year-to-year increase and amounted to approximately 25 million rubles in 2012 (see Fig. 7.7).

Special attention is paid to prevention and early detection of serious diseases, including vascular heart diseases, flu, cancerous and other diseases. The employees are informed about standard requirements for conditions at working place, and necessary and obligatory personal and collective protection equipment for prevention of diseases. All employees of NIAEP have the opportunity of health inspection, timely detection and treatment of diseases. In connection with invariably high level of cancer morbidity among the population the annual preventive medical inspection was organized for the employees aged 45 and older, in order to detect cancerous diseases at early stages. The employees annually undergo vaccination against flu. The Collective Agreement guarantees material assistance allocated for treatment on a paid basis to an employee suffering from a serious disease.

A significant scope of work on arrangement of healthcare and recreation of the employees and members of their families is performed by the Company's administration in cooperation with the Trade Union. By tradition Corporate Healthcare Days are held with camping in the country, including Family events timed to the International Children Day. NIAEP organizes annual out-of-town trips for all employees within the frames

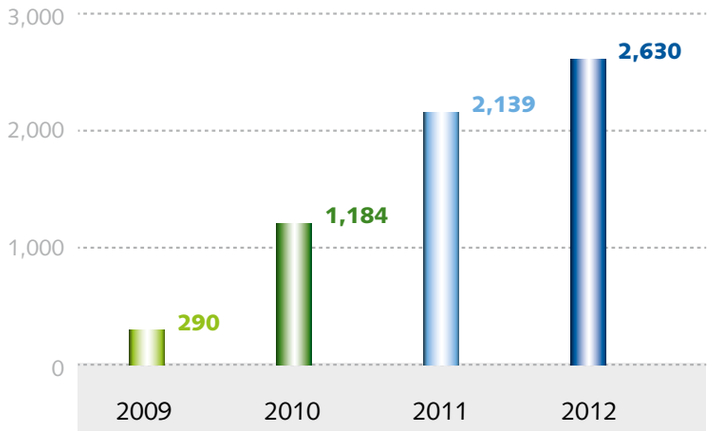


Fig. 7.6. NIAEP Social Benefits Paid to Large Families, Ths. Rub.

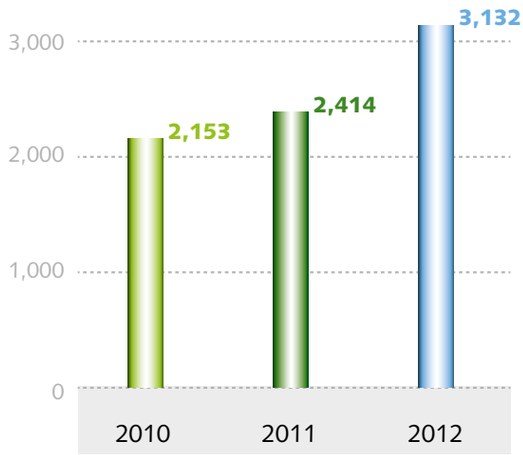


Fig. 7.7. Number of VMI-Insured Employees (over 2010-2012), People

Table 7.32. Number of Employees Who Took Child-Care Leave and Returned from Such Leave in 2012, and the Share of Employees Who Remained in the Company after Child-Care Leave, by Sex, as of December 31, 2012

Index	Women	Men
Number of employees who had an opportunity to take a child-care leave, people	89	0
Number of employees who took a child-care leave, people	89	0
Number of employees who returned from a child-care leave, people	29	0
Number of employees who remained in the Company after a child-care leave, people	29	0
Share of employees who remained in the Company after a child-care leave,%	100	0

of the Education Day. Healthcare corporate activities contribute to establishment of favorable social climate in the team.

In 2012 the Company's management carried out meetings with the employees' children (first graders and school graduates), as well as with veterans. A number of children creativity competitions took place. In cooperation with the Trade Union the Company arranges festive and entertainment programs within the frames of national-wide and professional holidays. Works by Nizhny Novgorod artists and photographers are regularly exhibited in the NIAEP building; exhibitions are constantly updated. The issue-related photo show was presented in the building within the frames of the Victory Day.

Over 600 employees of the Company are actively involved in sport activities. All people interested are welcome to sport groups, rented swimming pools and training halls for five-a-side, volleyball and other sports. In 2012 the NIAEP team took the first place in the 10th Friendship Festival held among the companies of State Corporation ROSATOM in Nizhny Novgorod, successfully performed at ROSATOM Cup 2012 and at the annual sports contest of the Chamber of Commerce and Industry the Nizhny Novgorod Region.

The Collective Agreement stipulates for social guarantees not only for currently employed people, but for NIAEP veterans as well. On retirement employees receive a one-time payment in the amount of two basic wages. NIAEP executes the program on social support of pensioners. NIAEP pensioners and veterans receive monthly social allowance in the amount of up to 1,150 rubles. In 2012 payments were made in the total amount of 2.5 million rubles to 220 people. In cooperation with the Council of Veterans NIAEP arranges leisure and entertainment activities for pensioners, attracts them to participation in significant events of NIAEP. Veterans employed in NIAEP are provided with medical care on the basis of VMI.

NIAEP also supports veterans of the Great Patriotic War. Annually, on the eve of the Victory Day meetings of the NIAEP management with veterans are held. Victory Day Payments to every veteran amount to 50 thousand rubles.

7.3.4. Occupational Safety Management

The Integrated Management System (IMS) is applied in NIAEP-ASE Integrated Company. One part of this System is the Safety Management System (OHSAS 18001:2007). The Safety Management System is introduced into all organizations included in the Integrated Company.

The Integrated Company constantly improves the Occupational Safety Management System and executes measures on prevention of industrial injuries and occupational diseases, improvement of labor conditions, and carries out training for managers and specialists on professional development in respect of labor protection. These directions of employer's activity are formalized in the current Collective Agreements and are of special importance. The NIAEP activity connected with health and safety is reflected in the Collective Agreement in form of a contract on labor protection.

The main documents regulating accounting, analysis, investigation and registration of occupational accidents and diseases, as well as notifying and reporting on occupational accidents and diseases, include:

- Labor Code of the Russian Federation;
- Decree of the Ministry of Labor and Social Development of the Russian Federation No. 73 on Approval of Forms of Documents Required for Investigation and Accounting of Occupational Accidents and provisions on investigation of occupational accidents in certain branches and organizations dated October 24, 2002;
- Decree of the Government of the Russian Federation No. 967 on Approval of the Provision on Investigation and Accounting of Occupational Diseases of December 15, 2000;
- R GK.007-2012 Procedure for Investigation of Accidents, Emergency Situations and Incidents in ASE, NIAEP Moscow Branch and NIAEP Moscow Representation;
- Order of NIAEP No. 395 on Approval of Procedure for Informing NIAEP and State Corporation ROSATOM Managements on Occurrence of Emergency Situations dated May 20, 2011.

Occupational safety is one of the key priorities of NIAEP. In accordance with the Occupational Safety Management System of State Corporation ROSATOM, every NIAEP subdivision applies its own management system aimed at prevention of industrial injuries and occupational diseases, improvement of labor conditions and labor protection. The Occupational Safety Management system is established on the basis of regulatory framework on labor protection of the Russian and industry-specific legislation, which is confirmed by Certificate of Compliance of Labor Protection Activities (Safety Certificate) ROSS RU No. 011039 (see Fig. 7.18).

Table 7.33 below shows levels of industrial injuries and occupational diseases, ratio of lost days, ratio of workplace absence, and the total number of fatal accidents in 2012.

The Company's branches keep records of accidents involving workers of subcontracting organizations. The contracts with subcontracting organizations include requirements for informing of NIAEP on all cases of industrial injuries on construction sites.

Total number of accidents at Yuzhnouralsk TPP-2 in 2012:

- OJSC South Power Engineering Center – 1 case, 1 person;
- Stroymontazh Ltd. – 1 case, 1 person.

Total number of fatal accidents on Yuzhnouralsk TPP-2 in 2012:

- OJSC South Power Engineering Center – 1 case, 1 person;
- Stroymontazh Ltd. – 1 case, 1 person.

Table 7.33. Occurrence Rate of Industrial Injuries

Occurrence rate of industrial injuries (ORII)	0
Occurrence rate of occupational diseases (OROD)	0
Lost days ratio (LDR)	0
Absence ratio (WAR)	0
Total number of fatal accidents	0

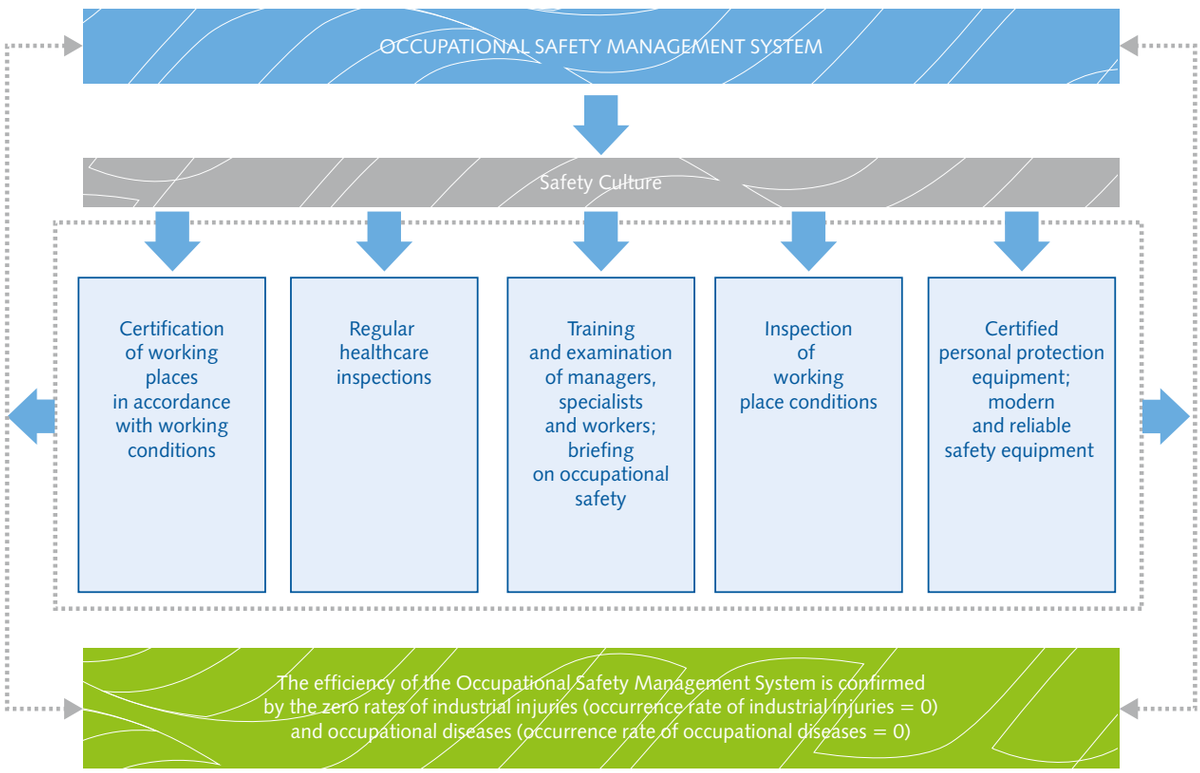


Fig. 7.8. Occupational Safety Management System

NIAEP Occupational Safety Assurance[20]

NIAEP identified possible dangers and risks and set strategic goals in respect of labor safety and protection, elaborated programs on achievement these goals, and provided for total involvement of the employees in development of the current Labor Safety Management System.

The main task of the NIAEP corporate policy in the field of occupational safety is establishment of prevention-oriented labor safety culture at every working place. This is required by highly technological working places and special role of decisions made by specialists

The Company pays special attention to regular healthcare inspections of the employees working in conditions of exposure to various workplace factors. Medical attendance of this group of employees is carried out by the territorial field-specific medical centers of the Federal Medical and Biological Agency of the Russian Federation (FMBA Russia). In 2011–2012, 1,560 people (over 60% of employees) were examined in these centers in accordance with the requirements of Decree of the Ministry of Health and Social Development No. 302n on Approval of Lists of Harmful and Dangerous Workplace Factors and Operations Requiring to Carry out Preliminary and Regular Medical Examinations (Surveys) and Order of Obligatory Preliminary and Regular Medical Examinations of Employees Performing Hard Work or Operating in Harmful and Dangerous Conditions of April 12, 2011.

A specialized training center is used to carry out annual training and examinations on labor protection for managers and specialists and training on first-aid treatment for workers.

Constant attention of the management to issues of labor protection and high assessment of the Occupational Safety Department's activity by the state regulatory and supervision agencies formed the positive image of our organization among the industry-specific companies and partners.

The volume of financing for execution of measures on labor safety increases year to year (see Fig. 7.9).

The employees of the NIAEP structural occupational safety subdivisions coordinate the actions of labor safety departments of subcontracting organizations working on construction sites. In order to perform work safely on sites and reduce the occurrence rate of occupational injuries, the Company elaborated and introduced the Company's Standard on Procedures for Recruitment of Contracting Organizations for Work Performance on NIAEP Sites. Contracts with subcontracting organizations include sections on safety requirements, and requirements for informing NIAEP on any emergency situations. Coordination of activity also includes the necessity to carry out annual sessions of safe performance of work, daily watch by occupational safety employees of subcontracting organizations on construction sites, and monthly Labor Safety Days. The NIAEP branches keep constant records of accidents involving workers of subcontracting organizations.

Integrated and systematic work on occupational safety permitted to achieve zero-rates of industrial injuries (ORII = 0) and occupational diseases (OROD = 0) among the employees since 2000.

In 2013 it is planned to execute a number of activities aimed at increase in the role of the Occupational Safety Department taking into account the necessity to provide control over safety during work performance by contracting organizations and subsidiaries on construction sites of generating units.

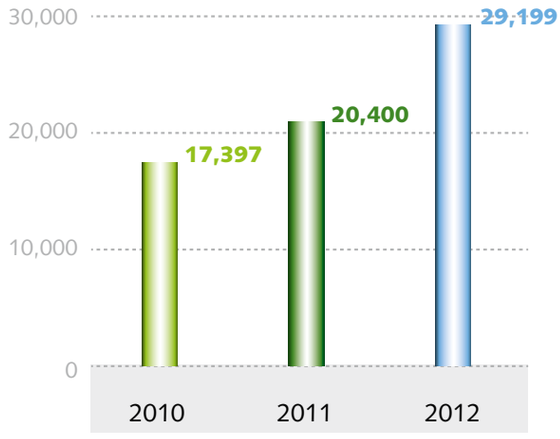


Fig. 7.9. Volume of Financing of Occupational Safety Measures in 2010–2012, Ths. Rub.

[20] Excluding the Moscow Branch.

Occupational Safety Assurance at the NIAEP Moscow Branch and ASE

Main documents regulating activity on occupational safety in the NIAEP Moscow Branch include:

- Plan of measures on occupational and industrial safety assurance in the NIAEP Moscow Branch for the current year (the plan for 2012 was fulfilled in full scope, and the plan for 2013 was elaborated);
- Guidelines on the professional risk assessment method;
- PU GK.003-2012 Occupational Safety in ASE, NIAEP Moscow Branch and NIAEP Moscow Representation;
- Order concerning the NIAEP Moscow Branch and ASE No. 152-mf-P/373 on Safety Assurance of Employees of NIAEP Moscow Branch and ASE of October 10, 2012.

Assessment of situation in the field of occupational safety in independent structural subdivisions is carried out during internal audits. In 2012 the leading specialist in the field of occupational and industrial safety of the NIAEP Moscow Branch in cooperation with the employees of the Occupational, Industrial and Fire Safety Department (OIFSD) took part in 9 internal audits in the capacity of technical experts.

Moreover, the leading specialist in the field of occupational and industrial safety of the NIAEP Moscow Branch in cooperation with the similar ASE department control timely procurement and delivery of free protective clothes, shoes, and personal protection equipment (PPE). Information on purchased PPE delivered to construction sites and subdivisions is summed up quarterly.

In 2012 certification of 35 working places on compliance with the requirements for labor conditions was carried out in cooperation with Limited Liability Company Scientific and Research Institute in the Field of Labor Safety in Ivanovo.

In accordance with the Schedule of Regular Medical Examinations of the NIAEP Moscow Branch and ASE Employees in 2012, regular medical examinations (surveys) of employees occupied in heavy work or operating in harmful and (or) dangerous conditions were carried out.

In 2012 the following briefings were carried out:

- NIAEP Moscow Branch – 565 people;
- Third-party organizations – 65 people.

A total of 593 employees of the NIAEP Moscow Branch were trained and examined on labor safety requirements.

2012 the leading occupational safety specialist of the NIAEP Moscow Branch received training and was certified in the following fields:

- Occupational safety;
- Industrial safety;
- Fire safety;
- Electrical safety;
- Internal Audits of Occupational Safety and Healthcare Management Systems program in JSC Bureau Veritas Certification Rus.

Table 7.34. Scope of Training Programs in the Field of Occupational Safety and Number of Employees Trained in 2012

Training Organization	Program Name	Number of Employees Trained, People
National Research Nuclear University MEPhI	Occupational Safety of Company's Staff	30
Independent Non-Commercial Organization Scientific and Research Center Tekhnoprogress	Training program for managers and specialists of companies, institutions and organizations being members of commissions performing examinations in the field of labor safety requirements	5
NIAEP Moscow Branch	Training of blue-collar workers and members of sanitary groups on first-aid treatment of people injured at work	10

7.4. Natural Capital[21]

7.4.1. Environmental Policy[22]

We are committed to responsible designing and construction of nuclear and thermal power energy facilities and acknowledge that functioning of Company's subdivisions and branches, as any other anthropogenic activity, may lead to a negative impact upon the environment.

Our Environmental Policy complies with legislative requirements. The Company carries out and expands engineering activity in accordance with the requirements for environmental safety assurance and prevents deterioration of environmental resources.

The Environmental Policy is based on the principles as follows:

- Compliance principle means compliance with legislative and other requirements in the field of safety assurance and environmental protection;
- Continual improvement principle means the system of actions aimed at achievement and maintenance of high level of environmental safety;
- Prevention principle means the system of actions aimed at prevention of dangerous environmental impact;
- Readiness principle means constant readiness of the Company's management and staff to prevention and remediation of radiation accident or other emergency situation on facilities under construction;
- Consistency principle means systematic and integrated assurance of environmental safety and performance of environmental activity by the Company's subdivisions and branches;
- Openness principle means openness and availability of environmental information, and effective communication of the Company's specialists and managers with the community.

The Environmental Policy was approved by State Corporation ROSATOM and brought into force by an order of the NIAEP President.

During elaboration of the Environmental Policy priority directions of its execution were determined as follows:

- Introduction of modern global technologies (Multi-D) into designing processes;
- Introduction of energy efficient and resource-saving technologies for construction of power facilities and methods of construction management;
- Assurance of compliance with the requirements of environmental legislation;
- Constant monitoring of the Company's environmental impact, careful processing of collected data and application thereof in further work;
- Arrangement of necessary training for the employees whose production activity may lead to environmental pollution, their professional development and promotion of initiatives in the field of environmental conservation;
- Elaboration of environmental activity and safety economic management system.

The Company's Environmental Policy is executed within the frames of environmental management system (EMS). EMS is elaborated on the basis of the Plan-Do-Check-Act (PDCA) model, including processes of planning, execution, control and action.

CEMS is a component of the Integrated Management System (IMS) of the Company. In addition to EMS, IMS includes Quality Management System and Safety Management System based on the requirements of standards ISO 9001:2008, ISO 14001:2004, OHSAS -18001:2007 with consideration of the requirements of the Russian legislation and IAEA.

[21] In Chapter 7.4.1. Environmental Policy information refers to the Integrated Company in whole. In Chapters 7.4.2.–7.4.5. information is given with regard to JSC NIAEP only.
[22] You may find additional information on the Company's activity in the field of environmental protection on out website (www.niaep.ru in section – Activity – Environmental Policy).

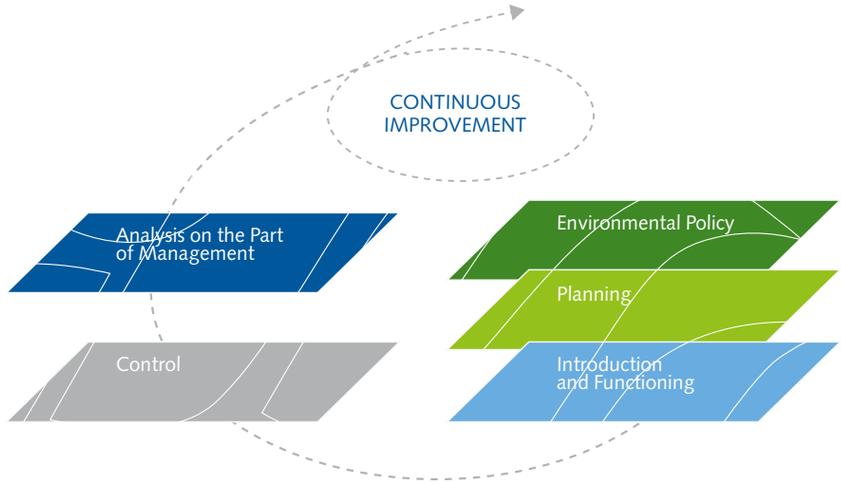


Fig. 7.10. Environmental Management System Model

At the end of 2011 in order to prepare for elaboration of IMS, in particular EMS, the Company carried out environmental audit and defined environmental measures for further elaboration of documentation. In 2012 environmental audit of the Company's Central Office was carried out and the Integrated Management System was elaborated.

In 2012 activities were carried out connected with IMS introduction:

- Elaboration of environmental aspects of subdivisions' and organizations' activity;
- Elaboration of ISM goals and tasks;
- Introduction of IMS to the employees;
- Elaboration of the required regulatory materials;
- Execution of pilot EMS audits in a number of subdivisions;
- Trial application of EMS elements in the NIAEP Central Office and branches.

2013 plans:

- Updating of elaborated documents;
- Internal audits in subdivisions;
- Pre-certification IMS audit;
- Corrective actions based on the results of IMS audits;
- Procurement of certificate on IMS compliance with the requirements of ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007.

There are two types of Integrated Company's impact on the environment:

- Impact of the Company's activity as an economic entity;
- Impact of NPP generating units at all lifecycle stages.

Maximum environmental impact is exerted during construction of generating units. To control the impact of the Company's production activity on the environment the following documents are being elaborated in the NIAEP Central Office and branches:

- Provision on Environmental Safety Assurance, Environmental Protection during Construction of Start-up Facilities;
- Provision on Industrial Environmental Control;
- Industrial Environmental Control Program;
- Plans of activities on reduction in waste generation and disposal.

These documents provide for division of responsibility between construction agents, include the scheme of cooperation with environmental authorities, regulate the issues on planning of environmental activity and industrial environmental control, etc.

7.4.2. Control over Subcontracting Organizations' Activity Causing Environmental Impact

The main production activity connected with hazardous waste and emissions generation is carried out by subcontracting organizations performing construction and mounting and start-up operations in accordance with contracts.

Subcontracting organizations entering into agreements with the Company shall comply with the requirements as follows:

- Possession of a license for hazardous waste handling;
- Observance of limits on waste disposal approved by the territorial environmental authorities;

- Availability of hazardous waste certificate;
- Availability of draft standards on maximum permissible discharge;
- Payment of environmental impact taxes;
- Compliance with the requirements of the general contractor's regulatory documents.

Control over environmental impact of subcontracting organizations, including requirements for environmental documentation, is carried out by inspectors of federal environmental authorities and employees of the Company's Central Office and branches responsible for industrial environmental control.

7.4.3. Energy Efficiency Improvement

The NIAEP Environmental Policy is based on rational employment of natural resources. Initiatives on energy efficiency improvement are executed in two directions:

- Designing of energy efficient facilities of capital construction;
- Reduction in energy consumption through programs on saving of resources.

Within the first direction the Company introduced project solutions providing for increase in gross efficiency ratio of the designed NPP VVER-TOI project of 38% compared to 37% of the previous NPP-2006 project.

In May 2010 the 2010–2014 energy saving and efficiency improvement program was launched. This program provides for reduction in energy consumption by 17% by 2015. Saving of energy resource in the Central Office amounted to 10.87% in 2012 (planned value was 5%), which equaled to 251,765 kW/hour. Similar programs are executed in the NIAEP branches.

Saving of energy resources is achieved through the following activities:

- Introduction of automated electric energy control and metering system;
- Mounting of new energy efficient equipment;
- Reconstruction of internal and external lighting systems.

7.4.4. Key Environmental Impact Indices[23]

The major environmental impact is exerted by NIAEP during construction of generating units.

The level of this influence differs depending on lifecycle of the facility:

- Insignificant environmental impact at design stage;
- Significant environmental impact during construction of power facilities;
- Insignificant environmental impact of power facilities during operation.

NPP construction and operation lead to both positive and negative environmental impact.

Positive environmental effect consists in:

- Organic fuel substitution (natural gas, fuel oil, coal);
- Limitation of greenhouse gas emissions (contribution to fulfillment of the Kyoto Protocol by the Russian Federation).

Negative environmental impact caused by NIAEP includes:

- Generation of industrial and household waste;
- Emissions of pollutants into the atmosphere;
- Waste water discharge into water bodies.

According to the results of 2012, the indices of NIAEP environmental impact in respect of atmospheric emissions, waste waster discharge and waste generation were within the admissible limits. NIAEP was not subject to significant penalties and non-financial sanctions for non-compliance with the environmental legislation and regulatory requirements.

Used Materials

In 2012 the Udomlya Branch used no materials in connection with pre-commissioning start-up operations on the Kalinin NPP generating unit 4.

The share of purchased or used materials which were certified by the third-party organization with regard to

Table 7.35. Use of Materials by the Volgodonsk Branch in 2010–2012

Used Materials		Unit of Measurement	2010	2011	2012
Excavation work		thousand m^3	1,539.32	2,821.51	1,024.2
Concrete	Sand	m^3	47,963.4	40,421.1	83,456.1
	Cement	m^3	28,573.3	24,081.0	49,718.0
	Crushed stone	m^3	82,659.7	69,663.2	143,828.3
Metal structures		t	9,079.40	4,834.57	31,251.3
Cable		km	218.64	144.7	143.5
Pipeline		t	1,070.26	2,485.15	12,065.4

Table 7.4.4.2. Use of Materials by the Baltic Branch in 2012[24]

Used Materials	Unit of Measurement	2012
Excavation work	thousand m^3	1,904.41
Reinforcement	t	8,500
Cast-in-situ concrete	thousand m^3	91.23
Process pipelines	t	1,700
Equipment mounting	t	126
Metal structures	t	500

[23] Borders of consolidation on all indices include the Udomelsky, Volgodonsky and Baltic Branches. The data on the Baltic Branch are given with regard to 2012 only, as the Branch was established at the end of 2011.
[24] Due to the fact that the Baltic Branch was established at the end of 2011 and construction operations began at the end of 2012, the data on the Baltic Branch are given for the fourth quarter of 2012 only.

consistency amounted to 8.26%. Expendable materials for NPP construction, except for soil, are purchased from external suppliers.

Materials which represent recycled or reused waste, except for soil excavated during excavation work, are not used at Company's facilities. Soil accumulated during excavation of pits for buildings and structures is used for future back-fill of these structures. Nearly 60% of soil is used for back-fill, i.e. the whole pit is back-filled except for the volume of underground parts of structures. Back-fill is performed as far as underground parts of buildings and structures are constructed.

Waste Generation

During NPP construction production waste is generated similar to waste produced during TPP and CHPP construction of equal capacity. However, during further operation of nuclear power plants no branched fuel-handling systems are required which are typical of thermal power facilities operating on coal and fuel oil.

Waste is transferred to organizations possessing the corresponding licenses. Waste formed in the process of construction of NPP generating units is not recycled or reused. Quantitative indices of waste generation in the NIAEP branches are specified in Tables 7.37–7.39.

Table 7.37. Waste Generation at the Udomlya Branch

Waste Description	Waste Mass, t		
	2010	2011	2012
Class 1 – extremely hazardous	0.07	0.137	0.11
Class 2 – highly hazardous	32.33	43.6	23.6
Class 3 – moderately hazardous	1.24	0.52	0.27
Class 4 – low-hazardous	474.8	5,554.9	554.3
Class 5 – almost non-hazardous	195.6	147.5	87.5

Significant reduction in waste generation with regard to all positions in 2012 is connected with completion of construction operations on the Kalinin NPP generating unit 4 and its commissioning.

Table 7.4.4.4. Waste Generation at the Volgodonsk Branch

Waste Description	Waste Mass, t		
	2010	2011	2012
Class 1 – extremely hazardous	0.052	0.062	0.158
Class 2 – highly hazardous	0.06	0.704	0.649
Class 3 – moderately hazardous	0.047	11.75	7.553
Class 4 – low-hazardous	256.3	362.67	649.795
Class 5 – almost non-hazardous	60.53	262.67	713.457

Significant increase in waste quantity in 2012 is conditioned by increase in scope of work performed at Rostov NPP generating unit 4.

Table 7.4.4.5. Waste Generation at the Baltic Branch[25]

Waste Description	Waste Mass, t		
	2010	2011	2012
Class 1 – extremely hazardous	–	–	–
Class 2 – highly hazardous	–	–	–
Class 3 – moderately hazardous	–	–	0.18
Class 4 – low-hazardous	–	–	496
Class 5 – almost non-hazardous	–	–	0.002

Water Use

The Company is committed to the policy of rational use of natural resources and in the process of its activity it strives to use water taken for production and household needs in the most effective way. Water for construction and mounting operations, production of commercial concrete and mortar, manufacturing of steel structures at facilities of subcontracting organizations, and household needs is taken from the public water supply networks of the Udomelsky and Volgodonsk Branches. The Baltic Branch takes water for Baltic NPP construction from bored water wells (30,016 m³/year in 2012). No recycled water is used for construction purposes. Significant reduction in water withdrawn by the Udomlya Branch is conditioned by completion of construction operations on the Kalinin NPP generating unit 4 (see Fig. 7.11).

The water supply sources of the Central Office and NPP facilities under construction are not within the protected areas and constitute no danger in terms of biodiversity preservation. Water supply source of the

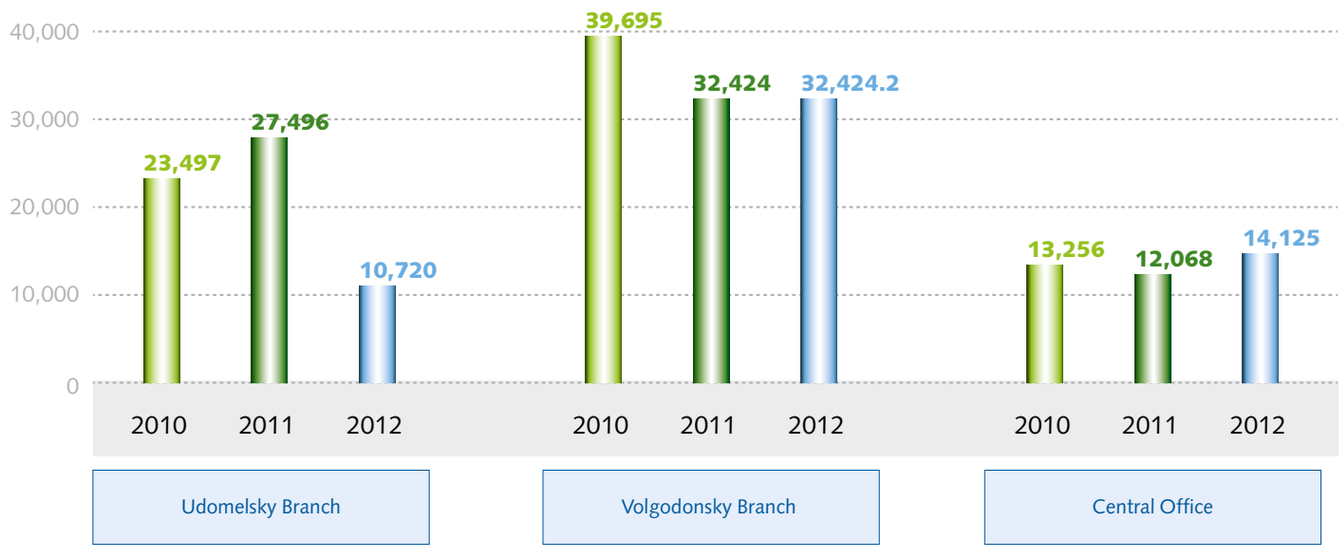


Fig. 7.11. Water Use at NIAEP Branches in 2010–2012, m³

[25] Production activity of the Baltic Branch began in the end of 2011.

Central Office is the Nizhny Novgorod municipal water supply system. During construction of the Kalininskaya and the Rostov NPPs water was not taken from natural water sources (surface and ground, including potable water). Table 7.40 specified average annual intensity of water consumption in the Company's Central Office and branches.

Таблица 7.40. Water Use Intensity at NIAEP Offices and Branches, m^3/day

Branch	2010	2011	2012
Baltic Branch	–	–	120.5
Volgodonsk Branch	159.4	130.2	173.0
Udomlya Branch	64.4	75.3	43.0
Central Office	53.2	48.5	56.7

Waste Water Discharge

The volume of discharged waste water on production sites is within the norms established by the legislation.

Waste water from the construction site of Kalinin NPP generating unit 4 comes from administrative and production buildings of the Udomlya Branch and subcontracting organizations to the NPP sewage systems and further to treatment plants of Udomlya. Storm water from the construction site come to the Udomlya Lake along the storm water system equipped with local treatment plants. Being a land and water user, the Kalinin NPP controls waste water composition within the frames of the Industrial Environmental Control Program.

At the Volgodonsk Branch waste water discharge to sewage systems is performed in the same way. Storm water from the construction site is processed at the treatment facilities of Volgodonsk and discharged to the heat sink of the Tsimlyansk Reservoir.

Figure 7.12 shows data on volume of waste water discharge in 2010–2012. The volume of waste water changes depending on stages of construction of generating units. Treatment facilities on the construction site of the Baltic NPP were not commissioned in 2012. Household and utility waste water of the Baltic Branch are removed by means of motor vehicles on the basis of contracts concluded with subcontracting organizations.

The sharp increase in water consumption and discharge at the Volgodonsk Branch in 2012 is conditioned by significant increase in scope of work. This multiple increase of environmental impact is admissible, it is stipulated by the corresponding norms and limits approved by the environmental authorities.

Emissions of Pollutants into the Atmosphere

Data on the volume of pollutants emitted into the atmosphere in 2012 from construction sites of NPP generating units are given on the basis of averaged data for subcontracting organizations and branches. Calculations are based on maximum allowable emission targets, data of field instrumental gauging performed by specialized organizations, and calculations of fuel balance of enterprises and payments made by enterprises for negative environmental impact.

There are stationary and fugitive emission sources on NPP construction sites. Stationary emission sources include exhaust ventilation pipes, cyclone outlets, deflectors and roof ventilators. Fugitive emission sources include open warehouses for storage of inert materials (sand and crushed stone), overturning areas, welding machines operating on open sites, and motor vehicles.

Reduction in volume of emitted pollutants on the construction site of Kalinin NPP generating unit 4 is conditioned by completion of construction operations in 2012. There are no stationary emission sources in the balance of the Baltic Branch.

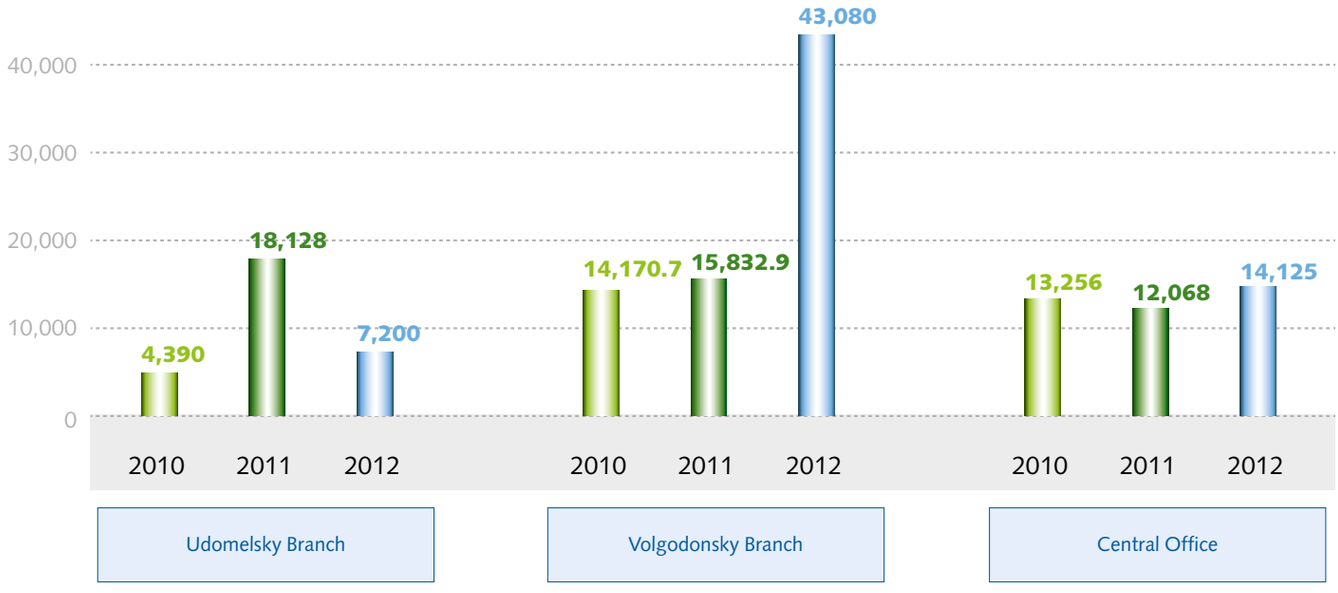


Fig. 7.12. Waste Water Discharge at NIAEP Branches, m³

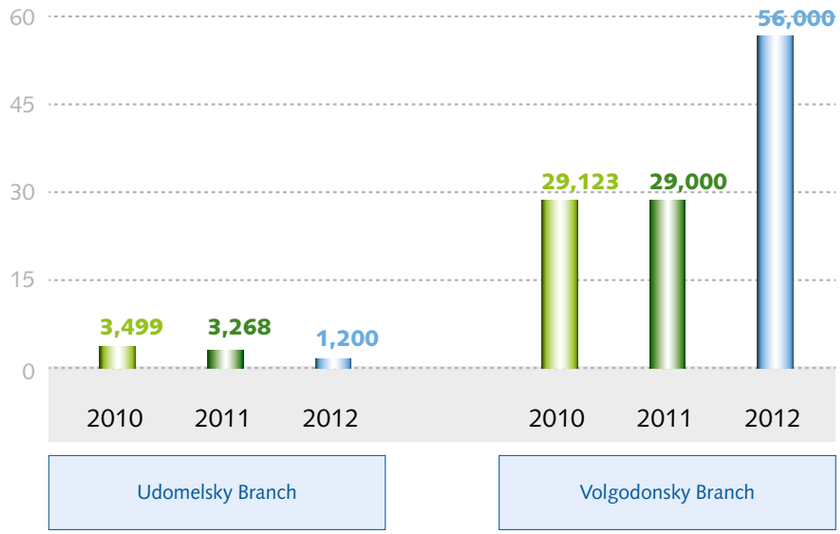


Fig. 7.13. Emissions of Pollutants into the Atmosphere, t

Greenhouse Gas Emissions

During construction of NPP generating units NIAEP applies modern technologies which almost exclude greenhouse gas emissions. Greenhouse gases are emitted only in case of use of vehicles and construction machines, and the volume of emissions is comparable to the background level of greenhouse gas emissions (NO_x, SO_x, etc.) from motor vehicles and machines used in the process of human life activity. Indirect emissions conditioned by burning of organic fuel for heat and electricity supply of the Central Office are calculated on the basis of annual heat and electricity consumption.

There are no indirect greenhouse gas emissions conditioned by burning of organic fuel on construction sites, as in the reporting year the construction sites of the Kalininskaya and the Rostov NPPs were supplied with heat and electricity from the operating NPP units

Indirect emissions conditioned by burning of organic fuel for heat and electricity supply of the Central Office were calculated on the basis of annual heat and electricity consumption and amount to 1,840*10^6 m^3.

.

Table 7.41. Direct Greenhouse Gas Emissions from Motor Vehicles, t of CO_2 Equivalent

Producer	Volume of Greenhouse Gases		
	2010	2011	2012
Central Office	1,103.5	1,300.1	874.4
Udomlya Branch	944.1	1,154.8	271.5
Volgodonsk Branch	5,568.9	9,481.2	9,113.58
Baltic Branch	–	–	254.8

Table 7.42. Indirect Greenhouse Gas Emissions, t of CO_2 Equivalent

Producer	Volume of Greenhouse Gases		
	2010	2011	2012
Central Office	879.2	1,008.8	1,033.2
Udomlya Branch	28,193.0	8,038.4	3,664.9
Volgodonsk Branch	2,578.1	3,168.3	3,286.2
Baltic Branch	–	–	72.08

Table 7.43. Intensity of Greenhouse Gas Emissions, t of CO_2 Equivalent

Producer	Volume of Greenhouse Gases		
	2010	2011	2012
Central Office	3.53	4.05	4.15
Udomlya Branch	113.2	32.3	14.7
Volgodonsk Branch	10.4	12.7	13.2
Baltic Branch	–	–	0.3

Initiatives on emission reduction come to assurance of regular technical control over pollution from vehicles and machines and regulation of indices. In addition, it is possible to reduce greenhouse has emissions by purchasing new vehicles and construction machines with better environmental characteristics (in case of the specified mean life and retirement of existing vehicles and machines).

Most motor vehicles used by NIAEP are of environmental class 4. Several new vehicles belong to class 5. There is a hybrid car in the Central Office and it is planned to buy vehicles of this type in future.

Currently, vehicles are being transferred to EKTO gasoline providing for minimum level of atmospheric pollution. Regular technical inspection of motor cars is carried out. NIAEP makes regular payments for environmental impact caused by motor vehicles in various amounts depending on haulage and power, as well as environmental class thereof.

Impact on Soil

NPP construction is connected with construction of a large number of facilities varying in functional purpose and depth of digging-in. Depending on composition, structure and other characteristics of soil various types of work are carried out on construction sites (removal of fertile layer, territory planning, excavation of pits, water drawdown, rehabilitation of territories free from

structures, etc.). These operations exert significant impact on soil. However, the impact complies with the requirements of construction norms and rules, and other regulatory permits.

NPP generating units designed and constructed by NIAEP are not located within specially protected areas or in the territories with high concentration of biodiversity, as well as adjoining territories.

In 2012 no rehabilitation was carried out at NIAEP facilities, as the land plots to be used for current and future needs do not required restoration.

Energy Resources Consumption

In the process of its activity, NIAEP consumes various types of energy resources which are subject to strict accounting.

Table 7.44. Energy Resources Consumption, GJ

Consumer	Consumption		
	2010	2011	2012
Central Office	8,338.1	8,598.7	8,942.4
Udomlya Branch	95,052.6	61,609.2	12,914.8
Volgodonsk Branch	45,109.8	53,727.5	66,330.7
Baltic Branch	–	–	10,038.5

Table 7.45. Average Annual Intensity of Electricity Consumption during Working Hours, kW/day

Consumer	Consumption Intensity		
	2010	2011	2012
Central Office	1,158.1	1,194.2	1,213.2
Udomlya Branch	5,500.7	3,109.2	2,320.1
Volgodonsk Branch	26,10.5	3,109.2	3,082.4
Baltic Branch	–	–	698.2

Table 7.46. Heat/Water Consumption, Gcal

Consumer	Consumption		
	2010	2011	2012
Central Office	2,494	2,862	2,931
Udomlya Branch	67,112	22,756	10,375
Volgodonsk Branch	7,299	8,970.1	9,304.1
Baltic Branch	–	–	204.1

Table 7.47. Gasoline Consumption, GJ

Consumer	Consumption		
	2010	2011	2012
Central Office	13,480.3	15,953.3	10,259.2
Udomlya Branch	4,327.7	4,269.4	1,689
Volgodonsk Branch	33,376	45,216.6	41,408.6
Baltic Branch	–	–	3,230.1

Table 7.48. Diesel Fuel Consumption, GJ

Consumer	Consumption		
	2010	2011	2012
Central Office	2,140.5	2,452.5	1,733.2
Udomlya Branch	8,670.3	9,415.6	2,101.5
Volgodonsk Branch	44,322.3	86,686	85,312.4
Baltic Branch	–	–	273

Such types of energy resources as nuclear power energy, fuel gas, coal, combustible shale and peat were not used during production activity of NIAEP and its branches.

Expenses for Environmental Protection

In 2012, 350.5 thousand rubles were allocated for financing of work on environmental audit of the NIEAP Central Office and elaboration of Integrated Management System.

Table 7.49. Expenses for Environmental Protection and Environmental Payments of the NIAEP Central Office, Ths. Rub.

Year of Payment	2010	2011	2012
Current expenses, including:	766.45	454.1	713.42
- water resources protection	102.25	100.7	62.45
- atmospheric air protection	–	–	–
- waste recycling	664.2	353.4	650.97
Charges for negative impact	1,883.9	1,607.3	1,830.5
Total	2,650.35	2,061.4	2,543.92

Table 7.50. Expenses for Environmental Protection and Environmental Payments of the NIAEP Udomlya Branch, Ths. Rub.

Year of Payment	2010	2011	2012
Current expenses, including:	2 621.4	2 132.0	139
- water resources protection	–	–	–
- atmospheric air protection	25.6	25.6	1.0
- waste recycling	2 595	2 106.4	138
Charges for negative impact	224.2	448.1	252
Total	2 845.6	2 580.1	391

The sharp decrease in expenses for environmental protection in 2012 is connected with completion of operations at Kalinin NPP generating unit 4.

Table 7.5I. Expenses for Environmental Protection and Environmental Payments of the NIAEP Volgodonsk Branch, Ths. Rub.

Year of Payment	2010	2011	2012
Current expenses, including:	353	324	365
- water resources protection	–	–	–
- atmospheric air protection	–	–	2
- waste recycling	353	324	363
Charges for negative impact	512	512	1 044
Total	865	836	1 409

Table 7.52. Expenses for Environmental Protection and Environmental Payments of the NIAEP Baltic Branch, Ths. Rub.

Year of Payment	2012
Current expenses, including:	1 271.3
- water resources protection	–
- atmospheric air protection	0.3
- waste recycling	1 271
Charges for negative impact	197.7
Total	1 469

In 2012 no penalties were imposed on the NIAEP Central Office and branches for non-compliance with the environmental legislation.

7.4.5. Nuclear and Radiation Safety of Nuclear Power Industry Facilities

During construction of NPP generating units NIAEP executes project complying with all safety norms and requirements of the Russian Federation. In addition, NIAEP takes into account modern principles and approaches to safety assurance established by IAEA norms.

In terms of nuclear and radiation safety minimization of negative environmental impact of completed nuclear power industry facilities is achieved through sound elaboration of design documentation and compliance with its requirements in the process of construction.

NPP construction and operation is regulated by the following regulatory documents:

- Federal Law No. 170 on Nuclear Energy Use of November 21, 1995;
- Federal Law No. 3 on Radiation Safety of Population of January 9, 1996;
- Federal Law No. 190 on Radioactive Waste Handling of July 11, 2011;
- Provision on Licensing of Activity in the Field of Nuclear Energy Use;

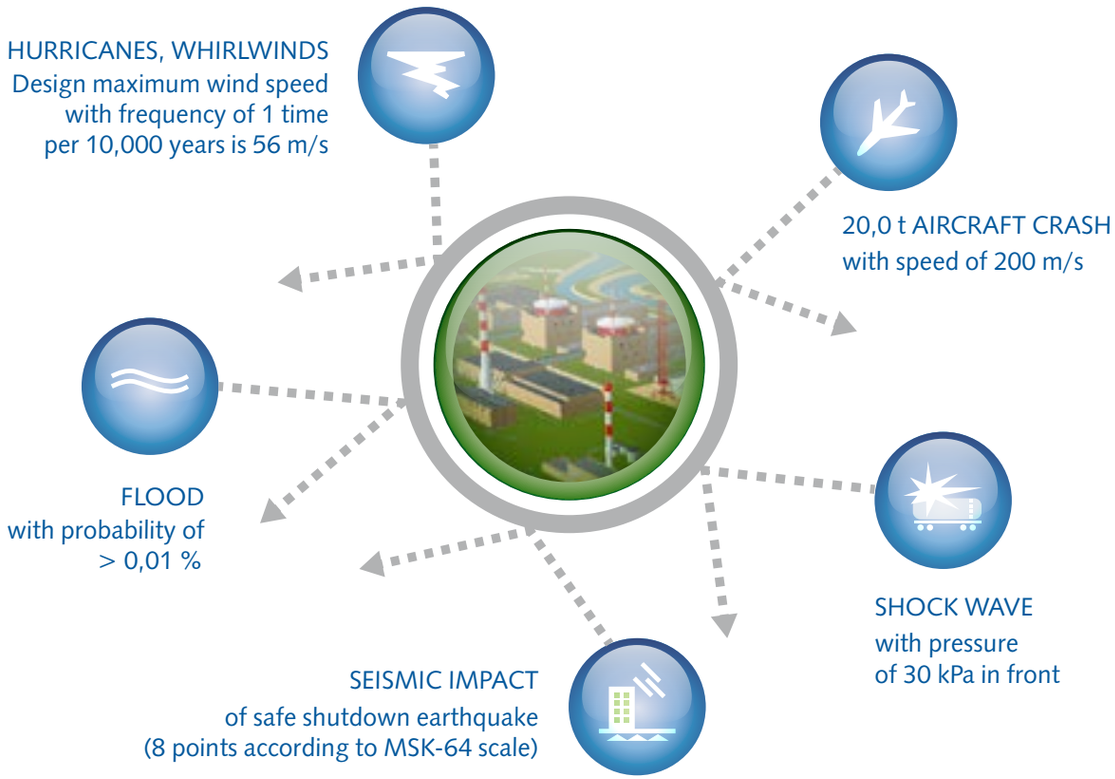


Fig. 7.14. Safety Level of Constructed NPPs

- Rules of Physical Protection of Nuclear Materials, Nuclear Units and Storage Stations for Nuclear Materials;
- Provision on Elaboration and Approval of Federal Norms and Rules in the Field of Nuclear Energy Use and Lists of Federal Norms and Rules in the Field of Nuclear Energy Use;
- Rules on Decision Making on Location and Construction of Nuclear Facilities, Radiation Sources and Storage Stations;
- Federal Norms and Rules in the Field of Nuclear Energy Use;
- Sanitary Norms and Rules of Radiation Safety Assurance.

The requirements of regulatory documentation are complied with both during elaboration of design documentation and at the following stages: NPP construction, operation and decommissioning.

Technical Solutions for Safety Assurance

Nuclear power stations are designed with a significant margin of stability to internal and external impacts.

NPP safety in respect of internal (radiation) impacts is achieved through consecutive execution of concept of defense in depth based on application of physical barrier system mounted on the way of distribution of ionizing radiation and radioactive substances to the environment. In addition, a complex of technical and organizational measures is executed on protection of barriers and maintenance of their effectiveness, as well as on staff, population and environment protection.

Organizational Issues of Safety Assurance

Fig. 7.15. Safety Assurance at All Stages of NPP Lifecycle

Assessment of Products and Services Safety and Impact on Health

Assessment of NPP impact on human health and environmental protection is carried out at each stage of NPP lifecycle, including:

- Selection of site;
- Designing;
- Construction;
- Commissioning;
- Operation;
- Modernization.

The methods of the current Management System of the Integrated Company are applied on a case-by-case basis with consideration of:

- Influence of equipment, systems and structures or type of activity on NPP safety;
- Values and complexity of each type of equipment, systems and structures or activity;
- Possible consequences of product defects or improper performance of activity.

NPP complies with safety requirements, if its radiation impact on staff, population and environment during normal operation and abnormal operation, including design-basis accidents, does not lead to excess of admissible staff and population irradiation doses, standard levels of emissions and discharges, concentration of radioactive substances in environment, and is restricted in case of beyond design-basis accidents. This is achieved through compliance with requirements of federal norms and rules in the field of nuclear energy use, IAES standards, and other regulatory documents.

Substantiation of environmental safety of nuclear energy facilities begins at the stage of investment plan and is formalized in the Declaration of Intention on creation of new atomic energy source. The main tasks on environmental impact assessment are solved at the stage of design. Environmental safety of NPP designed for construction in Russia is proved through comparison of design indices and indices achieved during operation of similar generating units with admissible indices set by applicable norms.

For instance, according to one of the applicable standards "Sanitary Rules of Designing and Operation of Nuclear Stations" (SP AS-03), the main irradiation dose limit for population in conditions of normal operation amounts on the average to 1 mSv for life time of 70 years. This index is built into the design of Rostov NPP generating units 3 and 4 with a value of 10 mkSv per year (i.e. 0.01 mSv per year), which is 100 times lower than the effective standard. The actual level of radiation from the running unit 1 of the Rostov NPP is still 100 times lower than the estimated design values, i.e. it presents a markup to the natural radiation background in the area of Volgodonsk which is almost imperceptible for radiation survey meters (natural

radiation background amounts to 1 mSv per year). Even in cases of hypothetical beyond design-basis accidents the estimated radiation values will not exceed 100 mkSv per year (10% of admissible limits).

The design documentation elaborated for NPP generating unit after procurement of necessary permits is subject to mandatory independent analysis. It is required to obtain licenses of the Federal Service for Environmental, Technological and Nuclear Supervision for each stage of NPP lifecycle (4 licenses for each generating unit). In turn, materials on license substantiation shall be prepared, in order to procure each license (on the basis of environmental impact assessment). The necessary requirement for materials on license substantiation consists in that all interested parties, public and scientific organizations shall have access to these materials. After a preliminary review, public hearings shall be held on EIA materials in respect of designed facility in the region of planned construction. Following positive conclusion from the state environmental expert review, the materials on license substantiation are subject to additional special expertise carried out by the Scientific and Engineering Center for Nuclear and Radiation Safety (SEC NRS), i.e. analysis of nuclear and radiation safety with consideration of all other factors, including environmental, fire, etc.

After a SEC NRS expert analysis, the Federal Service for Environmental, Technological and Nuclear Supervision issues licenses for a certain stage of NPP lifecycle: placement, construction, operation or decommissioning. Currently, NIAEP received licenses for placement of Nizhny Novgorod NPP generating units 1 and 2, Tver NPP generating units 1 and 2, and operation of Kalinin NPP generating unit 4.

In 2012 EIA materials were elaborated for operation of Rostov NPP generating unit 3. In December 2012 the specified materials, first separately, and then as part of materials on license substantiation (MLS) were submitted for public hearing and further public discussion in the Dubovskoye Settlement and Volgodonsk Town of the Rostov Region. In 2012 the NIAEP activity complied with all norms and safety requirements of the Russian Federation and IAEA.

7.5. Social and Economic Capital[26]

In terms of sustainable development, the Company's social and economic influence on development of regions of its operation is of great importance.

The activity on NPP construction has a positive effect on the territories of NIAEP operation as follows.

Social effect:

- New job formation;
- Improvement of life quality of the population;
- Attraction of young people to youth construction brigades for NPP construction;

Infrastructure effect:

- Creation of new and replacement of retired generating facilities.

Budget effect:

- Estimated tax revenue to all levels of budget system during construction of a double-unit NPP amounts to nearly 9 billion rubles;
- Estimated tax revenue to local and regional budgets during operation of a double-unit NPP amount to nearly 2 billion rubles yearly. Distribution of NIAEP tax payments between budgets of various levels in 2010–2012 is shown in Table 7.53 below;

General economic effect:

- NPP construction has a favorable influence on economic situation in the region, where construction is held and adjoining territories, as well as regions, where manufacturers of equipment and materials for NPP are locate.

In 2012 HR and social activity of NIAEP was highly appraised: NIAEP is acknowledged as the winner of the regional stage of the Russian National Competition Russian Company of High Social Efficiency in the categories Development of Working Places and Formation of Healthy Lifestyle. Currently, the Company participates in the federal stage of the competition.

7.5.1. Investments in Social Infrastructure and Charity

While choosing an investment vehicle in public infrastructure the preference is given to initiatives which are aimed at achievement of significant social changes in the region of operation provided that volume of expenses for execution of these initiatives is substantiated and commensurable to the expected result. NIAEP encourages targeted charity projects aimed at life quality improvement of people connected with organizations of State Corporation ROSATOM. NIAEP executes social projects which are not budget-substituting and which support tendering procedures on determination of the best social initiatives.

In 2012 the volume of monetary funds allocated by NIAEP for charity purposes amounted to 84 million rubles. Significant funds (60 million rubles) were allocated to public orthodox organizations for construction and reconstruction of churches (Nizhny Novgorod and Rostov Regions, Lithuania, and Republic of Belarus).

In 2012 charity funds were distributed between the following types of organizations:

Table 7.53. Distribution of Tax Payments Between Budgets of Various Levels, Million Rubles

Budgets of Various Levels	2010	2011	2012
Federal	410	1,265	5,183
Regional	474	55	479
Local	2	2	2
Total	886	1,322	5,664

[26] Chapter 7.5 Social and Economic Capitall provides basic data on impact types upon regions of operation for NIAEP-ASE Integrated Company in general. Chapters 7.5.1–7.5.4 disclose information about JSC NIAEP.

- Public organizations;
- Local authorities;
- Educational, healthcare and cultural institutions;
- Sports organizations;
- Religious organizations.

Charity support in the amount of 1.5 million rubles was rendered by NIAEP to municipal formations, enterprises and public organization of the Nizhny Novgorod, the Rostov, the Tver and the Kaliningrad Regions for arrangement of charity events, improvement of infrastructure and land, execution of cultural-mass and sports events, rendering assistance to war and labor veterans and disabled people.

For the first time in 2012 NIAEP organized and carried out a Charity Projects contest in regions of its operation. The contest was announced on April 2, 2012. The total grant fund of the contest amounted to 12.3 million rubles.

102 projects (from 86 organizations) were submitted to the contest. In total the requested funds amounted to 63.3 million rubles. 32 projects (from 33 organizations) were selected by the jury as the winners of the contest.

Table 7.54. Number of Projects Awarded in Competitions

Category	Projects Submitted	Projects Awarded
Culture and Sports	39	13
Young Generation	37	10
Patriotic Initiatives	14	6
Environment	12	3

Table 7.55. Number of Projects Awarded in Competitions

Region	Projects Submitted	Projects Awarded
Nizhny Novgorod Region	71	16
Kaliningrad Region	17	8
Rostov Region	7	6
Vladimir Region	4	1
Tver Region	3	1

7.5.2. Economic Effect on Local Population in Regions of Operation

New Jobs in Regions of Operation

In 2012 nearly 80% of funds going through the accounts of the Company were received by the NIAEP counteragents which created new jobs for performance of their activity. Generally, creation of a new job at NIAEP leads to ten new jobs in related industries.

The NIAEP activity contributes creation of new jobs both in the regions of Company's operation and in the regions where suppliers and manufacturers of equipment and materials operate.

Employment of Local Population in the Russian Federation

Staff recruitment in NIAEP is carried out in accordance with STP 25.02-12 Arrangement of Staff Recruitment and Adaptation. This standard establishes the procedure for staff employment by the Central Office and structural subdivisions. Employment priority is given to local population provided that qualified employees are available in the region of operation. More than half of top managers of NIAEP are employed from among local population living in the relevant regions of operation.

Community offices are established to help the construction and mounting departments and contracting and subcontracting organizations operating on construction sites in solving the problem of HR recruitment.

All specialists employed through community offices are citizens of Russia (except for community offices in Visaginas established for citizens of Lithuania). 95% of them constantly reside in cities and settlements located within 100 km from NPP construction sites. 100% of staff employed by subsidiaries and contracting organizations get wages exceeding the minimum monthly wage fixed in the relative regions of operation.

A community office is a functional structure engaged in consolidated attraction of technical personnel and formation of a general HR database in regions of NPP construction. On the basis of community offices the employees of HR Departments of contracting organizations carry out selection interviews and select the required personnel.
Within 5,5 years 24,612 persons applied to community offices and 3,969 qualified workers were employed by subsidiaries and contracting organizations operating at Company's facilities.

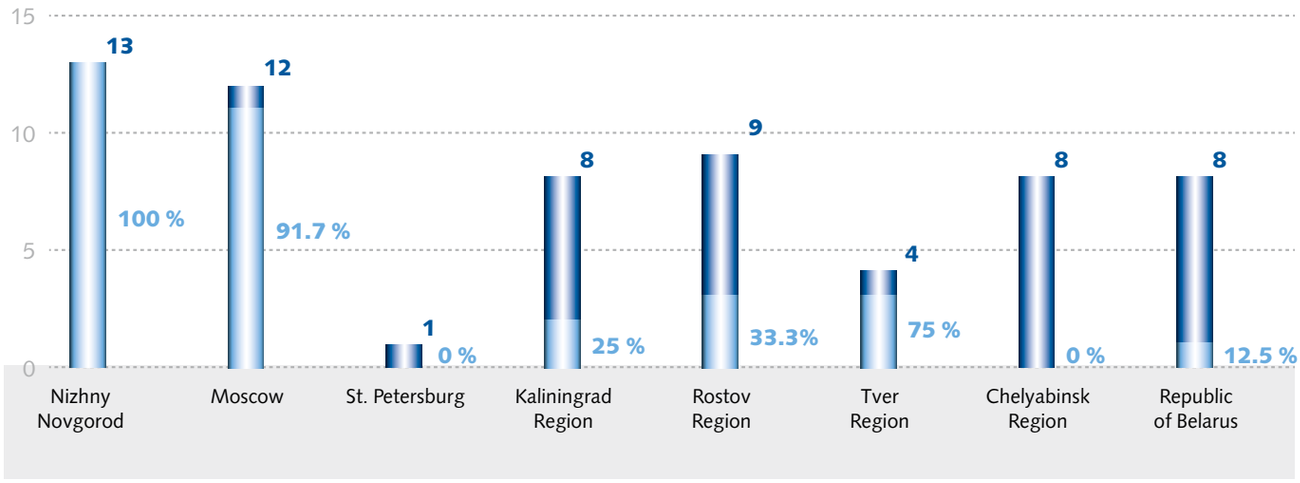


Fig. 7.16. Number of Top Managers Employed from Among Local Population in 2012

Table 7.56. Employment through Community Offices in Russia

Year	Volgodonsk Branch		Udomlya Branch[27]		Baltic Branch	
	Applied (People)	Employed (People)	Applied (People)	Employed (People)	Applied (People)	Employed (People)
2008	3,760	605	723	36	–	–
2009	6,890	609	1,948	996	–	–
2010	3,982	351	951	505	–	–
2011	1,791	190	393	199	1,175	9
2012	1,063	224	–	–	1,136	191
Total	17,486	1,979	4,015	1,736	2,311	200

[27] Zero values are conditioned by scheduled completion of construction of Kalinin NPP generating unit 4 and liquidation of the Udomlya Branch.

Employment of Local Population Abroad

The procedure for employment of local population for work performance on NPP construction abroad and execution of other nuclear energy projects was established by Order of ASE No. 42 on Approval of Procedure for Application of Document Forms of February 24, 2009 and STP 25.02-12 HR Recruitment and Employees Adaptation Procedures. In 2012 the share of engineers and technical specialists employed by ASE subdivisions from among local population amounted to nearly 20%.

In October 2012 the first foreign community office was established in Visaginas of the Utensky Uyezd of Lithuania for recruitment of qualified workers, engineers and technical specialist for the Ignalina NPP decommissioning project. A large-scale advertising campaign was carried out in Lithuanian mass media and reception of citizens was arranged. This permitted to employ the key staff for the Lithuanian Branch of Construction and Erection Department No. 1 Ltd. (NIAEP subsidiaries and affiliates) in total of 54 people and to form the external HR reserve including over 800 qualified workers and specialists within a short time.

7.5.3. Economic Effect on Suppliers and Contractors

NIAEP places no priorities on suppliers and contractors in connection with geographical location. However, in accordance with the applied policy and practice, NIAEP shall fulfill customer's requirements for attraction of local subcontractors and suppliers when executing certain projects.

Generally, selection of suppliers is performed by means of tender procedures, and possibility to win a tender depends on the level of compliance of candidate with requirements and criteria specified in documentation. The share of budget allocated for procurement from local suppliers in relevant regions of operation varies depending on customer's requirements and contractual terms (see Table 7.58).

Table 7.57. Number of Supplies in 2012, Including Non-Residents of the Russian Federation

Baltic NPP		Rostov NPP		Kalinin NPP	Total
Generating Unit 1	Generating Unit 2	Generating Unit 3	Generating Unit 4	Generating Unit 4	
27	18	164	78	57	344

Table 7.58. Share of Procurement from Local Suppliers in 2012

Generating Unit	Region	Total Volume of Procurement of NPP Equipment (of Contracts Concluded), Million Rubles	Share of Procurement of NPP Equipment from Local Suppliers (of Contracts Concluded), Million Rubles	Share of Procurement from Local Suppliers ,%
Rostov NPP Generating Unit 3	Rostov Region	2,237	183	8.2
Rostov NPP Generating Unit 4	Rostov Region	4,007	290	7.2
Baltic NPP Generating Units 1 and 2	Kaliningrad Region	45,995	–	–

7.5.4. Procurement Optimization

In 2012 NIAEP proceeded with optimization of procurement procedures. Electronic trading platforms (ETP) were widely used for this purpose. Procurement through ETP has a number of advantages:

- Significant time-saving;
- Saving of capital for arrangement and carrying out of procurement;
- Transparency of procurement process.

In 2011 21.9% of all NIAEP tender procurement procedures were carried out by means of ETP, while in 2012 this value amounted to 99.99% (see Fig. 7.17).

Execution of open tender procedures by means of electronic trading platforms permitted to considerably reduce contract prices compared to the initial (maximum) ones. Saving on the generating units under construction amounted to:

- Rostov NPP generating unit 3 – 507.4 million rubles;
- Rostov NPP generating unit 4 – 162.9 million rubles;
- Baltic NPP generating units 1 and 2 – 621.6 million rubles.

In 2012 the total saving as a result of placement of procurement tenders on ETP amounted to 1,291.9 million rubles.

Fig. 7.17. Share of Tender Procurement Carried out Through Electronic Trading Platforms (over 2010–2012)

7.6. Interaction with Interested Parties

7.6.1. Interaction with Interested Parties in 2012

The Integrated Company tends to establish mutually beneficial partnership with interested parties.

Based on express-polling of the Company management, following groups of key interested parties of the Integrated Company were revealed:

- shareholders;
- customers;
- suppliers;
- contractors and sub-contractors;
- staff and management;
- non-governmental organizations;
- educational institutions;
- central and local authorities;
- resident population;
- mass media.

A Permanent Stakeholder Panel was established in order to create efficient system of interaction with the interested parties. Primary groups of the interested parties were determined on the basis of evaluation of importance of their influence to ongoing activity of the Company and effect the Company produces on the interested parties. Procedure of the Stakeholder Panel formation is to be approved by Provision about Stakeholder Panel.

Interaction of the Company with the interested parties is governed by the following principles:

- Respect of interested parties' opinion.
- Timely notification of the interested parties.
- Interaction on a regular basis.
- Fulfillment by the Company of commitments incurred.
- Requirement for the interested parties to fulfill the undertaken obligations.

The interaction is arranged with account of expectations of each interested party. The Integrated Company uses various mechanisms and tools for such interaction (See Table 7.59).

Table 7.59. Interaction with Interested Parties in 2012

Interested parties	Expectations	Ways of interaction	Activities and results in 2012
SHAREHOLDER **JSC Atomenergoprom, State Corporation Rosatom**	Carrying out activities in compliance with the Shareholder's Strategy following corporate procedures	Active involvement into fulfillment of strategic tasks of a shareholder, upgrade of corporation management system	48 meetings of the JSC NIAEP Board of Directors took place in 2012 (See Chapter 5.1 Corporate Management). The JSC NIAEP participated in the competition of Public annual reports arranged by State Corporation ROSATOM and took the lead (See Awards).
CUSTOMERS **OJSC Rosenergoatom Concern, NPPD Company of Iran, Slovensk elektr rne, a.s., NPCIL, Akkuyu NPP, Jiangsu Nuclear Power Corporation (JNPC), China Nuclear Power Engineering Company (CNPE), China Nuclear Energy Industry Corporation (CNEIC), DSAE GU, NNEGC ENERGOATOM, EVN, FSNPC**	Fulfillment of target plans and observance of construction terms, reduction of construction value, and improved work quality	Improvement of management system, participation in activities of emergency centers, adoption of modern engineering technologies	In the course of the reporting year, meetings with the Customer were regularly held at the facilities to be constructed. The Customer's representatives were regularly present at every important activity arranged by NIAEP.

Interested parties	Expectations	Ways of interaction	Activities and results in 2012
PARTNERS **Suppliers, subcontractors**	Placement of new orders. Obtaining information on construction facilities, supplier selection procedures, and financial condition of the Integrated Company. Prospects for cooperation	Holding of open tenders, conclusion of long-term agreements with transparent pricing rules. Participation in trade fairs, bilateral visits, meetings, formation of strategic partnership	The Integrated Company holds open tenders for conclusion of long-term agreements with transparent pricing rules on a regular basis. It participates in the trade fairs, as well as research and practice activities. Partners of the Integrated Company have a possibility to be presented in a special catalog of equipment and materials for NPPs. On June 14–15, the Integrated Company arranged the 2nd International Research and Scientific Forum on Life Cycle Management of Complex Engineering Facilities and Development of Competitive Construction Technologies. On the 17th of October, leading specialists of French company Électricité de France (EDF) were on a working visit at the construction sites of generating units No. 3 and 4 of the Rostov NPP. The visit took place in accordance with cooperation program of OJSC Rosenergoatom Concern and EDF. On the 19th of October, NIAEP presented its innovations at 3D EXPERIENCE Forum Russia arranged by the French company Dassault Systemes (DS).
STAFF **Employees of the Integrated Company, trade union, Council of Young Specialists, Veterans Council**	Stable labor remuneration, development prospects, and social guarantees	Social partnership, social and charity programs, staff development programs, training and qualification implementation	Implementation of the NIAEP collective labor agreement for 2010–2012 years was summarized. On the 12th of December, collective labor agreement for 2013–2014 years was concluded in NIAEP.
EDUCATIONAL INSTITUTIONS **Moscow Engineering and Physics Institute, Nizhny Novgorod Alekseev State Technical University, Nizhny Novgorod Architectural and Construction University n/a V.P. Chkalov, Nizhny Novgorod State University n/a N.I. Lobachevsky; Ivanovsky State Power University.**	Getting information about prospects of the Integrated Company and graduates employment	Joint elaboration of educational programs, arrangement of training for students, and target training of specialists	In 2012, the Basic Chair of Lifecycle Management System for Complex Engineering Facilities Basic Chair of Lifecycle Management System for Complex Engineering Facilities was established at Nizhny Novgorod Alekseev State Technical University. The Chair is headed by Limarenko V.I., Doctor of Science, Economics, and President of NIAEP. Students of the university and employees of the company are trained in this department. In 2012, together with employees of Sarov Physical and Technical Institute of the National Research Nuclear University MEPhI, models of professional competence of design engineers which are used when training and selecting graduates and finding work for them in the Company were developed.

Interested parties	Expectations	Ways of interaction	Activities and results in 2012
PUBLIC ORGANIZATIONS	Getting information about prospects of the Integrated Company expansion, infrastructure development, tax deductions, employment, social programs fulfillment	Agreements on cooperation, social and charity programs, public hearings and public accountability	In 2012, for the first time the Integrated Company arranged and held a contest of goodwill projects in the areas of Company's operation.
LOCAL AUTHORITIES IN THE REGIONS OF COMPANY'S OPERATION	Getting information about prospects of the Integrated Company expansion, infrastructure development, tax deductions, employment, social programs fulfillment.	Agreements on cooperation, social and charity programs, public hearings and public accountability	In 2012, for the first time the Integrated Company arranged and held a contest of goodwill projects in the areas of Company's operation.
LOCAL POPULATION Residents of the areas of Company's operation and potential employees	Creation of jobs, positive influence of the Integrated Company on life of local population	Public receptions, social and charity programs, public hearings	In 2012, counseling offices proceeded with their work. The first foreign counseling office in Lithuania was opened. As a result, 54 dwellers of Visaginas (Lithuania) were hired for the Lithuanian office of NIAEP and over 800 of them were taken as staff reserve.
MASS MEDIA	Getting information about prospects of Integrated Company expansion, environmental safety, and milestone events	News conferences, public accountability	Placing of information in the section For Journalists on the Company web-site. Mailing of press-releases.

In 2013, it is planned to develop and start an Internet platform for interaction with the interested parties. The project is intended to arrange discussions of projects, documents, and other matters related to activities of the Company[28] which are essential for the interested parties.

Assessment of Consumers' Satisfaction

Russian consumers

On the basis of results of work in 2012, questionaries to assess satisfaction of quality of the performed works were sent to major customers of the Integrated Company: OJSC Rosenergoatom Concern and JSC "Atomenergoproekt". This polling provides for collection of data on determination of quality level for the past period (improvement/worsening) and information on compliance with deadlines (fulfillment later than the deadline/prior to the deadline) as for basic products of the Company (design products; construction of the NPP generating units).

On the basis of data on satisfaction received from the customers, following is specified:

- Quality of services rendered by the Company in the field of designing and construction of the NPP generating units is unaffected.
- Deadlines of the services rendered by the Company are mostly complied with. In some occasions the time periods are exceeded.

[28] See http://niaep.stakeholderpanel.ru/

In April 2012, testimonials about the Company as General Designer and Contractor for construction of Kalinin NPP generating unit No. 4 (ref no. 09-01-15/471 of 12.04.2012) were received from Kalinin NPP (branch of OJSC Rosenergoatom Concern).

Quality of the performed works and services rendered was assessed as positive one in this testimonial. It was also mentioned:

- Efficient support of the equipment manufacturing process by the Company staff: it enabled to avoid delivery of falsified and pirated products.
- Proper organization of works on incoming inspection, storage, and delivery of equipment and materials for installation.
- Prompt initiation and performance of works on the construction sites in accordance with the approved schedules.

In order to improve results and efficiency of the quality management system, improvement activities are carried out, and programs on different types of activities are developed.

Foreign consumers

Satisfactin of foreign consumers is assessed by evaluating fulfillment of contractual obligations on projects in the course of audit from the side of the customer and during quarterly coordination meetings with participation of customers, as well as at video-conferences with participation of customers. Results of consumer satisfaction are in the audit reports from the side of the customer and in the protocols of meetings.

During Reporting Period, the customers performed audits for projects of Tyanwan NPP-2 and the Akkuyu NPP. The customers' evaluation of activities to fulfil contractual obligations was positive.

7.6.2. Dialogues with Iterested Parties in the Course of Report Preparation

Strategy in the field of public reporting of State Corporation Rosatom specifies that one of the key principles of the NIAEP public reporting is an interaction with the interested parties (stakeholders) which is implemented in the course of preparation of public reports.

In the course of preparation of the Report, four dialogues were arranged (including public consultations) in accordance with Standard on Interaction with the Interested Parties AA1000SES. These activities were intended to get a feedback from stakeholders in order to specify a higher-priority subject, matters of sustainable development and control of capitals in the report. Representatives of the interested parties including Stakeholder Panel of NIAEP were invited to participate in these dialogues.

Dialogue No.1. Annual Report Concept for 2012[29]

On January 30, 2013 in the office building of JSC NIAEP in Nizhny Novgorod (3, Svoboda sq.), a dialogue on report concept of JSC NIAEP for 2012 took place. In the course of dialogue, the Report concept worked out by JSC NIAEP was presented for the interested parties, and after that the interested parties were suggested to express their opinions and recommendations on priority issues of the Report, issues for other dialogue with the interested parties and a list of those authorized to approve the report. The activity enabled to finalize and update the Report concept and make the 2012 Report meet interests of stakeholders better.

Dialogue No. 2. Strategy of NIAEP-ASE Integrated Company[30]

On the 13th of March, 2013, at 10:00 a.m., a the dialogue Strategy of NIAEP-ASE Integrated Company took place in the office building of the NIAEP Moscow Branch (2, Dmitrovskoye shosse). Issues of development of the Integrated Company Strategy and incorporation of principles of sustainable development into strategy were discussed during this activity.

Dialogue No. 3. Sustainable Development[31]

On the 13th of March, from 11:15 a.m. to 12:30 a.m., the dialogue Sustainable development took place in the office building of JSC NIAEP in Nizhny Novgorod (3, Svoboda sq.).

Issues of the Company efficiency in the field of sustainable development, as well as management of human, social-economic, and environmental capitals were discussed during this activity.

[29] Protocol of consultation and list of participants, see: http://niaep.stakeholderpanel.ru/ru/activities/?all=1.
[30] Ibid.
[31] Ibid.

Table 7.60. Replies to Requests and Recommendations Stated by Interested Parties during Dialogues

Requests/recommendations of the participants	Comments of the Company management
Develop 2012 Report as a Public Annual Report of a new global Company.	This recommendation was taken into account when preparing 2012 Report.
Make competitive ability in foreign and domestic markets in the conditions of WTO accession a high priority matter in the Report.	Information on place of the Company in foreign and domestic markets is given in Chapter 1.2. Activity Environment. The recommendation will be taken into account when selecting priority matters of the Report for 2013.
Study market of products and services in the medium and long-term perspective till 2050.	See Chapter 1.2. Activity Environment.
Describe predictive estimates and probable scenarios. Examine domestic and foreign power market, as well as electric power market, formation of new markets.	See Chapter 1.2. Activity Environment.
Carry out a market-value appraisal of the Company. Pay special attention to market-value appraisal of intangible assets.	This recommendation will be taken into account during preparation of the 2013 Report.
Carry out a comparison study of products as for cost, quality, and safety, with the services and products of competitors in the domestic and worldwide markets.	This recommendation will be taken into account during preparation of the 2013 Report.
Disclose indices related to productivity, added value, quantity, and cost of trial and innovation products.	This recommendation will be taken into account during preparation of the 2013 Report. In Section 6. Adoption of innovations, we tried to provide the fullest information on innovation products which are manufactured by the Company.
Present information on cooperation with companies of Nizhny Novgorod cluster of nuclear power industry, including the VVER-500 project at the Kolskaya NPP.	This recommendation will be taken into account during preparation of the 2013 Report.
Consider the matter of business model as strategic one.	Special Section 4. Business model was specially introduced into the Report in order to emphasise importance of this matter. This recommendation will be taken into account when selecting priority subjects of the Report for 2013.
Pay attention to investments into brain capital.	See Section 6. Adoption of innovations.
Describe youth policy.	See Chapter 7.3. Human Capital.
Invite more specialists of the Interregional Territorial Administration on Nuclear and Radiation Safety.	The Company will take this recommendation when arranging activities in 2013. Specialists of the Interregional Territorial Administration on Nuclear and Radiation Safety will be invited to the Internet platform developed by NIAEP for interaction with the interested parties.
Pay attention to sufficient quantity of employees of the Company on a long-term horizon.	See Chapter 7.3. Human Capital.
Describe interaction with interested parties.	See Chapter 7.6. Interaction with Interested Parties.
Develop road map and include deadlines of facilities construction of the Integrated Company in it.	See Section 3. Strategically significant results of activities.

Requests/recommendations of the participants	Comments of the Company management
Expand cooperation with educational institutions.	See Chapter 7.3. Human Capital.
Pay special attention to safety matters.	See Chapter 7.4.5. Nuclear and Radiation Safety of nuclear power facilities.
Pay special attention to business development of nuclear power engineering industry.	See Chapter 1.2. Activity Environment and Section 2. Strategy.
Justify priority of business diversification matter.	See Chapter 1.2. Activity Environment and Section 2. Strategy.
Specify perspectives/anticipations of the Company as for business related to RAW (radioactive waste) and SNF (Spent Nuclear Fuel).	See Chapter 3.1.2. Radioactive Waste and Spent Fuel Storages and Reprocessing Plants, Chapter 3.2.2. Decommissioning and Section 2. Strategy.
Specify modes of interaction with contractors, forms of contracts conclusion.	This recommendation will be taken into account during preparation of the 2013 Report.
Publish new organizational structure of the Company in the 2012 Report.	Organizational structure of the Integrated Company is under development. This recommendation will be taken into account during preparation of the 2013 Report.
Pay more attention to international cooperation, create a new model of projects of the Integrated Company in third countries.	This recommendation will be taken into account during preparation of the 2013 Report.
Outline place of the Integrated Company in the structure of State Corporation Rosatom.	This recommendation will be taken into account during preparation of the 2013 Report.

7.6.3. Public Consultations on Report

On April 24, 2013, public consultation on annual public report of JSC NIAEP for 2012 took place in a conference hall of the office building of JSC NIAEP in Nizhny Novgorod (3, Svoboda sq.).

Representatives of the main interested parties participated in the public consultations.

On behalf of state authorities:

Tamarov V.A.	Deputy Director of the Volga and Oka Head Office of the Environmental, Technological and Nuclear Supervision Federal Service
Vasilyiev A.A.	Consultant of the Military and Industrial Complex Department of the Nizhny Novgorod Region Government

On behalf of industry organizations:

Aleksandrov E.G	Director of Power Machines OJSC
Borodin E.B.	Chief Engineer of Power Machines OJSC
Kezin S.N.	Adviser Director of the World Association of Nuclear Operators
Krivosheev A.B.	Marketing Management Head of Atomenergomash JSC
Kurachenkov A.V.	Chief Officer of the Designing Department for Water-Cooled Reactor Systems and Common Auxiliaries of Joint Stock Company Afrikantov Experimental Mechanical Engineering Design Bureau
Khramova E.N.	Chief Specialist of AEM-Technology CJSC

On behalf of business community:

Lebedev V.A.	Vice-President of Sarovbusinessbank JSC

On behalf of non-governmental organizations:

Anosov A.V.	Director of Design Planning and Analysis of the Chamber of Commerce and Industry of the Nizhny Novgorod Region
Semenchuk V.S.	Deputy Director General of the Nizhny Novgorod Association of Manufacturers and Entrepreneurs
Tarasenko E.A.	Head of the Design and Communications Department of the Oka Interregional Environmental Movement
Khasiev A.V.	Chairman of the Oka Interregional Environmental Movement

On behalf of educational institutions and scientific organization:

Khadchenko S.P.	Head of Department of FSUE Sedakov FRPC NIIIS
Khrobostov A.E.	Director of the Nuclear Energy and Applied Physics Institute of Nizhny Novgorod Alekseev State Technical University

On behalf of consulting companies:

Galushkin S.V.	Project and Program Manager of Da-Strategy Group of Companies
Nakvasin S.U.	Corporate Reporting Business Area Director of Da-Strategy Group of Companies
Tokareva V.S.	Project Manager of Da-Strategy Group of Companies
Vodopyanova L.V.	Lead Auditor of Bureau Veritas Certification Russia CJSC

On behalf of the Integrated Company:

Sheshokin N.P.	Vice President, Human Resources
Zilinskaya O.I.	Chief Specialist of the Public Relations and Information Policy Department
Kochergina E.V.	Chairman of Trade Union
Letovaltseva T.V.	Acting Head of the Social and Labor Relations Department
Podorov N.G.	Director of Economic and Financial Affairs and Head of the Main Finance and Economic Department
Sedelnikov D.V.	Chief Specialist of the Strategic Development amd Market Monitoring Department
Sokolov N.G.	Chief Specialist of the Engineering Department
Shadrin E.A.	Head of the Investment Department
Shiryaeva N.V.	Acting Head of the HR Department

Approved by the Decision of the Sole Shareholder

Approved by the Decision of the Board of Directors

President V.I. Limarenko

Chief Accountant E.V. Samogorodskaya

Annexes

Annex No. I

Report of the Board of Directors on Operating Results of JSC NIAEP per Priority Activities

In 2012, 48 meetings of the Board of Directors were held, where 70 decisions were adopted for issues of agenda. The table below shows a list of the conducted meetings of the Board of Directors and adopted decisions.

Date of meeting	Protocol number	Agenda
03.02.2012	1	1. Approval of transaction, subject of which is property, works and services in amount of more than five hundred (500) million rubles. This transaction is concluded between JSC NIAEP and supplier recognized as a winner of open tender in accordance with the established procedure (in electronic form). 2. Approval of transaction related to transfer of title to real property (between JSC NIAEP and Non-Commercial Partnership Nizhny Novgorod Nuclear Engineering Business Center).
07.02.2012	2	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and subcontractors selected on the basis of results of tender.
08.02.2012	3	1. Decision-making on questions of competence of General Shareholders Meeting (the sole shareholder) of the Companies, one hundred (100) per cents of equity capital of which belong to JSC NIAEP (LLC SMU No. 1 and LLC SMU No. 2).
17.02.2012	4	1. Proposal to the sole shareholder of JSC Nizhny Novgorod Engineering Company "Atomenergoproekt", Open Joint-Stock Company Nuclear Power Generation Complex to make a decision on introduction of amendments and additions No. 7 into The Charter of JSC NIAEP. 2. Approval of amendments No. 2 to the Provision on the Baltic Branch of JSC NIAEP.
21.02.2012	5	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and suppliers on the basis of open invitation to tender in accordance with the established procedure (in electronic form).
21.02.2012	6	1. Opening of a Nizhny Novgorod Engineering Company "Atomenergoproekt" office (Russian Federation) in the Republic of Belarus. 2. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision on introduction of amendments and additions No. 8 into the Charter of JSC NIAEP. 3. Approval of provision on office of JSC NIAEP in the Republic of Belarus.
01.03.2012	7	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and suppliers recognized as winners of open tenders.
14.03.2012	8	1. Changing of terms and conditions of the employment agreement of JSC NIAEP Director by certain parties.
15.03.2012	9	1. Approval of provision on purchases of JSC NIAEP.
15.03.2012	10	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and JSC ASE (agreement on delegation of authority of sole executive body and rendering of the related services).
06.04.2012	11	1. Decision-making on questions of competence of General Shareholders Meeting (the sole shareholder) of the Companies, one hundred (100) per cents of equity capital of which belong to JSC NIAEP.
10.04.2012	12	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and JSC ASE (agreement for survey works, development of project documentation and top-priority detailed design documentation to construct two generating units of the Belarusian NPP.

Date of meeting	Protocol number	Agenda
11.04.2012	13	1. Approval of amendments and additions No. 3 to JSC NIAEP 2010-2012 Collective Agreement.
25.04.2012	14	1. Approval of transaction subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and OJSC Rosenergoatom Concern. 2. Approval of transaction subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and OJSC Rosenergoatom Concern.
26.04.2012	15	1. Approval of transactions related to gratuitous alienation by JSC NIAEP of right of ownership with respect to a share in the common property, unfinished building: residence building having the following address: Nizhny Novgorod, Sovetsky district, ul. Nadezhdy Suslovoy, 2, cadastral number: 52:18:0070110:0:28, for employees of NIAEP FSUE.
14.05.2012	16	1. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision to introduce amendment No. 9 to the Charter of JSC NIAEP. 2. Approval of amendments No. 1 to the Provision on Saint Petersburg office of JSC NIAEP.
16.04.2012	17	1. Incentive for Limarenko Valery Igorevich, Director of JSC NIAEP, for timely commissioning of the facilities.
23.05.2012	18	1. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision to introduce amendment No. 10 to the Charter of JSC NIAEP.
24.05.2012	19	1. Establishing of Navashino Branch of JSC NIAEP. 2. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision to introduce amendment No. 11 to the Charter of JSC NIAEP. 3. Approval of provision on Navashino Branch of JSC NIAEP.
30.05.2012	20	1. Determination of date to draw up a list of people having a right to participate in Annual General Meeting of Shareholders of JSC NIAEP. 2. Preliminary approval of Annual Report of JSC NIAEP. 3. Preliminary approval of annual financial statements including profit and loss statement of JSC NIAEP according to the results of 2011. 4. Recommendations for the sole shareholder as for distribution of profits of JSC NIAEP according to the results of 2011 including dividends amount of shares of JSC NIAEP and timing of dividend payments according to the results of financial year. 5. Determination of amount of payment for services of auditor of JSC NIAEP on audit of reporting according to the results of 2012. 6. Proposal to the sole shareholder of JSC NIAEP to make decisions related to competency of Annual General Meeting of Shareholders of JSC NIAEP.
04.06.2012	21	1. Payment of remuneration for Director of JSC NIAEP according to the results of achievement of the key performance indices for 2011.
07.06.2012	22	1. Decision-making on questions of competence of General Shareholders Meeting (the sole shareholder) of the Companies, one hundred (100) per cents of equity capital of which belong to JSC NIAEP.
26.06.2012	23	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and supplier recognized as winner of open tender.
27.06.2012	24	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and suppliers recognized as winners of open tenders.
27.07.2012	25	1. Changing of terms and conditions of the employment agreement of JSC NIAEP Director by certain parties.
28.07.2012	26	1. Establishment of Yuzhnouralsk Branch of JSC NIAEP. 2. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision to introduce amendment No. 12 to the Charter of JSC NIAEP. 3. Approval of provision on Yuzhnouralsk branch of JSC NIAEP. 4. Decision-making on questions of competence of General Shareholders Meeting (the sole shareholder) of the Companies, one hundred (100) per cents of equity capital of which belong to JSC NIAEP.

Date of meeting	Protocol number	Agenda
12.07.2012	28	1. Election of Chairman of the Board of Directors of JSC NIAEP. 2. Election of Secretary of the Board of Directors of JSC NIAEP.
25.07.2012	29	1. Approval of transactions of JSC NIAEP subject of which is property, works and services in amount of more than five hundred (500) million rubles.
25.07.2012	30	1. Approval of donation procedure.
16.08.2012	31	1. Election of chairperson in the meetings of the Board of Directors of JSC NIAEP. 2. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of contractor agreement for construction and installation works at generating unit No. 4 of the Rostov NPP between JSC NIAEP and Energomashkapital LLC.
16.08.2012	32	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of agreement for development of documentation for construction of generating units No.1, No.2 of Nizhny Novgorod NPP between JSC NIAEP and OJSC Rosenergoatom Concern.
16.08.2012	33	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of agreement for delivery of the containment prestress systems for construction of generating units No.1, No.2 of the Baltic NPP between JSC NIAEP and STS LLC.
30.08.2012	34	1. Election of Chairman of the Board of Directors of JSC NIAEP. 2. Election of chairperson in the meetings of the Board of Directors of JSC NIAEP. 3. Election of Secretary of the Board of Directors of JSC NIAEP.
04.09.2012	35	1. Decision-making on question of competence of General Shareholders Meeting (the sole shareholder) of the Companies, one hundred (100) per cents of equity capital of which belong to JSC NIAEP.
25.09.2012	36	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of contractor agreement for construction and installation works at generating unit No. 2 of the Baltic NPP between JSC NIAEP and subcontractor selected on the basis of open tender. 2. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of agreement for insurance of builder's risks of the Baltic NPP between JSC NIAEP and insurance company selected on the basis of closed invitations to tender.
26.09.2012	37	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and subcontractors recognized as winners of open tenders.
09.10.2012	38	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of agreement for development of chapters of design documentation for construction of Belarusian NPP between JSC NIAEP and JSC SPbAEP.
22.10.2012	39	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles between JSC NIAEP and subcontractors recognized as winners of open tenders.
02.11.2012	40	1. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision to introduce amendments No. 13, No. 14 to the Charter of JSC NIAEP.
02.11.2012	41	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of agreement for works and services for operating company on development and delivery of documentation required to get permits for construction of generating units No. 1 and No. 2 of Kursk NPP-2 between JSC NIAEP and OJSC Rosenergoatom Concern.
02.11.2012	42	1. Approval of transactions subject of which is property, works and services in amount of more than five hundred (500) million rubles: conclusion of agreement for works between JSC NIAEP and Rusatom Overseas JSC.
21.11.2012	43	1. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision to introduce amendments No. 14 to the Charter of JSC NIAEP.

Date of meeting	Protocol number	Agenda
22.11.2012	44	1. Approval of transactions of JSC NIAEP subject of which is property, works and services in amount of more than five hundred (500) million rubles.
27.11.2012	45	1. Approval of the Collective Agreement of JSC NIAEP for 2013–2014.
28.11.2012	46	1. Establishing of the Kursk Branch of JSC NIAEP. 2. Proposal to the sole shareholder to make a decision to introduce amendments No. 15 to the Charter of JSC NIAEP. 3. Approval of the provision on the Kursk Branch of JSC NIAEP.
28.11.2012	47	1. Decision-making on questions of competence of General Shareholders Meeting (the sole shareholder) of the Companies, one hundred (100) per cents of equity capital of which belong to JSC NIAEP.
25.12.2012	48	1. Proposal to the sole shareholder of JSC NIAEP, Open Joint-Stock Company Nuclear Power Generation Complex to make a decision to introduce amendments No. 16 to the Charter of JSC NIAEP.

Annex No. 2

Information on Compliance with the Corporate Code of Conduct of JSC NIAEP

As a result of the performed analysis, it is stated that the existing activity practice of administrative bodies mostly complies with Corporate Code of Conduct (as for key points). Some provisions of the Code can not be applied because of availability of one shareholder.

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
the General Shareholders Meeting		
Notification of the shareholders on summon of the General Shareholders Meeting at least 30 days prior to its conduction despite of the issues of agenda, if otherwise not stipulated by the law	Not applicable	Availability of the sole shareholder governs specific decision-making.
Possibility for the shareholders to get aware of list of people having a right to participate in the General Shareholders Meeting s beginning from the day of notification on the General Shareholders Meeting to the closing day of attendee the General Shareholders Meeting, and in case of absentee meeting, until the end of acceptance of voting bulletins	Not applicable	Availability of the sole shareholder results in specific decision-making.
Possibility for the shareholders to recognize the information (materials) to be provided with when preparing for the General Shareholders Meeting by electronic means, including by Internet	Complied	
Possibility for the shareholder to include an item in the agenda of the General Shareholders Meeting or to request for summon of the General Shareholders Meeting without providing with an extract from the shareholder register, if his shares rights are subject to be recorded in the recording system of the shareholder register, and in case his shares right is recorded at the depot account, it is sufficient to get extract from depot account to execute the said rights.	Complied	
Availability of requirement in the Charter and other internal documents of the Joint Stock Company for mandatory attendance of sole executive body, members of the Management Board, members of the Board of Directors, members of the Auditing Committee, and auditor of the Joint Stock Company at the General Shareholders Meeting	Not applicable	Availability of the sole shareholder results in specific decision-making.
Mandatory attendance by the candidates at the General Shareholders Meeting when considering election of the members of the Board of Directors, sole executive body, Members of the Management Board, members of the Auditing Committee, as well as when approving an auditor of the Joint Stock Company	Not applicable	Availability of the sole shareholder results in specific decision-making.
Availability in the internal documents of the Joint Stock Company of attendees' registration procedure in respect of the General Shareholders Meeting	Not applicable	Availability of the sole shareholder results in specific decision-making.
The Board of Directors		
Availability of the right of the Board of Directors in the JSC Charter to approve annually financial and economic plan of the Joint Stock Company	Complied	Item 33, Sub-Clause 13.2 of JSC Charter
Availability of procedure of risk management in JSC approved by the Board of Directors	Not complied	
Availability of the right of the Board of Directors in the JSC Charter to adopt a decision on suspension of powers of sole executive body to be appointed by the General Shareholders Meeting	Complied	Item 28, Sub-Clause 13.2 of JSC Charter

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Availability of the right of the Board of Directors in the JSC Charter to set requirements to qualification and amount of remuneration for sole executive body, members of the Management Board, and Heads of the main departments of the JSC	Complied	Clause 14, Sub-Clause 14.7 of JSC Charter
Availability of the right of the Board of Directors to approve terms and conditions of the Agreements with single-person executive body and members of the Management Board	Complied	Clause 14, Sub-Clause 14.7 of JSC Charter
Availability in the Charter or internal documents of JSC of a requirement that when approving terms and conditions of the Agreements with the sole executive body (managing organization or managing director) and members of the Management Board, votes of members of the Board of Directors being a sole executive body and members of the Management Board are not taken into account when counting voices	Not complied	
Availability in the Board of Directors of the JSC at least 3 independent directors corresponding to requirements of Corporate Code of Conduct	Not complied	The Board of Directors is determined upon a decision of sole shareholder of the Company.
Absence in the Board of Directors of the Joint Stock Company of people guilty of economic crimes or crimes against state authorities, interests of public service and service in the local self-government authorities, or those to whom administrative penalties for entrepreneurship or financial, fiscal or security market infringements were applied	Complied	Applied in practice.
Absence in the Board of Directors of the Joint Stock Company of people being a participant, general director (managing director), member of the Management Board or employee of legal entity competing with the Joint Stock Company	Complied	Applied in practice.
Availability in the Charter of the Joint Stock Company a requirement to elect the Board of Directors by cumulative voting	Not applicable	Due to availability of sole shareholder.
Availability in the internal documents of the Joint Stock Company of a duty of members of the Board of Directors to retain from actions that lead or may lead to a conflict of interests between them and the Joint Stock Company, and in case of conflict, a duty to disclose information about this conflict to the Board of Directors	Complied	Sub-Clause 3.5 of Regulations on the Board of Directors of the Company
Availability in the internal documents of the Joint Stock Company of a duty of the Board of Directors to notify in written about intention to enter into transactions with securities of the Joint Stock Company which the Board of Directors they are members of, or its subsidiaries or affiliates, as well as to disclose information about transactions with securities which they have made	Not applicable	Members of the Board of Directors do not own Company's shares.
Availability in the internal documents of the Joint Stock Company of a requirement to conduct meetings of the Board of Directors at least once per six week	Complied	Sub-Clause 5.1 of Regulations on the Board of Directors of the Company
Conduction of meetings of the Board of Directors of the Joint Stock Company during a year of annual report of the Company at least once per six weeks	Complied	Applied in practice.
Availability in the internal documents of the Joint Stock Company of a procedure to conduct meetings of the Board of Directors	Complied	Sub-Clauses 13.4, 13.5, It.13 of the Company's Charter; Section 7 of Regulations on the Board of Directors of the Company
Availability in the internal documents of the Joint Stock Company of a provision about necessity to approve transactions in amount of 10 and more per cents of assets of the Company by the Board of Directors, except for transactions made in the course of routine business activity	Complied	Item 1, sub-clause 3.1 of Regulation on the Board of Directors of the Company

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Availability in the internal documents of the Joint Stock Company of a right of the Board of Directors members to receive from executive bodies and heads of main departments of the Company an information necessary to fulfill its functions and responsibilities for failure to submit such information	Complied	Sub-Clause 1 It. 3.1 of Regulation on the Board of Directors of the Company
Availability of the Strategic Planning Committee of the Board of Directors or transferring functions of the said committee to other committee (except for Audit Committee and staff and remuneration committee)	Not complied	Currently the committees of the Board of Directors are not established.
Availability of committee of the Board of Directors (Audit Committee) that recommends an auditor of the Joint Stock Company to the Board of Directors and interacts with it and the internal audit commission	Not complied	Currently the committees of the Board of Directors are not established.
Availability of only independent and non-executive directors in the Audit Committee	Not applicable	Currently an Audit Committee is not established.
Management of Audit Committee by independent director	Not applicable	Currently an Audit Committee is not established.
Availability in the internal documents of the Joint Stock Company of an access right for all members of Audit Committee to all documents and information of the Joint Stock Company on the basis of non-disclosure of confidential information	Not applicable	Currently an Audit Committee is not established.
Set-up of the committee of the Board of Directors (Staff and Remuneration Committee) whose duty is to determine the criteria for the Board of Directors candidates selection and work out policy of the Joint Stock Company in view of remuneration	Not complied	Currently the committees of the Board of Directors are not established.
Management of the Staff and Remuneration Committee by an independent director	Not applicable	Currently the Staff and Remuneration Committee is not established.
Absence of officials of the Joint Stock Company in the Staff and Remuneration Committee	Not applicable	Currently the Staff and Remuneration Committee is not established.
Set-up of the Risks Committee of the Board of Directors or transferring functions of this committee to other committee (except for the Audit Committee and the Staff and Remuneration Committee)	Not complied	Currently the committees of the Board of Directors are not established.
Set-up of the committee of the Board of Directors for settlement of corporative conflicts or transferring duties of this committee to other committee (except for Audit Committee and Staff and Remuneration Committee)	Not complied	Currently the committees of the Board of Directors are not established.
Absence of officials of the Joint Stock Company in the Committee for Settlement of Corporate Conflicts	Not applicable	Currently the Committee for Settlement of Corporate Conflicts is not established.
Management of the committee for settlement of corporate conflicts by independent director	Not applicable	Currently the committee for settlement of corporate conflicts is not established.
Availability of the internal documents approved by the Board of Directors of the Joint Stock Company which stipulate a procedure of forming and activities of committees of the Board of Directors	Not complied	Currently the committees of the Board of Directors are not established.
Availability in the Charter of the Joint Stock Company of a procedure how to determine a quorum of the Board of Directors which enables to provide mandatory participation of independent directors in the meetings of the Board of Directors	Not complied	The Board of Directors has no independent members.

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Executive bodies		
Availability of the collective executive body (of management) of the Joint Stock Company	Not complied	Sub-Clause 11.1 of the Company's Charter stipulates only availability of a sole executive body of the Company, namely the President
Availability in the Charter or internal documents of the Joint Stock Company of a provision about necessity to approve by the Management Board of real estate transactions and receiving of loans, if transactions hereto are not considered as large-scale transactions and their closing does not refer to routine business activity of the Joint Stock Company	Not applicable	The Company's Charter does not stipulate availability of collective executive body.
Availability in the internal documents of the Joint Stock Company of a procedure for approving operations beyond financial and economic plan of the Joint Stock Company	Not complied	
Absence in the executive bodies of people being participants, general director (executive manager), member of the Management Board or employee of the legal entity competing with the Joint Stock Company	Complied	Applied in practice.
Absence in the executive bodies of the Joint Stock Company of the people guilty in economic crimes or crimes against state authorities, interests of public service and service in the local self-government authorities, or those to whom administrative penalties for entrepreneurship or financial, fiscal or security market infringements were applied. If functions of the sole executive body are fulfilled by managing organization or by managing director, it corresponds to general director and members of managing organization or managing director subject to requirements to general director and members of the Management Board of the Joint Stock Company	Complied	Applied in practice.
Availability in the Charter or internal documents of the Joint Stock Company of a prohibition for the managing organization (managing director) to perform similar functions in the competing company, and to have property relations with the Joint Stock Company in addition to rendering of services by managing organization (managing director)	Not complied	
Availability in the internal documents of the Joint Stock Company of a duty of executive body to restrain from actions that lead or may lead to a conflict between their interests and interests of the Joint Stock Company, and in case of the conflict, a duty to notify the Board of Directors	Complied	Clause 14, Sub-Clause 14.8 of the Company's Charter
Availability in the Charter and internal documents of the Joint Stock Company the criteria to select the managing organization (managing director)	Not complied	
Representation by the executive bodies of the Joint Stock Company of monthly reports on the work done to the Board of Directors	Complied	Clause 13, Sub-Clause 13.2, Item 32 of the Company's Charter
Stipulating of a responsibility for infringement of provisions on use of confidential and insider information in the agreements entered into by the Joint Stock Company with general director (managing organization, managing director) and members of the Management Board	Complied	

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Secretary of the Company		
Availability in the Joint Stock Company of special official (Secretary of the Company) in purpose of providing compliance by the bodies and officials of the Joint Stock Company with procedural formalities which guarantee execution of rights and legal interests of the Joint Stock Company	Complied	The Company has a Secretary of the Board of Directors.
Availability in the Charter or internal documents of the Joint Stock Company of the Company's Secretary appointment procedure and duties of the Company's Secretary	Complied	Sub-Clause 4.2 of Regulations on the Board of Directors of the Company
Availability in the Charter of the Joint Stock Company of the requirements to a candidate of the Company's Secretary	Complied	Sub-Clause 4.7 of Regulations on the Board of Directors of the Company
Material Corporate Actions		
Availability in the Charter or internal documents of the Joint Stock Company of a requirement to approve large-scale transaction prior to its closing	Complied	Clause 12, Sub-Clause 12.1, Item 15, Clause 13, Sub-Clause 13.2, Item 15 of the Company's Charter
Mandatory attraction of an independent appraiser for assessment of market value of the property being a subject of the large-scale transaction	Not complied	Assessment is performed in accordance with Articles 77-78 of Federal Law on Joint Stock Companies
Availability in the Charter of a prohibition for taking any action, when purchasing major stock of shares of the Joint Stock Company (merger), aimed at the protection of interests of executive bodies (member of these bodies) and members of the Board of Directors of the Company, as well as shareholders making position of other shareholders worse in comparison with the present position (in particular, prohibition to take a resolution by the Board of Directors before the end of expected term of purchasing shares on emission of additional shares, on emission of securities transferred to shares, or securities granting the right to purchase shares of the Company, even if the Charter gives him the right for such decision)	Not applicable	Sole shareholder in the Company.
Availability in the charter of the Joint Stock Company of a requirement on mandatory attraction of an independent appraiser for assessment of current market value of shares and possible variation of their market value as a result of the merger	Complied	Clause 13, Sub-Clause 13.2, Item 5 of the Company's Charter
Absence in the Charter of the Joint Stock Company of the liberation for the buyer from obligation to suggest to shareholders selling their ordinary shares of the Company (issuable securities transferred to ordinary shares) during merger	Not applicable	
Availability in the Charter or internal documents of the Joint Stock Company of a requirement on mandatory attraction of an independent appraiser for determining ratio of conversion of shares while reorganization	Not complied	

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Disclosure of information		
Availability of the internal document approved by the Board of Directors determining rules and approaches of the Joint Stock Company regarding disclosure of information (Regulation for information policy)	Not complied	The Company discloses information in accordance with acting Law on Joint Stock Companies, requirements of Order of FFMS No. 11-46 of 04.10.2011.
Availability in the internal documents of the Joint Stock Company of a requirement on disclosure of information, about purposes of shares disposal, about people, who intend to purchase shares under distribution, including the major stock of shares, and whether senior officials of the Joint Stock Company will participate in the acquisition of the shares under distribution	Not applicable	100% of the Company's shares belong to the sole shareholder .
Availability in the internal documents of the Joint Stock Company of a list of information, documents, and materials to be submitted to shareholders for resolution of issues being put into agenda of the General Shareholders Meeting	Not applicable	100% of the Company's shares belong to the sole shareholder.
Availability of web-site in Internet which belongs to the Company and regular disclosure of information about the Joint Stock Company at this web-site	Complied	Page address on web-site: http://www.e-disclosure.ru/portal/company.aspx?id=19054 Web-site of JSC NIAEP: http://www.niaep.ru
Availability in the internal documents of the Joint Stock Company of a requirement on disclosure of information about transactions of the Joint Stock Companies with people referred pursuant to the Charter to senior officials of the Joint Stock Company, as well as on transactions of the Joint Stock Company with organizations, where 20 or more per cents of the equity capital belong to senior officials of the Company or those who such people can materially influence on	Not complied	
Availability in the internal documents of the Joint Stock Company of a requirement on disclosing of information about all transactions that can affect market value of Company's shares	Not applicable	100% of the Company's shares belong to the sole shareholder.
Availability of the internal document approved by the Board of Directors on use of material information about activity of the Joint Stock Company, shares and other securities of the Company and transactions with them, which is not public and disclosing of that information may materially affect the market value of shares and other securities of the Joint Stock Company	Not applicable	
Control of financial and economic activity		
Availability of the procedures approved by the Board of Directors for internal control for financial and economic activity of the Joint Stock Company	Not complied	The Board of Directors did not approve internal control procedures.
Availability of special department of the Joint Stock Company providing compliance with internal control procedures (internal auditing service)	Complied	Special department (Internal Audit Department) is established in the Company.
Availability in the internal documents of the Joint Stock Company of a requirement on determining a structure and content of internal audit department of the Joint Stock Company by the Board of Directors	Complied	Provision on Internal Audit Department.

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Absence in the Internal Audit Department of people guilty in economic crimes or crimes against state authorities, interests of public service and service in the local self-government authorities, or those to whom administrative penalties for entrepreneurship or financial, fiscal or security market infringements were applied	Complied	Applied in practice.
Absence in the Internal Audit Department of people being members of executive bodies, as well as people being participants, general director (managing director), member of the Management Board or employee of the legal entity competing with the Joint Stock Company	Complied	Applied in practice.
Availability in the internal documents of the Joint Stock Company of a term for representing to the Internal Audit Department of documents and materials for assessment of financial and economic operation, as well as responsibility of officials of the Joint Stock Company for failure to represent documents and materials within the determined term	Complied	Applied in practice.
Availability in the internal documents of the Joint Stock Company of a duty of Internal Audit Department to notify about the revealed infringements to Audit Committee, and in case of its absence, to the Board of Directors of the Joint Stock Company	Not complied	
Availability in the Charter of the Joint Stock Company of a requirement on preliminary assessment by the Internal Audit Department of reasonability of operations not stipulated by financial plan of the Joint Stock Company (non-standard operations)	Not complied	
Availability in the internal documents of the Joint Stock Company of a procedure to approve a non-standard operation by the Board of Directors	Not complied	
Availability of the internal document approved by the Board of Directors determining a procedure of financial and economic activity checks by the internal Audit Committee	Complied	Section 7 of Provision on audit commission of the Company
Assessment by Audit Committee of audit statement prior to its presentation to the shareholders at the General Shareholders Meeting	Not applicable	Currently the committees of the Board of Directors are not established.
Dividends		
Availability of the internal document approved by the Board of Directors which should be used by the Board of Directors when making decisions on dividends amount (Regulation on dividend policy)	Not applicable	The Company has no approved provision on dividend policy.
Availability in the Regulation on Dividend Policy of a procedure for determination of minimal share of net profit of the Joint Stock Company for dividends payment, and conditions, when privileged shares dividends are not paid or paid partially, and which size is determined in the Charter of the Joint Stock Company	Not applicable	The Company has no approved dividend policy.
Publication of information on dividend policy of the Joint Stock Company and amendments in the periodicals stipulated by the Charter of the Joint Stock Company for publication of information on the General Shareholders Meeting s, and publication of information hereto on the web-site of the Joint Stock Company in Internet	Not applicable	The Company has no approved dividend policy.

Annex No. 3

Report on Major Transactions and Interested Party Transactions

Neither major transactions nor transactions of interest for JSC NIAEP were concluded in 2012.

Annex No. 4

Accounting statements for 2012

Balance sheet
as of 31 December, 2012

		Codes		
	OMB No.	0710001		
	Date (day, month, year)	31	12	2012
Organization JSC NIZHNY NOVGOROD ENGINEERING COMPANY "ATOMENERGOPROEKT"	RNNBO	06841271		
Individual Taxpayer Number	VAT ID	5260214123		
Business profile Architecture, industrial design, and engineering and construction	OKVED	74.20.1		
Legal form of organization / form of ownership Open joint-stock company / Federal ownership	OKOPF/Russian National Classifier of Ownership Patterns	47	12	
Unit of measurement: RUB thous.	All-Russia Classifier of Measurement Units	384		
Location (address) 603006, Nizhny Novgorod region, Nizhny Novgorod, pl. Svobody, No. 3				

Clarifications	Line item	Code	as of 31 December, 2012	as of 31 December, 2011	as of 31 December, 2010
	ASSET				
	I. FIXED ASSETS				
1	Intangible assets	1110	1 929	1 293	779
	Results of explorations and developments	1120	-	-	-
2	PP&E (property, plant and equipment)	1150	876 774	835 050	1 073 958
2	Buildings, machines, equipment, and other PP&E	1151	839 455	776 966	813 258
2	Unaccomplished capital investments	1152	31 212	47 907	245 004
5	Advance payments which are paid to capital construction suppliers and contractors and suppliers of permanent facilities	1153	6 107	10 177	15 696
2	Income-bearing investments in tangible assets	1160	447 585	412 380	209 855
3	Financial investments	1170	8 702	8 802	8 802
13	Deffered tax assets	1180	244 186	149 230	47 818
	Other fixed assets	1190	7 049 432	6 227 034	322 542
	Total for Section I	1100	8 628 608	7 633 789	1 663 754
	II. CURRENT ASSETS				
4	Inventory	1210	2 372 354	2 957 727	4 766 670
4	Raw materials, materials, and other similar values	1211	1 191 361	1 017 289	1 068 601
4	Expenditures for work in progress	1212	9 078	26 794	145 126
4	Finished-products and goods for resale	1213	1 134 846	1 599 527	3 491 152
	Goods delivered	1214	-	-	-
	Expenses of future periods	1215	-	-	-
4,16	Accrued revenue not called for payment	1216	37 069	314 117	61 791
	Other inventories and expenditures	1217	-	-	-
	Input value added tax	1220	153 456	302 483	522 346
5	Accounts receivable	1230	43 705 883	29 912 068	18 971 913
5	Long-term receivables – total	1231	26 720 866	14 686 667	1 655 191
5	Settlements with purchasers and clients	1232	7 712	8 174	7 738
5	Advances paid	1233	1 484 494	145 105	1 644 582
5	Other receivables	1234	25 228 660	14 533 388	2 871
5	Current receivables – total	1235	16 985 017	15 225 421	17 316 722
5	Settlements with purchasers and clients	1236	5 382 143	4 866 749	1 660 214
5	Advances paid	1237	7 675 840	9 383 653	9 659 125
5	Other receivables	1238	3 927 034	975 019	5 997 383
3	Financial investments	1240	18 200 000	30 320 000	10 000 000
27	Cash	1250	2 202 662	3 836 217	3 439 526
	Other current assets	1260	3 025 698	3 764 807	12 217
	Total for section II	1200	69 660 053	71 093 322	37 712 672
	STATEMENT	1600	78 288 661	78 727 111	39 376 426

Form 0710001 page 2

Clarifications	Line item	Code	as of 31 December, 2012	as of 31 December, 2011	as of 31 December, 2010
	LIABILITIES **III. EQUITY AND RESERVES, TARGET FINANCING**				
	Target financing	1380			
	Equity capital (joint-stock capital, legal capital, contributions of partners)	1310	500 002	500 002	500 002
	Shares repurchased	1320	-	-	-
	Reappraisal of fixed assets	1340	-	-	-
	Restitutable Shares Reserve (without reappraisal)	1350	298	103	-
	Surplus	1360	25 000	25 000	25 000
	Surplus funds formed in accordance with the Law	1361	-	-	-
	Surplus funds formed in accordance with constitutive documents	1362	25 000	25 000	25 000
	Retained Profit (uncovered loss)	1370	3 108 877	2 338 244	2 286 831
	Total for section III	1300	3 634 185	2 863 349	2 811 833
	IV. LONG-TERM Liabilities	1410	-	-	-
	Deferred tax liabilities	1420	-	-	-
	Provisions for contingent liabilities	1430	-	-	-
5	Other liabilities	1450	42 456 088	38 207 879	-
	Total for Section IV	1400	42 456 088	38 207 879	-
	V. CURRENT LIABILITIES	1510	-	-	-
5	Accounts payable	1520	31 160 597	36 898 095	36 203 195
5	Suppliers and contractors	1521	8 690 178	5 392 070	3 146 710
5	Advances received	1522	19 662 985	24 529 960	29 868 017
5	Payables to employees	1523	94 822	40 193	3 033
5	Payables to State non-budgetary funds	1524	29 529	4 704	250
5	Tax liabilities	1525	235 601	4 085 936	633 812
5	Other payables	1526	2 447 482	2 845 230	2 531 373
	Income of future periods	1530	-	-	-
7	Provisions for future expenses	1540	1 010 054	757 788	361 398
	Settlements with founders as for equity payments (legal capital)	1545			
16	Other liabilities	1550	27 757	-	-
	Total for Section V	1500	32 198 408	37 655 883	36 564 593
	STATEMENT	1700	78 288 681	78 727 111	39 376 426

Chief executive officer (director, manager) — Kats Vladimir Lazarevich (Print full name)

Chief accountant — Samogorodskaya Elena Vladimirovna (Print full name)

Auditor's report confirming authenticity of annual financial statements

as of 31 December, 2012

	Codes		
OMB No.	0710002		
Date (day, month, year)	31	12	2012
RNNBO	08841271		
VAT ID	5260214123		
OKVED	74.20.1		
OKOPF/Russian National Classifier of Ownership	47	12	
All-Russia Classifier of Measurement Units	384		

Organization JSC NIZHNY NOVGOROD ENGINEERING COMPANY "ATOMENERGOPROEKT"
Individual Taxpayer Number
Business profile Architecture, industrial design, and engineering and construction
Legal form of organization / form of ownership
Open joint-stock company/Federal ownership
Ths. RUB (mln RUB) Ths. RUB

Clarifications	Line item	Code	Jan.-Dec. of 20 12	Jan.-Dec. of 20 11
11	Revenue	2110	38 683 911	35 304 724
	D.T.H.			
11,16	Construction and installation works		14 485 121	16 494 443
11	Wholesale and retail trade		12 934 272	13 295 817
11	Designing works		6 181 155	3 118 490
11	Integration of equipment		2 147 229	236 004
6	Cost of sales	2120	(35 534 978)	(33 208 692)
	including			
6	Construction and installation works		(14 406 703)	(16 203 715)
6	Wholesale and retail trade		(12 267 186)	(12 820 833)
6	Designing works		(4 690 500)	(2 187 675)
6	Integration of equipment		(2 095 142)	(227 925)
6	Gross profit (losses)	2100	3 148 933	2 096 032
	Selling expenses	2210	(617 878)	(450 770)
	Administrative expenses	2220	(1 438 900)	(1 126 980)
	Profit (loss) from sales	2200	1 092 155	518 282
	Participation capital	2310	6 651	72 047
	Interest receivable	2320	997 146	404 602
	Interest payable	2330	( )	( )
11	Other income	2340	426 722	300 498
11	Miscellaneous expenses	2350	(719 443)	(467 397)
	Profit before taxes	**2300**	**1 803 231**	**828 032**
13	Current income tax	2410	(545 023)	(331 395)
	Including permanent tax liabilities (assets)	2421	(89 421)	(64 376)
13	Changing of deferred tax liabilities	2430	34 023	(43 187)
13	Changing of tax assets	2450	60 933	144 599
	Miscellaneous	2460	2 708	109 575
	Reallocation of profits tax within tax consolidated group	2465		
	Net profit (loss)	**2400**	**1 355 872**	**707 624**

Form 0710002 page 2

Clarifications	Line item	Code	Jan.-Dec. of 20 12	Jan.-Dec. of 20 11
	FOR REFERENCE surplus on revaluation of fixed assets not included into net profit (loss) of the period	2510		
	Result of other operations not included into net profit (loss) of the period	2520	286	103
	Gross financial result of the period[6]	2500	1 356 158	707 727
	Base profit (loss) rouble per share	2900	2,71	1,42
	Diluted profit (loss) per share	2910		

Chief executive officer (Signature) Kats Vladimir Lazarevich (Print full name)

Chief accountant (Signature) Samogorodskaya Elena Vladimirovna (Print full name)

Annex No. 5

Auditor's Report Confirming Authenticity of Annual Financial Statements

ФБК

PKF

Accountants &
business advisers

Audit Report

To shareholders of

Joint Stock Company
NIZHNY NOVGOROD ENGINEERING
COMPANY "ATOMENERGOPROEKT"

Auditee

Name:

Open Joint Stock Company NIZHNY NOVGOROD ENGINEERING COMPANY "ATOMENERGOPROEKT" (further in the text, JSC NIAEP).

Place of location:

603006, Russian Federation, Nizhny Novgorod, pl. Svobody, 3.

State registration:

Registered by Nizhny Novgorod Inspection of Federal Tax Service of Russia (Nizhny Novgorod, 18, December 2007), registration certificate: series 52 No. 003548218 and included into Unified State Register of Legal Entities on 18 December, 2007 under principal number of registration entry 1075260029240.

Auditor

Name:

Limited liability company "Financial and bookkeeping advisor" (FBK LLC)

Place of location:

101990, Moscow, ul. Myasnitskaya, 44/1, bld. 2A5.

State registration:

Registered by Moscow Chamber of Registration on 5 November, 1993, registration certificate: series YuZ 3 No. 484.583 RP and included into Unified State Register of Legal Entities on 24 July, 2002 under principal number of registration entry 1027700058286.

Information about self-regulatory organization of auditors:

Non-profit partnership "Moscow Audit Chamber".

Number in the register of self-regulatory organizations of auditors:

Certificate of membership in non-profit partnership "Moscow Audit Chamber" No. 5353, ORNZ- 10201039470.

ФБК

PKF
Accountants &
business advisers

We audited the attached accounting statements of JSC NIAEP consisting of balance sheet as of 31 December, 2012, Profit and Loss Statement, statement of changes in equity, and cash flow statement for 2012, as well as explanatory notes to accounting statements for 2012.

Responsibility of auditee for accounting statements

Management of auditee is responsible for execution and accuracy of the above accounting statements in accordance with the Russian accounting principles and for internal control system required for preparation of accounting statements without any material misstatements due to frauds and mistakes.

Responsibility of auditor

Our responsibility is related to expression of opinion about accounting statements accuracy based on audit performed by our company. We audited in accordance with federal standards of audit activities. These standards require compliance with the applied bona mores, as well as planning and audit in such manner as to be sure that there are no material misstatements in the accounting statements.

The audit included the holding of audit procedures directed to obtain audit evidences confirming accounting statements indexes and information disclosure. The audit procedures are selected according to out opinion based on estimation of material misstatements risk occurred as a result of frauds or mistakes. In the course of assessment of this risk we considered internal quality system providing execution and accuracy of accounting statements in order to select proper audit procedures (not to express an opinion about efficiency of internal control system). The audit also included an assessment of the applied accounting policy and soundness of estimated figures received by the auditee's management, as well as estimation of the accounting statements representation as a whole.

We suppose that the audit evidences obtained in the course of the audit ensure good reason for expression of opinion about accounting statements accuracy.

Opinion

According to out opinion the accounting statement represent (in all material respects) true financial position of JSC NIAEP as of 31 December, 2012, results of its financial and economic activity and cash flow within 2012 in accordance with Russian Rules of Accounting Statements Preparation.

Vice-president of FBK LLC

A.V. Tikhonovsky
pursuant to power of attorney
d/d 15.01.2013 No. 4/13

Date of auditor report

27 February, 2013

Annex No. 6

Report of Audit Commision

Report of Audit Commission on results of financial and economic activity and annual accounting (financial) statements check for 2012

Moscow **April 16, 2013**

In accordance with decision of sole shareholder, JSC Atomenergoprom , d/d 04.04.2013 No. 31, following members of the Audit Commission of NIZHNY NOVGOROD ENGINEERING COMPANY "Atomenergoproekt" (further in the text, Company) are elected:

Audit commission	Name	Post for the time of election
Chairman	Topilskaya Vera Evgenyevna	Head of accounting methodology department of State Corporation Rosatom
Secretary	Pimenov Aleksey Aleksevich	Deputy Head of Directorate, Head of financial and economic and budget administration department of State Corporation Rosatom
Member of commission	Samogorodskaya Elena Vladimirovna	Chief accountant of JSC NIAEP

The Audit Commission audited financial and economic activities of the Company for the period from 01.01.2012 to 31.12.2012 as per powers specified in Federal Law of 26.12.1995 No. 208-FZ "Concerning Joint Stock Companies", the Company Charter, and Provision on Company Audit Commission" .

General information about Company:

Full name: Joint Stock Company NIZHNY NOVGOROD ENGINEERING COMPANY "Atomenergoproekt".

Abbreviated company name: JSC NIAEP

Registered address: Russian Federation, 603006, Nizhny Novgorod, pl. Svobody, No. 3.
Equity capital of the Company as of 31.12.2012 is equal to 500,001,877 (five hundred millions one thousand eight hundred and seventy seven) roubles.

Shareholding structure of the Company as of 31.12.2012: JSC Atomenergoprom is an owner of 100% voting shares.

As of 31.12.2012, the Company has 7 branches, 6 offices, and 3 subsidiary companies.
Core activities of the Company in accordance with the Charter are designing, engineering surveys, construction of buildings and structures, heat, nuclear, and other electric

1

power stations, construction of hydraulic engineering structures, conclusion and execution of contracts at a level of intergovernmental agreements, and handling of nuclear waste.

Head of the Company in the period of audit was:
President - Limarenko Valery Igorevich.

Person responsible for accounting and financial reporting:
Chief accountant - Samogorodskaya Elena Vladimirovna.

Financial and economic activities of the Company for 2012 were audited using selective method (cameral method).

In the course of audit, Chairman of Audit Commission requested additional materials and documents.

On the basis of the audit, the Audit Commission in view of report of LLC FBK auditor on financial (accounting) reporting of the Company acknowledges the Annual Report, annual financial (accounting) statements, and results of financial and economic activities of the Company for the period from 01.01.2012 to 31.12.2012 inclusive.

Information on audit are presented in Annex No.1 "Report of audit commission on results of financial and economic activity and annual accounting (financial) statements check of JSC NIZHNY NOVGOROD ENGINEERING COMPANY "Atomenergoproekt".

Principal conclusions based on the audit results:

1. NPM in 2012 shows growth from 2% to 3,51% due to increase of financial income.
2. Net asset value of the Company as of 31.12.2012 was 3,634,165 RUB thous., equity capital of the Company was 500,002 RUB thous., and it corresponds to the requirements on net asset - equity capital ratio specified in Federal Law of 26.12.1995 No. 208-FZ "Concerning joint-stock companies" (as subsequently amended).
3. Property, liabilities, and capital of the Company are presented in the accounting statements of the Company on a reasonable basis and to the full extent.
4. As per Auditor report of FBK LLC, financial (accounting) statements of the Company give a true and fair view (in any material aspect) of its financial situation as of 31, December 2012 and results of its financial and business activities for the period from 01.01.2012 to 31.12.2012 inclusive.
5. According to opinion of Audit Commission, the accounting statements express reliably in any material aspect a financial situation of the Company as of 31, December, 2012, results of its financial and business activities and cash flow for 2012 in accordance with the established accounting principles. Some recommendations as for organization of accounting and accountability are presented in the Report of Audit Commission.

2

Chairman of Audit Commission — V.E Topilskaya

Members of Audit Commission — A.A. Pimenov

E.V. Samogorodskaya

Read and Understood:

President of JSC NIAEP — V. I. Limarenko

Chief accountant of JSC NIAEP — E.V. Samogorodskaya

3

Annex No. 7

Report on Public Acknowledgement of Public Annual Report of JSC NIAEP

Introduction

The Open Joint Stock Company NIZHNY NOVGOROD ENGINEERING COMPANY "ATOMENERGOPROEKT" (hereinafter NIAEP or the COMPANY) submitted its 2012 Annual Report (hereinafter the Report) to us in order to assess it including completeness and materiality of the information disclosed in it, as well as response of the Company to the requests of the interested parties. For this purpose, an opportunity was provided for us and our representatives to participate in public consultations on the Draft Report which took place on 24.04.2013, as well as in three dialogues with the interested parties:

- Dialogue 1 – Annual Report Concept for 2012 on 30, January, 2013;
- Dialogue 2 – Strategy of NIAEP-ASE Integrated Company on 13, March, 2013;
- Dialogue 3 – Sustainable Development on 13, March, 2013.

Procedure of Draft Report assessment

Our conclusion is based on comparative analysis of two versions of the Report (Draft Project for public consultations and final version of the Report) and information on dialogues and consultations (protocols of activities, table of remarks of the interested parties) provided for us, as well as comments from management and employees of JSC NIAEP in the course of public acknowledgement of the Report.

In the course of public acknowledgement of the Report, we did not set a task to check information collection and analysis system in the Company. Reliability of actual data presented in the Report is not subject to public acknowledgement. All participants of public consultations had all possibilities to express their opinions freely. We did not get any remuneration from the Company for participation on the procedure of public acknowledgement.

Evaluations, remarks, and recommendations

We are all agreed on positive evaluation of the Report: its format and scope of information presented in it. It is of prime importance, that the Report is drawn up on a voluntary basis, and it is a good illustration of higher level of transparency from the side of the Company. In the course of the report preparation, the COMPANY has shown a high level of aspiration to ensure public acceptance and ecological suitability of nuclear power engineering development, as well as readiness to maintain an open dialog with the interested parties regarding different lines of its activity. We recognize that the management of the Company is aware of constructability and prospects for cooperation with the interested parties.

Unconditional worthiness of the Report is a usage of international standards in the course of its preparation (Sustainability Reporting Guidelines, Global Reporting Initiative (GRI, version G3.1 and construction application CRESS), set of standards AA1000, Institute of Social and Ethical Accountability, recommendations of International Council on integrated reporting. The integrated format of the Report has enabled to disclose information on core activity of the Company and its effectiveness in the field of sustainable development in a comprehensive manner.

We do not know any facts which could discredit accuracy of information presented in the Report. We evaluate information disclosure in the Report as a sufficient both from the point of view of usage of international standards of public reporting and taking into account of remarks made in the course of activities for preparation of the Report. We believe that it is an integrated Report which should present official position of the Company management on all key socially relevant matters and lines of the Company activity.

Materiality of information

We believe that the JSC NIAEP has covered all essential matters which are important for the interested parties in the Report. Position of the Company on matters of strategic development, financial and economic results, as well as social, ecological, and economic impact on environment is stated in the Report.

Matter of higher priority of the JSC NIAEP Report is the "Strategy".

Essential information on this priority matter is disclosed to the full extent.

Completeness of information

We do not believe that it is expedient to increase volume of the report though not all questions of the interested parties representatives asked in the course of dialogues and consultations are covered in it. We recommend the Company to pay attention to necessity of disclosure of following information in future reports: detailed comparative analysis of indexes of principal competitors and JSC NIAEP, matters on safety of the constructed facilities, and cooperation of the Company with enterprises in the regions where it operates.

Reaction of the Company to remarks and requests of the interested parties

We believe that the Company has shown considerable progress in its activity as for cooperation with the interested parties and practice of public reporting. When preparing the report, four activities with the interested parties were carried out. Creation of Internet platform for cooperation with the interested parties should be emphasized.

It is also important, that the cooperation itself began prior to preparation of the Report at a stage of concept definition. A chance to express their requests and recommendations as for disclosure of information in the Report, as well as regarding development of reporting system as a whole was provided for the interested parties.

Reaction of the Company to remarks of the interested parties resulted in introduction of clarifications and additional information in the final version of the Report. In particular, Sections "Strategy", "Management of human capital", "Cooperation with the interested parties", "Business-model", "Activity Environment", etc. were revised and added with the requested information. As for some requests, the Company either undertook a commitment to disclose information in future Reports or gave well founded explanations of reasons because of which the requested information can not be disclosed.

Moreover, the Company undertook obligations on further improvement of public reporting system. In the final version of the Report, the Company has removed different technical mistakes and incomplete work on which the participants of activities drew their attention. Thus, the Company has shown its readiness to respond to requests and proposals of the interested parties and respond to the posed problems in a constructive way in the course of the Report preparation. We hope that the Company will go on implementing principles of good corporate conduct in its activity step-by-step by developing public reporting system and cooperation with the interested parties.

I.A. Alushkina	*President of Sarovbusinessbank JSC*
E.K. Verba	*Director of Sluzhenie Association*
V.S. Vyunov	*Head of the Volga and Oka Head Office of the Environmental, Technological and Nuclear Supervision Federal Service*
S.M. Dmitriev	*Rector of Nizhny Novgorod Alekseev State Technical University*
D.L. Zverev	*Director, Chief Designer of Joint Stock Company Afrikantov Experimental Mechanical Engineering Design Bureau*
I.V. Ivanov	*Vice-governor, First Deputy Chairman of the Government of the Nizhny Novgorod Region*
K.B. Komarov	*Deputy Director General for Development and International Business of State Corporation Rosatom*
V.E. Kostyukov	*Director of FSUE Russian Federal Nuclear Centre, Russian Research Institute for Experimental Physic*
E.V. Kochergina	*Chairman of the Trade Union Committee of JSC NIAEP*
D.G. Krasnov	*Director General of the Chamber of Commerce and Industry of the Nizhny Novgorod Region*
D.V. Paramonov	*Deputy Director General of Strategy and Development, JSC "Atomenergoproekt"*
S.G. Novikov	*Director of Communications Department of State Corporation Rosatom*
S.V. Onuphrienko	*Director of JSC Saint Petersburg Research and Design Institute "Atomenergoproekt"*
A.V. Khasiev	*Chairman of the Oka Interregional Environmental Movement*
V.N. Tsybanev	*Director General of the Nizhny Novgorod Association of Manufacturers and Entrepreneurs*

Annex No. 8

Conclusion of Internal Check and Audit Department on Compliance of Preparation of Public Accounting with the Requirements of State Corporation Rosatom Policy and Local Regulatory Acts of JSC NIAEP

CONCLUSION
of internal check and audit department on results of internal audit of public accounting of JSC NIAEP

Internal audit of the preparation of public annual report of JSC NIAEP has been held in accordance with Provision on internal audit of public annual accounting approved by the order of Director of JSC NIAEP, managing company JSC Atomstroyexport d/d 27.09.2012 No. 40/868-P/356 taking into account requirements of State Corporation Rosatom policy of the public reporting, Common Standard of public annual reporting of State Corporation Rosatom and its organizations approved by General Director of State Corporation Rosatom d/d 13.05.2011 No. 403, Standard of the enterprise "Preparation procedure for public annual report for accounting period" (STP 10.01-11) which come into force on 26.10.2011, basic provisions of Sustainability Reporting Guidance GRI (edition G3.1), series of international standards AA1000, and recommendations of RUIE (Russian Union of Industrialists and Entrepreneurs) for usage in the course of management and corporate nonfinancial reporting.

Subject to the requirements of industry-specific standards and standard of enterprise STP 10.01-11 the Company has developed local regulatory documents governing activity in public annual reporting.

Upon Order No. 803 dd. 09.09.2011 "On functional responsibility center of public reporting" the Company has established a Committee on public reporting of JSC NIAEP, a collective body to control public annual reporting system (Chairman of Committee: the First Deputy Director on Economics V.L. Kats).

Investments management team of Planning and Economic Department of JSC NIAEP is responsible for preparation and promotion of public reports.

Participation of structural subdivisions in the preparation of reports is regulated by new revision of Provision on interaction of structural subdivisions in the course of public disclosure of information in JSC NIAEP approved by Order No. 40/59-P d/d 31.01.2013, as well as by Regulations of public annual accounts of JSC NIAEP approved by Order No.40/892-P d/d 05.10.2012.

The Concept of Public annual report of JSC NIAEP for 2012 developed in accordance with Standard of the enterprise "Preparation procedure for public annual report for accounting period" (STP 10.01-11) is approved by President of the Company and agreed with Committee on Public accounts of State Corporation Rosatom (Protocol No.1 of 31.01.2013). The Concept includes a Schedule for report preparation.

In accordance with order of JSC NIAEP, a task team for the report preparation for 2012 and preliminary template of the report were approved, responsible persons were appointed, and terms were specified.

Peculiarity of the 2012 Report preparation related to merger of JSC NIAEP and JSC Atomstroyexport in 2012 and implementation of a new management system was taken into account in regulatory documents which specify preparation of the Report.

All activities specified in the Schedule are completed as of time of submission for approval of the Draft Report.

Performance indicators of NIAEP - ASE Integrated Company are given in the Report. Data of accounting statements and financial results of the NIAEP activity are given without consolidation with the subsidiaries. Production effectiveness, as well as indices of personnel management, and impact on environment and social sphere are covered separately for NIAEP and JSC Atomstroyexport.

Three dialogues and Public consultations with the interested parties were held in the course of the Report preparation.

In the course of audit:

- an assessment of compliance of public reports preparation with the existing law and internal regulatory requirements that govern a business-process of public reports preparation was performed;
- an assessment of availability and effectiveness of internal control system for public reporting (including analysis of regulation and formalization of key processes relative to preparation of public reports and analysis of effectiveness of key control procedures implementation providing accurate public reports) was carried out;

- it is stated that formation of the united JSC NIAEP - ASE Integrated Company has been presented almost in all sections of the Report as the most significant event in the industry, and it is an essential difference between the present Report and the previous Public Annual reports of the Company.

Content of the Report, completeness and accuracy of the information to be disclosed ensure reliable and balanced awareness of the interested parties about essential aspects of the Company activity for the reporting period. They confirm that the Company has an effective system of management of different aspects of sustainability performance and reaction to requests of the interested parties.

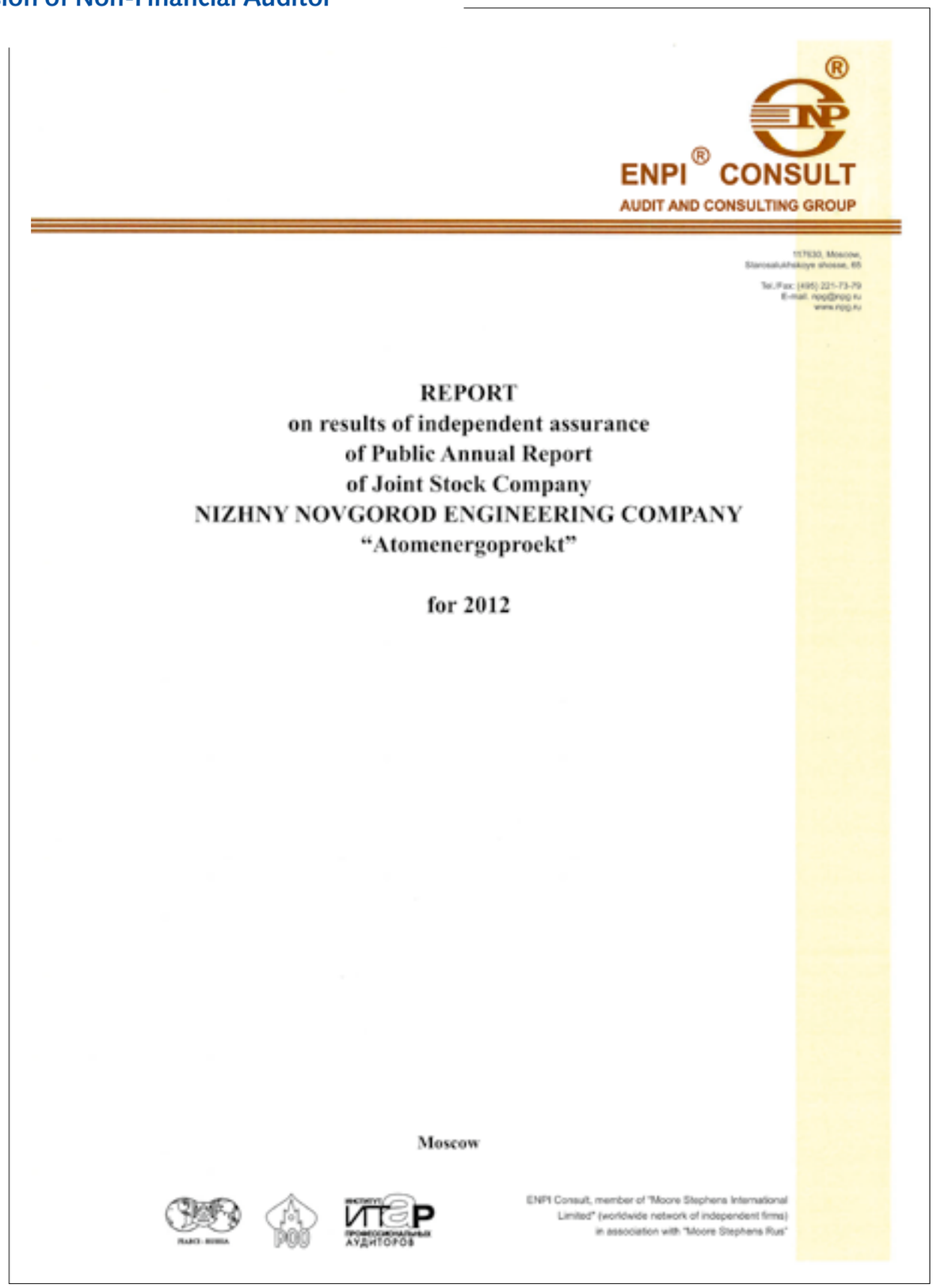
Results of the conducted audit allow to make a conclusion on compliance of Public report preparation of JSC NIAEP for 2012 with the acting law, Policy of State Corporation Rosatom and internal regulatory requirements of JSC NIAEP that govern a business-process of the public reports preparation.

System of internal checks of preparation of the Company public reporting ensures completeness and accuracy of non-financial information presented in the Report.

Head of department, Chief controller V.S. Petrovsky

Annex No. 9

Conclusion of Non-Financial Auditor



ENPI® CONSULT
AUDIT AND CONSULTING GROUP

117630, Moscow,
Starokaluzhskoye shosse, 65
Tel./Fax: (495) 221-73-79
E-mail: npg@npg.ru
www.npg.ru

REPORT
on results of independent assurance
of Public Annual Report
of Joint Stock Company
NIZHNY NOVGOROD ENGINEERING COMPANY
"Atomenergoproekt"

for 2012

Moscow

ENPI Consult, member of "Moore Stephens International Limited" (worldwide network of independent firms) in association with "Moore Stephens Rus"

Introduction

The present audit assurance relates to Report of sustainability of Joint Stock Company NIZHNY NOVGOROD ENGINEERING COMPANY "Atomenergoproekt" (hereinafter referred to as the Report) for the period from 1, January to 31, December, 2012.

The present Report is addressed to management of Joint Stock Company NIZHNY NOVGOROD ENGINEERING COMPANY "Atomenergoproekt" (hereinafter referred to as JSC NIAEP).

Resposibility of parties

Management of JSC NIAEP bears full responsibility for preparation and accuracy of this Report.

We bear responsibility for results of work on independent assurance of the Report only to JSC NIAEP within the framework of requirements specifications agreed with it, and we do not assume responsibility to any third parties.

Scope, criteria, and level of assurance

Object to be assured is a Report including information on head office and branches of JSC NIAEP. As for matters of personnel management, activity of subsidiaries and affiliates (further in the text, SaA) is partially described. Information on Atomstroyexport company under control is also presented (as for certain aspects).

The Report was evaluated using following criteria:

• nature and degree of compliance with principles of Standard AA1000 "Accountably Principle Standard 2008" by the Company: inclusiveness (involvement), importance, and reaction.

• compliance of the Report with level A+ (self-evaluation of the Company) as per Manual GRIG3.1.

Our check was planned and implemented in accordance with AL 1000 Assurance Standard 2008 and International Standard ISAK 3000 "Assignments on assurance other than audit and review of historical financial information".

This assurance corresponds to type 2 as per definition of standard AA1000AS2008 taking into account restrictions specified in Section "Limits of assurance" of the present conclusions.

When rendering services we met following requirements related to level of assurance:

• Moderate: in accordance with standard AL 1000AS2008.

• Limited: in accordance with standard ISAE3000 "Assignments on assurance other than audit and review of historical financial information".

Selective verification of information in the Report can not ensure high level of guaranties for assurance. Works on assurance were based on supporting information of the Company management and its employees, on data from accessible sources, and analytic methods of confirmation. As for quantitative information in the Report, the work which is carried out can not be considered as a sufficient one to reveal all possible inaccuracies and misrepresentations. Nevertheless, confirmations collected by us are sufficient to form our opinion in accordance with the above levels of assurance.

3

Methodology of assurance

Following procedures have been performed within the framework of works on assurance:

- Study and testing (on a sample basis) of systems and processes implemented by JSC NIAEP in order to provide and examine correspondence of activity to principles of LL1000APS, as well as control of productivity in the field of sustainable development.
- Collection of evidences supporting implementation of system processes where principles of AA1000APS are used.
- Questionnaire and interviews with representatives of JSC NIAEP top management.
- Study of documents and applications of management in order to get confirmations regarding compliance of activity with principles of AA 1000 APS.
- Study of protocols of public dialogues and consultations with the interested parties.
- Study of conclusion on results of public assurance of the Report.
- Study of information about activities regarding matters of sustainable development which is available on web-sites of JSC NIAEP.
- Study of the published comments of the third parties concerning economical, ecological, and social aspects of the JSC NIAEP activities in order to check relevancy of comments expressed in the Report.
- Analysis of non-financial reporting of foreign companies of similar market segment for benchmarking.
- Analysis of processes of the non- financial reporting internal audit.
- Selective study of documents and data on effectiveness systems to control economical, ecological, and social aspects of sustainable development which exist in JSC NIAEP.
- Study of existing processes of collection/ processing, documenting, verification, analysis, and selection of data subject to be included into Report.
- Validity checks of affirmations, comments, and data included into Report.
- Analysis of information in the Report for compliance with principles of standard AA 1000APS, recommendations GRIG3.1 (level A+).

Limits of assurance

The assurance is limited by time period of the reporting period (01.01-31.12.2012).

Evaluation of accuracy of the information about effectiveness presented in the report is carried out only regarding compliance with the recommendations of management GRIG3.1 for level A+.

Assurance regarding accuracy of figures covered in the report (as for quantitative disclosures of effectiveness) is limited to evaluation of correspondence to data of the audited accounting statements, as well as documents on internal and external reporting on other industrial-economical, ecological, and social aspects of activity.

The assurance is not carried out regarding forward-looking statements and comments which express opinions, beliefs, or intentions of JSC NIAEP to take any measures related to future.

Assurance concerning affirmations which sources are expert judgments, is not carried out.

The assurance is carried out only for the Russian copy in MS Word format.

Conclusions

Following conclusions are based on the work performed by us within the scope and limits which are stated above.

1. The Report as a whole covers adequately the implemented mechanisms of control and effectiveness figures of JSC NIAEP regarding activity on economical, social, and ecological aspects of sustainable development.

2. As a result of our work, we did not reveal any essential distortions regarding information describing activity of JSC NIAEP in the field of sustainable development and its results which are presented in the Report.

Nature and degree of compliance with principles AA 1000 APS

Involvement

- JSC NIAEP cooperates with wide range of the interested parties. In the course of preparation of the Report, JSC NIAEP has conducted three dialogues with the interested parties, as well as public consultations on the Draft Report.
- The Company uses different methods of cooperation which are particular for different groups of the interested parties including joint ventures, web-site of the Company, publications in mass media, etc.
- On the basis of our work results we can conclude that JSC NIAEP understands composition of its interested parties and has mechanisms of cooperation with them and taking their opinions into account within the framework of our activity.

Importance

- The Report covers economical, social, and ecological aspects of JSC NIAEP activity which are essential for maj or interested parties.
- Concept of the report including key matters and performance indicators was presented during the first dialogue with the interested parties and improved on the basis of their remarks.

Reaction

- The Report shows aspiration of JSC NIAEP to take essential interests of the interested parties into account in its activity. Information on proposals of the interested parties within the course of public dialogues and consultations regarding report is presented in the Report. The Company took into account all remarks and proposals and amended the present report or undertook obligations for the next reporting period.

Compliance of the Report with level A+ as per Manual GRIG3.1

In order to form opinion on the given matter, we carried out analysis of compliance (when preparing the Report) with recommendations of OKIG3.1 regarding principles and standard elements of reporting for the declared level of application.

Principles to specify contents of the Report

Importance

• Information included into Report covers matters and performance indicators which reflect essential impacts of JSC NIAEP on economics, environment and society or are able to influence considerably on evaluations and decisions of the interested parties.

Coverage of the interested parties

• JSC NIAEP has presented in the Report an information about interested parties and algorithms to take into account their interests while specifying contents of the Report.

Context of sustainable development

• The Report represents results of JSC NIAEP activity in a broad context of sustainable development taking into account industrial -economical, social, and ecological aspects.

Completeness

• Within the declared limits, the Report covers information about activity of JSC NIAEP with sufficient degree of completeness, as well as essential aspects as for subsidiaries.

• In order to ensure completeness of information, the Company has used industrial technical protocol GRI for building contractors.

Principles to ensure quality of the Report

Balanceness

• The Report has a balanced content, and it reflects both results of activities and matters which require to be solved.

Comparability

• Comparability of the Report with non-financial statements of other companies is provided by usage of Manual GRIG3.1 as a basis to cover performance indicators in the field of sustainable development.

• Comparability of financial information in relation to reporting of other companies is not provided to the full extent because of usage of federal statutes and Provisions on accounting (not international standards of financial statements) for its disclosure.

• The majority of numerical values is given for three years and with projected value for next year, and it enables to carry out analysis of industrial trends of the Company.

Accuracy

• Accuracy of representation of actual information in the report is sufficient for the interested parties to evaluate results of JSC NIAEP activity in the field of sustainable development.

• Calculations for performance indicators are based on procedures approved in the protocols for indices GRIG3.1.

Timeliness

• The Report is prepared in order to submit it for the Annual General Meeting of Shareholders.

Clarity

• As a whole the information is presented in the Report in a clear and understandable manner for the key groups of the interested parties.

• Annex "Glossary" is available in the Report, and it facilitates understanding of the presented information for the users of the Report.

Reliability

• Information on effectiveness presented in the Report is based on internal reporting documents of JSC NIAEP and State Corporation Rosatom, as well as statements submitted to supervisory bodies.

• Check of effectiveness of supervision and procedure of preparation of non-financial reporting are of competency of internal checks and audit department. In the course of check, the detailed documents on results of the performed check were submitted for us.

• We did not reveal any facts which put in doubt reliability of the information presented in the Report.

Standard elements of reporting

Strategies and characteristics

• Information on characteristics of the Company, strategy, control, obligations of the company, cooperation with the interested parties and reporting parameters are described in the Report. This information should be disclosed in accordance with recommendations of GRIG3.1 regarding content of the Report.

Management approaches

• Management approaches on essential aspects of industrial-economical, social, and ecological field are presented in the Report. Particularly, strategic goals and algorithms of their achievement are covered.

Performance indicators

• All basic indicators are covered in the Report in accordance with protocols to indices GRIG3.1.

General evaluation of Report

• Our work enables to conclude that composition and quantity of disclosures required to ensure compliance of the Report with level A+ are presented in the Report and are reasonably given in Index Gr1.

The Report complies with the Policy of State Corporation Rosatom and typical standard of public annual statements of key companies of State Corporation Rosatom.

Process of public reporting, structure and content of the Report as a whole correspond to the requirements of Policy of Rosatom State corporation in the field of public reporting and typical standard of public annual statements of key companies of Rosatom State corporation.

Recommendations

1. Consider possibility to increase degree of disclosure of information on personnel management in the SaA in the next Report.

1. Disclose information on algorithms to transfer own policies of personnel management to SaAs in the next Report.

2. Increase degree of disclosure of information on Moscow branch of JSC NIAEP and JSC Atomstroyexport in the next Report.

3. Consider possibility to increase degree of disclosure of information on the Company policy in implementation of principles of important business practice in the supply chains in order to provide compliance with the best practices of the reports preparation in similar foreign companies.

Declaration on competence and independence

NP Consult JSC is an independent auditor company rendering professional services on assurance. NP Consult JSC is a member of self-regulating organization of auditors "Institute of Professional Auditors". It operates in accordance with Code of conducts for Professional Accountants IFAC. Quality management system of auditing services including Ethics Compliance Program is used in the Company.

NP Consult JSC declares formally that the present Conclusion is an evaluation of an independent auditor. NP Consult JSC and its employees have no relations with JSC NIAEP, its subsidiaries and affiliates, which could cause conflict of interests when rendering services on independent assurance of the Report.

NP Consult JSC is an organizational stakeholder of GRI, licensed provider of assurance services in accordance with requirements of standard AA1000AS.

A team of reporting assurance in the field of sustainable development includes specialists of NP Consult JSC. They have a required experience of rendering services on audit and preparation of reports in accordance with GRIG3/3.1, as well as on training to prepare similar reports. Its leading specialists were trained in assurance of reports in the field of sustainable development in the training center of accountability.

Deputy Director General
of Closed Joint Stock Company
NP Consult

V.Yu. Skobaryov

Moscow

25 June 2013

Annex No. 10

Applying of Standard Elements of Reporting and Performance Indicators

Table of standard elements of reporting

Standard element of reporting	Section of report/Comment	Page
1.1. Application of the top manager making decision in the organization (for example, President, Chairman of Board of Directors or similar position) publishing a report on importance of sustainability for the organization and its strategy	Appeal of Chairman of Board of Directors of JSC NIAEP. Appeal of Director of JSC NIAEP	10–12
1.2. Characteristics of key exposures, risks and possibilities	Section 2. Strategy. Chapter 5.2. Risk Management	32–34 74–77
2.1. Name of organization	–	5
2.2. Major brands, types of products and/or services	Chapter 1.1. Description of Activity	22
2.3. Organizational structure, including key departments, operating companies, subsidiaries and joint-ventures	Chapter 1.1. Description of Activity	22
2.4. Headquarters location	–	5
2.5. Number of countries, where the organization makes business, and name of countries, where the organization make its main business or which are of great importance in view of sustainability (covered by the Report)	Chapter 1.1. Description of Activity	22
2.6. Ownership and legal structure	–	5
2.7. Markets, where the organization operates (including geographic breakdown, servicing sectors and categories of customers and beneficiaries)	Chapter 1.2. Activity Environment	24–28
2.8. Scale of organization	Basic performance indicators. Chapter 1.1. Description of Activity	13 22–23
2.9. Material changes of the scale, structure or ownership occurred during the reporting period	Information on the report	7
2.10. Awards received for the reporting period	Awards	16–17
3.1. Reporting period (for example, financial/calendar year), represented information referred to	Information on the report	7
3.2. Date of publication of the last one from the previous reports (if applicable)	Information on the report	7
3.3. Intervals between issues of the reports (year, two-year, etc.)	Information on the report	7
3.4. Contact information regarding report and its content	Annex No. 14 Feedback questionnaire	239–240
3.5. Determination of report content	Information on the report	7
3.6. Limits of the report (for example, countries, departments, subsidiaries, operations in leasing, joint-ventures, suppliers)	Information on the report	7
3.7. Indicate any restrictions of the report as for scope or limits	Information on the report	7
3.8. Ground for inclusion in the report an information on joint-ventures, subsidiaries, production lease, assignment of some functions to the external contractors or organizational units that can materially affect comparability with prior reports and/or other organizations	Information on the report	7
3.9. Methods of data measurements and calculation including assumptions and methodology used in the course of preparation of Indices and other information in the report	Information on the report	7

Standard element of reporting	Section of report/Comment	Page
3.10. Description of meaning of any reformulation of information given in prior reports, as well as reasons for such reformulation (for example, merger/take over, alteration of reporting period, business character, assessment methods)	Information on the report	7
3.11. Material fluctuations relative to previous reporting periods within the limits or measurement techniques used in the report	Information on the report	7
3.12. Table indicating location of standard elements in the report	Annex No. 10 Tables of applying standard element of reporting and performance indicators	192–200
3.13. Policy and applied practical approaches to external assurance of the report	Information on the report and its preparation. Annex No. 9 Independent audit report	9 185–191
4.1. Management structure including main committees in the top management body, responsible for specific tasks, for example, for strategy development of general supervision for organization activity	Chapter 5.1.1. Corporative Management Bodies	69
4.2. Indicate if a Chairman of top management body is a chief executive officer at the same time (if yes, what is the role of this manager in the management of the organization and what are the reasons of such situation)	Chapter 5.1.1. Corporative Management Bodies	69
4.3. For organizations having a unitary board of directors, please indicate a number of independent members of top management body and/or members not relating to executive management of the company	Chapter 5.1.1. Corporative Management Bodies	69
4.4. Mechanisms or tools with the help of which the shareholders can guide the activity of the top management body or give recommendations for it	Chapter 7.3.2. HR Management	117
4.5. Connection between payments to the members of top management body, representatives of chief executive management and top managers (including dismissal payment) and business results (including social and environmental results)	Chapter 7.3.2. HR Management	110
4.6. Processes which take place in the management body to avoid conflicts of interests	Chapter 5.1.2. Financial and Economic Activity Control	72–73
4.7. Determination of qualification and competence of members of top management body to establish strategy of the organization in economic, environmental, and social spheres of sustainability	Qualification and competence of members of Board of Directors are determined by General shareholders meeting in case of their approval.	–
4.8. Internally developed statements on mission or values, codes of corporate conduct, and principles of great importance in view of economic, environmental, and social effectiveness, as well as degree of their application in practice	Chapter 2.1. Mission and Values. Chapter 2.3. Public position on matters of sustainable development	32 35–36
4.9. Procedures which are used by top management body to control how the organization assesses its economic, environmental and social effectiveness and manages it including risks and possibilities, as well as compliance with international standards, codes of corporate conduct, and principles	Chapter 5.1. Corporate management	68–73
4.10. Assessment of own effectiveness by the top management body, in particular, in view of economic, environmental, and social results of organization activity	Chapter 7.3.2. HR Management	110

Standard element of reporting	Section of report/Comment	Page
4.11. Explanation whether the organization applies a precaution principle and what is a procedure	The Company does not apply directly a precaution principle. Risk management approach is described in Chapter 5.2. Risk Management. Preventive measures against adverse environmental consequences are given in Chapter 7.4. Natural Capital.	–
4.12. Externally developed economic, environmental and social charters, principles and other initiatives which are used or supported by the organization	Information on the report. Chapter 7.4. Natural Capital	8 126
4.13. Membership in associations	Chapter 1.1. Description of Activity	23
4.14. List of interested parties the organization interacts with	Chapter 7.6. Interaction with Interested Parties	150–152
4.15. Grounds to reveal and select interested parties for further interaction with them	Chapter 7.6. Interaction with Interested Parties	150
4.16. Approaches to interaction with interested parties including frequency of interaction depending on forms and interested parties	Chapter 7.6. Interaction with Interested Parties	150–153
4.17. Key matters and interests initiated or revealed in the course of interaction with the interested parties, and how the organization reacted to these matters and interests including by means of its report	Chapter 7.6. Interaction with Interested Parties	153–155

Table of GRI performance indicators

Indicator	Completeness of disclosure	Section of report/Comment	Page
EC1. Created and distributed direct economic cost including income, operating costs, employee benefits, donations, and other investments in societies, undistributed profit, payments to fund suppliers and states	Completely disclosed	Chapter 7.1. Financial capital. The indicator is disclosed using RAP (Russian Accounting principles).	95
EC2. Financial aspects and other risks and opportunities for the organization's activity connected with climate change, as well as other issues of sustainable development	Completely disclosed	The Supreme executive body of the Company did not consider the issues of climate change and related risks and opportunities for the organization. No risks and/or opportunities connected with climate change and having potential financial importance for the Company were revealed. Quantitative assessment of climate change impact on Company's financial status was not performed.	–
EC3. Securing of the organization obligations related to pension plan with defined benefits	Completely disclosed	In 2012, the Company did not realize non-state pension provision. That is why, reporting data for this indicator cannot be presented. Pensioners of the Company will receive financial aid monthly. Data are given in Chapter 7.3.3 Social policy. Program of non-state pension provision was developed in 2013. Results of its implementation will be covered in 2013 Public Annual Report of JSC NIAEP.	–

Indicator	Completeness of disclosure	Section of report/Comment	Page
EC4. Considerable financial assistance from governmental authorities.	Completely disclosed	The JSC NIAEP did not receive any subsidies and credits from the Russian Federation state budget within the reporting period and previous period.	–
EC5. Relational range of standard salary of initial level and defined minimal salary in essential regions of the organization's activity, with breakdown by gender.	Completely disclosed	Chapter 7.3.2. HR Management	107–109
EC6. Policy, practical approaches to purchases from local suppliers and the share of such purchases in essential regions of organization's operation.	Completely disclosed	Chapter 7.5.3. Economic Effect on Suppliers and Contractors	148
EC7. Procedures of local population employment and share of top managers and all employees, contractors and subcontractors from local population in the essential regions of Company's operation.	Completely disclosed	Chapter 7.5.2. Economic impact on local population in the regions where the Company operates	146–148
EC8. Development and impact of invetment into infrastructure and services provided, in the first place, for commonwealth through commercial, natural or charity involvement	Completely disclosed	Chapter 7.5.1. Investments in social infrastructure and charity	144–145
EN1. Used materials with an indication of mass, quantity, or volume	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	128–129
EN2. Share of recycled or re-used wastes	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	129
EN3. Direct use of power with an indication of primary sources	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	136
EN4. Indirect use of power with an indication of primary sources	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	135–136
EN5. Power saved as a result of measures taken to reduce power consumption and enhance power performance	Completely disclosed	Chapter 7.4.3. Enhancement of power performance	127
EN6. Initiatives for provision of products and services that are power efficient or are based on use of renewable power, as well as reduction of power demand as a result of these initiatives	Completely disclosed	Chapter 7.4.3. Enhancement of power performance	127
EN8. Total volume of water taken off with breakdown by sources	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices. Economic benefit due to implementation of power performance enhancement program in 2012 was equal to RUB1,605.0.	130–131
EN11. Location and area of land which is in ownership or leased, or under the Company's control and located in the protected natural areas and areas with high biological diversity outside of their borders or adjoining such areas	Completely disclosed	The Company has no lands which are located in the protected natural areas and close to such areas.	–
EN12. Description of substantial impact of activities, products and services on biodiversity in the protected natural areas and areas with high biological diversity outside of their borders	Completely disclosed	The Company has no lands which are located in the protected natural areas and close to such areas.	–
EN16. Full-scale direct and indirect emissions of greenhouse gases with an indication of mass	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	133–134
EN17. Other considerable indirect emissions of greenhouse gases with an indication of mass	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	133–134

Indicator	Completeness of disclosure	Section of report/Comment	Page
EN18. Initiatives to reduce greenhouse gases emissions and reduction reached	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices. Economic benefit of the developed initiatives is not estimated in the Company.	134
EN19. Ozone-damaging emissions with an indication of mass	Completely disclosed	Ozone-damaging emissions did not occur in the course of construction carried out by the Company and subcontractors.	–
EN20. Emissions of NO_x, SO_x and other significant contaminants with an indication of type and mass	Completely disclosed	Emissions of NO_x, SO_x and other significant contaminants in the course of construction carried out by the Company and subcontractors are negligible.	–
EN21. Total volume of emissions with indication of sewage quality and receiving water body	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	132
EN22. Total mass of wastes with breakdown by type and method of treatment	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	129–130
EN23. Total number and volume of critical spills	Completely disclosed	No critical spills were revealed at the Company's sites in 2012.	–
EN26. Initiatives for mitigation of the products and services impact on environment and range of mitigation	Completely disclosed	Chapter 7.4. Natural Capital	125–127
EN27. Share of the sold products and their packing materials returned to manufacturer for recycling with breakdown by categories.	Completely disclosed	The sold products and its packing materials are not returned to Company's territory for recycling.	–
EN28. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of environmental law and regulatory requirements	Completely disclosed	No fines and nonfinancial sanctions were inflicted for the Company because of non-compliance with environmental law and regulatory requirements in the reporting period.	–
EN30. Total costs and investments in environmental protection with breakdown by types	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	137–138
LA1. Total manpower with breakdown by type of employment, engagement contract, region, and gender	Completely disclosed	Chapter 3.4.2. NPP Construction in Russia. Chapter 7.3.1. Human Capital Description	57–61 100–102
LA2. Total number of employees and employee turnover with breakdown by age, gender and region	Completely disclosed	Chapter 7.3.1. Human Capital Description. Data on employee turnover are presented in Table 7.11 with breakdown by gender only, because average staff number with breakdown by age is not recorded in the Company. These requirements will be taken into account when preparing the 2013 Report.	103
LA3. Payments and benefits for full-time employees which are not provided for temporary or part-time employees, with breakdown by essential regions of the organization activity	Completely disclosed	In accordance with collective labor agreement (Item 1.4, Annex No 4, Item 1.4, Annex No 5, Item 1.3, Annex No 6), social benefits are paid for regular employees for which work in JSC NIAEP is the main one.	–
LA4. Share of employees entered into collective agreements	Completely disclosed	Chapter 7.3.3. Social Policy	117
LA5. Minimum period(s) of notification on considerable changes in organization's activity and whether it is specified in the collective agreement	Completely disclosed	Minimum period(s) of notification on considerable changes in organization's activity corresponds to the Russian Federation legislation.	–

Indicator	Completeness of disclosure	Section of report/Comment	Page
LA6. Share of the whole staff represented in official joint Health and Safety Committees with participation of top management and employees involved in the monitoring and defining recommendations on Health and Safety programs at work place	Completely disclosed	Share of the whole staff represented in official joint Health and Safety Committees is up to 25%.	–
LA7. Level of industrial injuries and diseases, lost day and absence ratio, as well as total number of fatal outcomes connected with work. Breakdown by regions and gender	Completely disclosed	Chapter 7.3.4. Occupational Safety Management	121
LA8. Existing educational, training, advisory, risk prevention and management programs for employees, members of their families and population representatives in respect of severe diseases	Completely disclosed	Chapter 7.3.4. Occupational Safety Management. Training of top managers and specialists is carried out to enhance competence in the field of labor safety.	122–124
LA9. Issues regarding health and safety in official agreements with trade unions	Partially disclosed	Chapter 7.3.3. Social Policy. Chapter 7.3.4. Occupational Safety Management	117 120
LA10. Average number of training hours per one employee annually with breakdown by categories of employees	Completely disclosed	Chapter 7.3.2. HR Management. Now information on staff is generated only according to forms Russian Statistics Committee which does not enable to present data on average number of training hours with breakdown by gender.	112
LA11. Development programs for skills and education throughout life intended to support ability of employees for occupancy, as well as support for them upon career endings	Completely disclosed	There are no programs intended to develop skills and education and to support ability of employees for occupancy in the Company.	–
LA12. Share of employees, for whome periodical evaluations of effectiveness and career development are carried out (with breakdown by gender)	Completely disclosed	Chapter 7.3.2. HR Management. Now information on staff is generated only according to forms Russian Statistics Committee which does not enable to present data on average number of training hours with breakdown by gender.	113–114
LA13. Leading bodies and staff of the organization with breakdown by gender and age, indication of minorities share, as well as other indexes of diversity	Completely disclosed	Chapter 7.3.1. Human Capital Description	100–105
LA14. Men and women base salary ratio with breakdown by employee categories	Completely disclosed	Chapter 7.3.2. HR Management	107–109
LA15. Percent of employees returned to work after maternity leave with breakdown by sex	Completely disclosed	Chapter 7.3.3. Social Policy	119
HR1. Percent and total number of important investment agreements including provisions on assurance of human rights or evaluated in terms of human rights	Completely disclosed	All investment agreements are assessed for compliance with standards of the Russian legislation as for human rights. All investment agreements correspond to standards of the Russian legislation.	–
HR2. Share of important suppliers and contractors evaluated in terms of human rights assurance and measures taken	Completely disclosed	Suppliers and contractors are not evaluated in terms of human rights.	–
HR3. Total duration (hours) of staff training in policies and strategies related to human rights aspects important for organization's activity including share of already trained staff	Completely disclosed	Training in strategies and procedures related to human rights issues were not carried out within the reporting period.	–
HR4. Total number of discrimination cases and measures taken	Completely disclosed	In 2012, there were no discrimination cases in JSC NIAEP.	–

Indicator	Completeness of disclosure	Section of report/Comment	Page
HR5. Activity within the framework of which a right to use freedom of association and collective bargaining may be infringed or subject to considerable risks, as well as actions aimed at supporting of these rights	Completely disclosed	Suppliers and contractors are not evaluated in terms of human rights. The Company has no activity within the framework of which a right to use freedom of association and collective bargaining may be infringed.	–
HR6. Activity within which there is a substantial risk of children employment and actions aimed at participation in extermination of children employment	Completely disclosed	Production activity of JSC NIAEP excludes any possibility of children employment: the Company staff includes highly-skilled professionals with higher and intermediate vocational education. People under the age of 18 are not employed at JSC NIAEP. Suppliers are not evaluated in terms of risk of children employment.	–
HR7. Activity within which there is a substantial risk of forced or compulsory labor and actions aimed at extermination of forced or compulsory labor	Completely disclosed	Production activity of JSC NIAEP is realized in accordance with provisions of labor legislation of Russia and is not connected with substantial risk of forced or compulsory labor. Suppliers are not evaluated in terms of risk of forced or compulsory labor	–
HR10. Share and total number of transactions that were evaluated in terms of human rights assurance or within which assessment of impact on human rights was performed	Completely disclosed	Processes are not assessed in the Company in terms of human rights as all rights which are essential for the interested parties are specified in the collective labor agreement and legislation of the Russian Federation.	–
HR11. Number of complaints made in relation to human rights that were considered and settled through official grievance mechanisms	Completely disclosed	No complaints in relation to human rights and protection of these rights were recorded in the reporting period in the Company.	–
SO1. Percentage of operations with involvement of local communities, evaluation of impact, and development programs	Completely disclosed	NIAEP involves local communities for all activities	–
SO2. Share and total number of business units assessed for risks connected with corruption	Completely disclosed	All business units of NIAEP were checked for risks related to corruption. As a result some positions which are dangerous in terms of corruption risk were distinguished. Employees holding these positions are subject to additional checks. 46 employees were hired for positions dangerous in terms of corruption risk in NIAEP in the reporting period. A security screening was carried out by the Special Security and Assets Protection Department for 41 candidates.	–
SO3. Share of employees trained in anti-corruption policies and organization procedures	Completely disclosed	Training in anti-corruption policies and organization procedures was not carried out in NIAEP in 2012. In the course of personal interview, each employee has a talk about anti-corruption policies in the Company.	–

Indicator	Completeness of disclosure	Section of report/Comment	Page
SO4. Actions in response to corruption cases	Completely disclosed	There is no information about any completed legal effects related to corruption practices and directed against organization or its employees. In 2012, no cases of non-renewal of contracts with business partners because of infringements related to corruption were recorded. A potential supplier may be unaccepted for purchasing only on the basis of non-compliance with requirements and criteria of purchasing documents. Infringements related to corruption are not included into list of requirements approved by the Unified Branch Standard for purchases of State Corporation Rosatom, and thus they are not included into purchasing documents.	–
SO5. Standpoint on state policy, participation in state policy formation and lobbying	Completely disclosed	During the reporting period, JSC NIAEP did not have any official standpoint on state policy issues. The Company did not take part in state policy formation. JSC NIAEP did not lobby its interests.	–
SO6. Total monetary value of financial and in-kind contributions to political parties, politicians and related organizations with breakdown by countries	Completely disclosed	In the reporting period, JSC NIAEP did not make contributions to political parties, politicians and related organizations.	–
SO8. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of environmental law and regulatory requirements	Completely disclosed	During the reporting period, fines and sanctions were not imposed on JSC NIAEP for non-compliance of the law and regulatory requirements.	–
SO9. Enterprises that may have considerable influence or that are actually negatively or positively influencing local communities	Partially disclosed	Chapter 7.4.5. Nuclear and Radiation Safety. Potential negative influence of the Company on local communities consists in environmental impact only.	138–139
SO10. Measures for prevention or elimination considerable potential or actual negative influence on local communities in carrying out of activity	Partially disclosed	Chapter 7.4.5. Nuclear and Radiation Safety. Potential negative influence of the Company on local communities consists in environmental impact only.	139–143
PR1. Lifecycle stages at which influence on health and safety of products and services is assessed to reveal improvement possibilities, as well as share of important products and services subject to such procedures	Completely disclosed	Chapter 7.4.5. Nuclear and Radiation Safety of constructed facilities	140–143
PR3. Types of information on products and services characteristics that are required by procedures and share of important products and services in respect of which such requirements to information are applied	Not applicable	It does not correspond to the nature of JSC NIAEP activity	–
PR5. Practices related to consumers satisfaction including results of researches on consumers satisfaction assessment.	Completely disclosed	Chapter 7.6.1. Interaction with Interested Parties in 2012	152–153
PR6. Programs on assurance of compliance to law, standards and voluntary codes in the sphere of marketing communications including advertising, products promotion and sponsorship	Not applicable	It does not correspond to the nature of the JSC NIAEP activity.	–

Indicator	Completeness of disclosure	Section of report/Comment	Page
PR9. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for non-compliance with environmental law and regulatory requirements	Completely disclosed	During the reporting period, major fines and non-financial sanctions were not imposed on the Company for non-compliance with the law and regulatory requirements.	–
CRE1. Power consumption rate during construction	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	136
CRE2. Water consumption rate in the building	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	131
CRE3. Greenhouse gases emissions from buildings	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	134
CRE4. Greenhouse gases emissions as a result of activity related to construction and refurbishment of buildings	Completely disclosed	Chapter 7.4.4. Key Environmental Impact Indices	134
CRE5. Restored lands or lands that need to be restored that are planned to use for current and future needs in accordance with the target purpose	Completely disclosed	Restoration of lands was not performed in the reporting period.	–
CRE6. Compliance of labor conditions at the enterprise with international health and safety standards	Completely disclosed	Chapter 7.3.4. Occupational Safety Management	120
CRE7. Number of people resettled voluntarily or involuntarily during construction with breakdown by construction facilities	Completely disclosed	No resettlement of people was performed in the reporting period.	–
CRE8. Type and number of certification, evaluation and categorization systems in terms of sustainable development at the stages of new construction, management, use, and reconstruction	Completely disclosed	Company facilities did not pass through certification, evaluation, and categorization process in terms of sustainable development in the reporting year.	–

Table of use of public accounting indicators of JSC NIAEP and State Corporation Rosatom

Indicators	Indices	Complete-ness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
Section 1. Performance in major activity				
1.3.1. Construction and commissioning of new generating units in the Russian Federation	1.3.1.1. Number of generating units under construction in the Russian Federation	Completely disclosed	1.3.1.1. Number of generating units under construction in the Russian Federation	Chapter 1.2. Activity Environment. Chapter 3.4.2. NPP Construction in Russia
	1.3.1.2. Number of commissionedgenerating units	Completely disclosed	1.3.1.2. Number of commissioned generating units	Chapter 3.4.2. NPP Construction in Russia
	1.3.1.3. Scope of worksperformed to construct generating units (% of plan implementation)	Completely disclosed	1.3.1.3. Scope of works performed to construct generating units (% of plan implementation)	Chapter 3.4.2. NPP Construction in Russia
	1.3.1.4. Cost of NPP construction	Partially disclosed	1.3.1.4. Cost of NPP construction	Within the period of 2011–2012, construction cost of generating units No. 3 and No. 4 of the Rostov NPP: 164.3 billions RUB. Within the period of 2011–2012, construction cost of generating units No. 1 and No. 2 of Baltic NPP: 248.9 billions RUB
	1.3.1.5. Completeness of construction facilities in the reporting year,%	Completely disclosed	1.3.1.5. Completeness of construction facilities in the reporting year,%	Chapter 3.4.2. NPP Construction in Russia
	1.3.1.6. Contribution of the reporting year to completeness of construction facilities for the year after the reporting one,%	Completely disclosed	1.3.1.6. Contribution of the reporting year to completeness of construction facilities for the year after the reporting one,%	Chapter 3.4.2. NPP Construction in Russia
	1.3.1.7. Forecast of construction facilities completeness for the year following the reporting year,%	Completely disclosed	1.3.1.7. Forecast of construction facilities completeness for the year following the reporting year,%	Chapter 3.4.2. NPP Construction in Russia
	1.3.1.8. Forecast of contribution of the year following the reporting year to completeness of construction facilities,%	Completely disclosed	1.3.1.8. Forecast of contribution of the year following the reporting year to completeness of construction facilities,%	Chapter 3.4.2. NPP Construction in Russia
1.3.100. Generating units engineering in the Russian Federation	1.3.100.1. Quantity of the NPP generating unitsto be engineered (as a general contractor)	Completely disclosed	1.3.100.1. Quantity of the NPP generating unitsto be engineered (as a general contractor)	Chapter 3.4.2. NPP Construction in Russia
	1.3.100.2. Scope of design and survey works	Completely disclosed	1.3.100.2. Scope of design and survey works	*Total scope ofdesign and survey works, thous. RUB* 2010: 2,746,373.37 2011: 3,525,538.52 2012: 6,788,166.75 Scope of design and survey works with breakdown by facilities, see Chapter 3.4.2. NPP Construction in Russia
	1.3.100.3. Scope of workswithin the frames of Multi-D Engineering Project	Not disclosed	1.3.100.3. Scope of workswithin the frames of the Multi-D Engineering Project	

<table>
<tr><th>Indicators</th><th>Indices</th><th>Complete-ness of disclosure</th><th>Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom</th><th>Section of report/Comment</th></tr>
<tr><td></td><td>1.3.100.4. Scope of works within the frames of VVER-TOI Project</td><td>Completely disclosed</td><td>1.3.100.4. Scope of works within the frames of VVER-TOI Project</td><td>Scope of works within the frames of the VVER-TOI Project, thous. RUB<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>–</td><td>879,940.95</td><td>756,471.95</td></tr></table></td></tr>
<tr><td rowspan="5">1.3.101. Provision of deliveries for generating units construction in the Russian Federation</td><td>1.3.101.1. Total number of suppliers, incl. non-residents</td><td>Completely disclosed</td><td>1.3.101.1. Total number of suppliers, incl. non-residents</td><td>Chapter 7.5.3. Economic Effect on Suppliers and Contractors</td></tr>
<tr><td>1.3.101.2. Amount of deliveries incl. non-residents</td><td>Completely disclosed</td><td>1.3.101.2. Amount of deliveries, incl. non-residents</td><td></td></tr>
<tr><td>1.3.101.3. Amount of supplies (with breakdown by territories of presence and facilities)</td><td>Completely disclosed</td><td>1.3.101.3. Amount of deliveries (with breakdown by territories of presence and facilities)</td><td></td></tr>
<tr><td colspan="3">Amount of deliveries (with breakdown by territories of presence and facilities), incl. non-residents, thous. RUB,VAT included<table><tr><th colspan="2">Baltic NPP</th><th colspan="2">Rostov NPP</th><th>Kalinin NPP</th><th rowspan="2">Total</th></tr><tr><th>Generating unit No. 1</th><th>Generating unit No. 2</th><th>Generating unit No. 3</th><th>Generating unit No. 4</th><th>Generating unit No. 4</th></tr><tr><td>680,020</td><td>–</td><td>14,395,934.63</td><td>566,697.84</td><td>813,660.25</td><td>16,456,312.72</td></tr></table></td></tr>
<tr><td>1.3.101.4. Implementation of plan ofpurchasing activities to carry out construction program,% (by facilities)</td><td>Completely disclosed</td><td>1.3.101.4. Implementation of plan ofpurchasing activities to carry out construction program,% (by facilities)</td><td>2012 Plan ofpurchasing activitiesis implemented for 100%.</td></tr>
<tr><td rowspan="6">2.1.1. Financial performance</td><td>2.1.1.1. Proceeds</td><td>Completely disclosed</td><td>2.1.1.1. Proceeds</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td>2.1.1.2. General production costs</td><td>Completely disclosed</td><td>2.1.1.2. Fixed general production costs</td><td>General production costs, mn RUB<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>2,841</td><td>3,345</td><td>3,932</td></tr></table></td></tr>
<tr><td>2.1.1.3. Administration costs</td><td>Completely disclosed</td><td>2.1.1.3. Administration costs</td><td>Administration costs, mn RUB<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>1,299</td><td>1,127</td><td>1,439</td></tr></table></td></tr>
<tr><td>2.1.1.4. Selling costs</td><td>Completely disclosed</td><td>2.1.1.4. Selling costs</td><td>Selling costs, mn RUB<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>402</td><td>451</td><td>618</td></tr></table></td></tr>
<tr><td>2.1.1.5. Gross profit</td><td>Completely disclosed</td><td>2.1.1.5. Gross profit</td><td>Gross profit, mln. RUB<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>3,458</td><td>2,096</td><td>3,134</td></tr></table></td></tr>
<tr><td>2.1.1.6. Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA)</td><td>Completely disclosed</td><td>2.1.1.6. Earnings before Interest, Taxation, Depreciation & Amortisation(EBITDA)</td><td>Chapter 7.1. Financial Capital</td></tr>
</table>

<table>
<tr><th>Indicators</th><th>Indices</th><th>Complete-ness of disclosure</th><th>Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom</th><th>Section of report/Comment</th></tr>
<tr><td></td><td>2.1.1.7. Earnings before interest and taxes (EBIT)</td><td>Completely disclosed</td><td>2.1.1.7. Earnings before interest and taxes (EBIT)</td><td>Earnings before interest and taxes (EBIT), mn RUB<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>1,186</td><td>851</td><td>1,788</td></tr></table></td></tr>
<tr><td></td><td>2.1.1.8. Net Operating Profit After Tax (NOPAT)</td><td>Not disclosed</td><td>2.1.1.8. Net Operating Profit After Tax (NOPAT)</td><td></td></tr>
<tr><td></td><td>2.1.1.9. Net profit</td><td>Completely disclosed</td><td>2.1.1.9. Net profit</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td></td><td>2.1.1.10. Net cash flow (total from operating, investment, and financial activity)</td><td>Completely disclosed</td><td>2.1.1.10. Net cash flow (total from operating, investment, and financial activity)</td><td>- 1,633 mn RUB</td></tr>
<tr><td></td><td>2.1.1.11. Net cash flow from operating activity</td><td>Completely disclosed</td><td>2.1.1.11. Net cash flow from operating activity</td><td>- 13,692 mn RUB</td></tr>
<tr><td rowspan="3">2.1.2. Productivity</td><td>2.1.2.1. Labor productivity (with breakdown by directions of activity)</td><td>Completely disclosed</td><td>2.1.2.1. Labor productivity (with breakdown by directions of activity)</td><td></td></tr>
<tr><td colspan="4">Labor productivityin 2012<table><tr><th colspan="2"></th><th>mn RUB/pers.</th></tr><tr><td colspan="2">Total</td><td>12,580</td></tr><tr><td rowspan="3">Including:</td><td>management of construction</td><td>22,093</td></tr><tr><td>equipment</td><td>39,214</td></tr><tr><td>design and survey works</td><td>5,624</td></tr><tr><td colspan="2">Other types of business</td><td>2,698</td></tr></table></td></tr>
<tr><td>2.1.2.2. Value added/proceeds (internal performance)</td><td>Completely disclosed</td><td>2.1.2.2. Value added/proceeds (internal performance)</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td rowspan="4">2.1.3. Economical and financial performance</td><td>2.1.3.4. Share of production costs inproceeds,%</td><td>Completely disclosed</td><td>2.1.3.4. Share of production costs inproceeds,%</td><td>Share of production costs inproceeds,%<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>6.9</td><td>9.5</td><td>10.2</td></tr></table></td></tr>
<tr><td>2.1.3.5. Share ofgeneral administration costsinproceeds,%</td><td>Completely disclosed</td><td>2.1.3.5. Share ofgeneral administration costsinproceeds,%</td><td>Share of general administration costs in proceeds,%<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>3.2</td><td>3.2</td><td>3.7</td></tr></table></td></tr>
<tr><td>2.1.3.6. Return on sales (net income) (ROS)</td><td>Completely disclosed</td><td>2.1.3.6. Return on sales (net income) (ROS)</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td>2.1.3.7. Return on assets (ROA),%</td><td>Completely disclosed</td><td>2.1.3.7. Return on assets (ROA),%</td><td>Chapter 7.1. Financial Capital</td></tr>
</table>

<table>
<tr><th>Indicators</th><th>Indices</th><th>Completeness of disclosure</th><th>Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom</th><th>Section of report/Comment</th></tr>
<tr><td></td><td>2.1.3.8. Return on equity (ROE),%</td><td>Completely disclosed</td><td>2.1.3.8. Return on equity (ROE),%</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td></td><td>2.1.3.9. EBITDA margin,%</td><td>Completely disclosed</td><td>2.1.3.9. EBITDA margin,%</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td></td><td>2.1.3.10. EBIT margin,%</td><td>Completely disclosed</td><td>2.1.3.10. EBIT margin,%</td><td>EBIT margin,%<table><tr><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>2.9</td><td>2.4</td><td>4.6</td></tr></table></td></tr>
<tr><td></td><td>2.1.3.11. Prime cost of the sold goods, products, works, and services</td><td>Completely disclosed</td><td>2.1.3.11. Prime cost of the sold goods, products, works, and services</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td></td><td>2.1.3.12. Proceeds gain by kinds of activity,%</td><td>Completely disclosed</td><td>2.1.3.12. Proceeds gain by kinds of activity,%</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td>2.2.1. Diversification of activity</td><td>2.2.1.1. Revenue mix by kinds of activities</td><td>Completely disclosed</td><td>2.2.1.1. Revenue mix by kinds of activities</td><td>Chapter 7.1. Financial Capital</td></tr>
<tr><td rowspan="3">2.2.3. Dependence on suppliers and contractors</td><td>2.2.3.1. Total cost of long-term agreements with suppliers and contractors (order portfolio for suppliers and contractors)</td><td>Completely disclosed</td><td>2.2.2.1. Total cost of long-term agreements withbuyers (order portfolio for buyers) (for individual muclear power engineering markets)</td><td></td></tr>
<tr><td colspan="4">Total cost of long-term agreements with suppliers and contractors (order portfolio for suppliers and contractors), mn RUB, VAT included<table><tr><th colspan="2">Baltic NPP</th><th colspan="2">Rostov NPP</th><th>Kalinin NPP</th><th rowspan="2">Total</th></tr><tr><th>Generating unit No. 1</th><th>Generating unit No. 2</th><th>Generating unit No. 3</th><th>Generating unit No. 4</th><th>Generating unit No. 4</th></tr><tr><td>24,534.49</td><td>20,473.67</td><td>7,481.83</td><td>4,623.62</td><td>93.98</td><td>57,207.59</td></tr></table></td></tr>
<tr><td>2.2.3.2. Quantity ofsuppliers and contractors enjoying a monopoly in the market</td><td>Completely disclosed</td><td>2.2.3.2. Quantity ofsuppliers and contractors enjoying a monopoly in the market</td><td>NIAEP has no suppliers and contractors enjoying a monopoly in the market.</td></tr>
<tr><td>2.2.4. Risk management</td><td>2.2.4.1. Characteristics of risks and risk management system</td><td>Completely disclosed</td><td>2.2.4.1. Characteristics of risks and risk management system</td><td>Chapter 5.2. Risk Management</td></tr>
<tr><td rowspan="2">2.2.5. Production base development</td><td>2.2.5.1. Funds for investment policy purposes (with indication of share of funds for renovation of production and technical facilities)</td><td>Partially disclosed</td><td>2.2.5.1. Funds for investment policy purposes (with indication of share of funds for renovation of production and technical facilities)</td><td>Chapter 7.2. Production Capital</td></tr>
<tr><td>2.2.5.2. Capital expenditure to production facilities</td><td>Completely disclosed</td><td>2.2.5.2. Capital expenditure to production facilities</td><td>Chapter 7.2. Production Capital</td></tr>
</table>

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
2.2.6. Financial stability	2.2.6.1. Net asset value	Completely disclosed	2.2.6.1. Net asset value	3,634.2 mn RUB
	2.2.6.2. Debt to equity ratio	Completely disclosed	2.2.6.2. Debt to equity ratio	NIAEP did not use borrowed assets in 2012. Debt to equity ratio is equal to 0.
	2.2.6.3. Considerable funds received from the state	Completely disclosed	2.2.6.3. Considerable funds received from the state	NIAEP did not receive any government assistance and public budget loans within the reporting and previous years.
	2.2.6.5. Current liquidity ratio	Completely disclosed	2.2.6.5. Current liquidity ratio	Chapter 7.1. Financial Capital
	2.2.6.6. Quick assets ratio	Completely disclosed	2.2.6.6. Quick assets ratio	Chapter 7.1. Financial Capital
	2.2.6.7. Absolute liquidity ratio	Completely disclosed	2.2.6.7. Absolute liquidity ratio	0.68
2.3.1. Position of the Russian engineering in the world market of NPP construction	2.3.1.1. Quantity ofgenerating units to be constructed abroad (within the reporting period)	Completely disclosed	2.3.1.1. Quantity ofgenerating units to be constructed abroad (within the reporting period)	Chapter 3.4.1. NPP Construction Abroad
	2.2.1.3. Cost of NPP construction	Not disclosed	2.2.1.3. Cost of NPP construction	
2.4.2. Development of international cooperation	2.4.2.1. List and description of alliancesand projects with foreign partners	Completely disclosed	2.4.2.1. List and description of alliancesand projects with foreign partners	Section 3. Strategically important results of activities
5.1.4. Efficiency of innovation activity	5.1.4.1. List of innovations introduced into production process	Completely disclosed	5.1.4.1. List of innovations introduced into production process	Chapter 5.3. Production Acivity Management. Section 6. Introduction of innovations
5.3.1. VVER-TOI	5.3.1.1. Description of the performed works in the reporting year	Completely disclosed	5.3.1.1.Description of the performed works in the reporting year	Chapter 3.4. Development as a vendor. Chapter 5.3. Production Acivity Management. Section 6. Introduction of innovations
6.1.1. Projects on improvement of management system improvement	6.1.1.1. Projects ofmanagement systemand activity improvement commenced in the reporting year	Completely disclosed	6.1.1.1. Projects ofmanagement systemand activity improvement commenced in the reporting year	

Projects ofmanagement systemand activity improvementand their results in 2012

Tasks	Results
Implementation of project management system	
Development and approval of standard provision on project head manager for construction of generating units	Order No. 40/679-P/294 of 31.07.2012
Development and approval of organizational structures and functions ofmanagement of NPP construction projects	Orders: - No. 40/714 of 13.08.2012 (Rostov NPP, Generating unit No. 3 and No. 4) - No. 40/715 of 13.08.2012 (Yuzhnouralsk GRES) - No. 40/716 of 13.08.2012 (Baltiyskaya, Belarusian NPP) - No. 40/813 of 13.09.2012 (Akkuyu NPP) - No. 40/814 of 13.09.2012 (Tyanvan NPP) - No. 40/815 of 13.09.2012 (Ninh Thuan NPP) - No. 40/14-P/007/8-P of 15.01.2013 (spent nuclear fuel and radioactive waste) - No. 40/1145 of 26.12.2013 (Kursk NPP) Kudankulam NPP order: The President has taken a decision on delay of approval. Iran NPP order:The President has taken a decisionnot to approve it because of completion of the facility construction
Development and approval of key performance indicators (KPI) of project managers of NPP construction in the framework of implementation of project management system	The KPI are developed and approved by Limarenko V.I. The documents are sent to SC for approval.
Development and approval of STP Management of development projects	STP 35.01-2012 Management of development projects is approved by Order No.40/781-P of 06.09.2012
Development and approval of project on development of Service Agreements within the framework ofproject management systemfor NPP construction	Order No. 40/2-P of 09.01.2013
Integration of NIAEP and ASE	
Development of organizational structure and functional charts within the framework of NIAEP and ASE integration	Organizational structureandfunctional charts of the NIAEP-ASE Integrated Company are developed and sent to State Corporation Rosatom for approval.
Development of subdivisions interaction chart in the course of purchasing activity at a stage of contract execution	The interaction chart is developed. On the basis of this chart, interaction regulations were developed by delivery division. As of the current date interaction regulations are not agreed withprocurement division and it is under improvement. A decision is taken on development of joint regulations by deliver-procurement division.
Miscellaneous	
Development and approval of dedicated organizational structureandfunctional charts of the Administration for NPP Construction in Iran because of completion of NPP construction project	Order No. 40/1060-P of 23.11.2012
Implementation of activities on automation of compilation of summary list and specification for additional agreement to contract for construction of industrial facilities: Generating units No. 3 and No. 4 of Rostov NPP	Order No.40/95-P of 13.02.2012. Now the project (information system) is at a stage of pilot prototype usage
Implementation of budget model automation project as for description and regulation of budgeting process	Order No.40/228-P of 23.03.2012. Charts of budgeting process are developed to implement an automation system.
Development of proposals on list (Electronic Document Management System) as for approval of orders	List of proposals has been developed and submitted for consideration. Proposals on optimization are included in a new revision of regulations for document control.

Projects planned for 2013:

- Implementation of management model of NIAEP on the basis ofprovision on management model of the branch civil segment in State Corporation Rosatom;
- Development and implementation of project on creation of Decision support system;
- Development and introduction of process model of NIAEP on the basis of the system implement State Corporation Rosatom;
- Development and approval of functional charts of NIAEP by State Corporation Rosatom for changing over division.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
	6.1.1.2. Evaluation of Projects on improvement of management system	Not disclosed	6.1.1.2. Evaluation of Projects on improvement of management system	
	6.1.1.3. Economic benefit from implementation of projects on improvement of management and activity	Completely disclosed	6.1.1.3. Economic benefit from implementation of projects on improvement of management and activity	Economic benefit has not been estimated.
6.1.2. Implementation of projects on improvement of production activity efficiency	6.1.2.1. Results ofimplementation of projects on improvement of production activity efficiency, including Production System Rosatom (PSR)	Completely disclosed	6.1.2.1. Results ofimplementation of projects on improvement of production activity efficiency, including Production System Rosatom	Chapter 5.3.2. Introduction of Production System Rosatom
	6.1.2.2. Economic benefit from implementation of programs of production development and cost reduction at the enterprises (including due to implementation of RPS)	Completely disclosed	6.1.2.2. Economic benefit from implementation of programs of production development and cost reduction at the enterprises (including due to implementation of RPS)	Economic benefithas not been estimated.
	6.1.2.3. Cost of one shortened working day due to introduction of innovations related to reduction of terms	Completely disclosed	6.1.2.3. Cost of one shortened working day due to introduction of innovations related toreduction of terms	It has not been estimated.
	6.1.2.100. Reduction of terms of engineering and construction	Completely disclosed	6.1.2.100. Reduction of terms of engineering and construction	Chapter 5.3.2. Introduction of Production System Rosatom
6.1.4. Introduction of international management standards	6.1.4.1. List of introduced international management standards	Completely disclosed	6.1.4.1. List of introduced international management standards	Chapter 7.3.4. Occupational Safety Management. Chapter 7.4.1. Environmental Policy
6.1.5. Purchasing management	6.1.5.1. Tools for enhancing of openness and transparency of purchasing	Completely disclosed	6.1.5.1. Tools for enhancing of openness and transparency of purchasing	Chapter 7.5.4. Procurement Optimization
	6.1.5.2. Funds saved as the result of carrying out of competitive purchasing procedures (in% and rubles)	Completely disclosed	6.1.5.2. Funds saved as the result of carrying out of competitive purchasing procedures (in% and rubles)	Chapter 7.5.4. Procurement Optimization
6.1.6. Development of internal communications	6.1.6.1. Projects to develop communication channels between top management and employees	Completely disclosed	6.1.6.1. Projects to develop communication channels between top management and employees	Chapter 7.3.2. HR Management
	6.1.6.2. Tools using which the employees can influence on decision making in the organizations (GRI 4.4.)	Completely disclosed	6.1.6.2. Tools using which the employees can influence on decision making in the organizations	Chapter 7.3.2. HR Management

Indicators	Indices	Complete-ness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
6.1.7. Observance of principles and norms of corporate management in the Corporation and its divisions	6.1.7.1. Number of meetings of the Board of Directors	Completely disclosed	6.1.7.1. Number of meetings of the Board of Directors	Chapter 5.1.1. Bodies of corporate management
	6.1.7.2. Observance of code of corporate conduct	Completely disclosed	6.1.7.2. Observance of code of corporate conduct	Annex No. 2. Data on observance of code of corporate conductin JSC NIAEP
6.1.8. Management informatization	6.1.8.1. List of projects on introduction of informational technologies	Completely disclosed	6.1.8.1. List of projects on introduction of informational technologies	Section 6. Introduction of innovations
	6.1.8.2. Result ofimplementation of projectson introduction of informational technologies	Completely disclosed	6.1.8.2. Result ofimplementation of projectson introduction of informational technologies	The result has not been evaluated.
	6.1.8.3. Investments in IT-Projects	Completely disclosed	6.1.8.3. Investments in IT-Projects	Total amount ofinvestments in IT-Projects in 2012 was equal to 126.9 mn RUB
6.1.9. Financial and economic activities management	6.1.9.1. Number and results of internal inspections including those performed by Department of Internal Control and Audit	Completely disclosed	6.1.9.1. Number and results of internal inspections including those performed by the Department of Internal Control and Audit	Chapter 5.1.2. Financial and economic activities management
7.1.1 Public accounting	7.1.1.1. Compliance with international requirements in the field of nonfinancial accounting and interaction with the interested parties	Completely disclosed	7.1.1.1 Compliance with international requirements in the field of nonfinancial accounting and interaction with the interested parties	Informationon the Report
	7.1.1.2. Interaction with the interested parties in the course of preparation of public reports	Completely disclosed	7.1.1.2. Interaction with the interested parties in the course of preparation of public reports	Chapter 7.6. Interaction with Interested Parties
	7.1.1.3. Compliance with corporate requirements to public accounting	Completely disclosed	7.1.1.3. Compliance with corporate requirements to public accounting	Informationon the Report
7.2.1. Environmental impact assessments specified in the Russian Federation law	7.2.1.1. List of positive conclusions of environmental impact assessments	Completely disclosed	7.2.1.1. List of positive conclusions of environmental impact assessments	No conclusions of environmental impact assessments were issued for the Company facilities in 2012
	7.2.1.2. List of negative conclusions of environmental impact assessments	Completely disclosed	7.2.1.2. List of negative conclusions of environmental impact assessments	No conclusions of environmental impact assessments were issued for the Company facilities in 2012
7.2.2. Carrying out the public hearings specified in the Russian Federation law	7.2.2.1. Quantity of environmental impact assessments for projects of construction of the NPP Generating units	Completely disclosed	7.2.2.1. Quantity of environmental impact assessments for projects of construction of NPP generating units	Chapter 7.4.5. Nuclear and Radiation Safety

<table>
<tr><th>Indicators</th><th>Indices</th><th>Completeness of disclosure</th><th>Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom</th><th>Section of report/Comment</th></tr>
<tr><td rowspan="11">10.1.1. Provision with skilled staff</td><td>10.1.1.1. Number of students that undertook an internship</td><td>Completely disclosed</td><td>10.1.1.1. Number of students that undertook an internship</td><td>Chapter 7.3.2. HR Management</td></tr>
<tr><td>10.1.1.2. Number of students that were employed based on the results of internship</td><td>Completely disclosed</td><td>10.1.1.2. Number of students that were employed based on the results of internship</td><td>Chapter 7.3.2. HR Management</td></tr>
<tr><td>10.1.1.3. Number of employees graduated from dedicated higher education institutions.</td><td>Completely disclosed</td><td>10.1.1.3. Number of employees graduated from dedicated higher education institutions</td><td></td></tr>
<tr><td colspan="4">Share of employees graduated from dedicated higher education institutions as of 31.12.2012
<table><tr><th>Division</th><th>Share of employees graduated from dedicated higher education institutions</th></tr><tr><td>Central Office</td><td>61.3</td></tr><tr><td>Moscow Branch</td><td>24.9</td></tr><tr><td>Volgodon Branch</td><td>20.6</td></tr><tr><td>Baltic Branch</td><td>23.1</td></tr><tr><td>Udomlya Branch</td><td>28.8</td></tr><tr><td>Volgodon Office</td><td>100</td></tr><tr><td>Kharkov Office</td><td>0</td></tr><tr><td>Yuzhnouralsk Branch</td><td>17.4</td></tr><tr><td>Office in the Republic of Belarus</td><td>18.8</td></tr></table>Following education institution: Nizhny Novgorod State Technical University, Nizhny Novgorod State Architecture and Construction University, Kaliningrad State Technical University, Chelyabinsk State Technical University, and Belarusian State Polytechnic Academy are considered as dedicated higher education institutions.</td></tr>
<tr><td>10.1.1.4. Ratio of costs for support of dedicated higher education institutions to number of the hired recent graduates from the higher education institutions</td><td>Not disclosed</td><td>10.1.1.4. Ratio of costs for support of dedicated higher education institutions to number of the hired recent graduates from the higher education institutions</td><td></td></tr>
<tr><td>10.1.1.5. Number of Candidates and Doctors of Science</td><td>Completely disclosed</td><td>10.1.1.5. Number of Candidates and Doctors of Science</td><td>Chapter 7.3.1. Human Capital Description</td></tr>
<tr><td>10.1.1.7. Number of young specialists employed after graduation from higher and postsecondary education institutions, including those who studied within the frames of target training programs</td><td>Completely disclosed</td><td>10.1.1.7. Number of young specialists employed after graduation from higher and postsecondary education institutions, including those who studied within the frames of target training programs</td><td>Chapter 7.3.2. HR Management</td></tr>
<tr><td>10.1.1.8. Number of students studying at higher and postsecondary education institutions within the frames of target training programs</td><td>Completely disclosed</td><td>10.1.1.8. Number of students studying at higher and postsecondary education institutions within the frames of target training programs</td><td>Chapter 7.3.2. HR Management</td></tr>
</table>

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
	10.1.1.100. Number of employed people from those applied to counseling offices	Completely disclosed	10.1.1.100. Number of employed people from those applied to counseling offices	Chapter 7.5.2. Economical impact on local population in the operations areas
	10.1.1.101. Number of employees with an MBA degree	Completely disclosed	10.1.1.101. Number of employees with an MBA degree	Chapter 7.3.1. Human Capital Description
10.1.2. Staff training	10.1.2.1. Share of employees subject to periodic assessments of efficiency and career development (with breakdown by gender) (LA12 GRI)	Partially disclosed	10.1.2.1. Share of employees subject to periodic assessments of efficiency and career development (with breakdown by gender)	Chapter 7.3.2. HR Management
	10.1.2.2. Average number of training hours per one employee annually with breakdown by employee categories (LA10 GRI)	Completely disclosed	10.1.2.2.Average number of training hours per one employee annually with breakdown by employee categories and gender.	Chapter 7.3.2. HR Management Now information on staff is generated only according to forms of the Federal Service of State Statistics which does not enable to present data on average number of training hours with breakdown by gender
	10.1.2.3. Level of costs for staff training	Completely disclosed	10.1.2.3. Level of costs for staff training	Chapter 7.3.2. HR Management
10.1.3. Formation and use of HR reserve	10.1.3.1. Formation and use of skill pool	Completely disclosed	10.1.3.1. Formation and use of skill pool	Chapter 7.3.2. HR Management
	10.1.3.2. Number and share of employees from the skill pool appointed to open positions	Completely disclosed	10.1.3.2. Number and share of employees from the skill pool appointed to open positions	Chapter 7.3.2. HR Management
Section 2. Sustainable Development Achievements				
11.1.1. Direct economic value established and distributed, including income, operational expenditures, payments to employees, charity and other types of investment into societies, non-disrtibuted profit, payments to capital suppliers and states (EC1 GRI)	11.1.1.1. Earnings (proceeds from sales, as well as earnings from financial investments and sale of assets)	Completely disclosed	11.1.1.1. Earnings (proceeds from sales, as well as earnings from financial investments and sale of assets)	Chapter 7.1. Financial Capital The indicator is disclosed using Russian Accounting Standards
	11.1.1.2. Operational costs	Completely disclosed	11.1.1.2. Operational costs	Chapter 7.1. Financial Capital The indicator is disclosed using Russian Accounting Standards
	11.1.1.3. Salary and other benefits for employees	Completely disclosed	11.1.1.3. Salary and other benefits for employees	Chapter 7.1. Financial Capital The indicator is disclosed using Russian Accounting Standards
	11.1.1.4. Payments to fund suppliers	Completely disclosed	11.1.1.4. Payments to fund suppliers	Chapter 7.1. Financial Capital The indicator is disclosed using Russian Accounting Standards
	11.1.1.5. Gross tax payments	Completely disclosed	11.1.1.5. Gross tax payments	Chapter 7.1. Financial Capital The indicator is disclosed using Russian Accounting Standards
	11.1.1.6. Investments into communities	Completely disclosed	11.1.1.6. Investments into communities	Chapter 7.1. Financial Capital The indicator is disclosed using Russian Accounting Standards

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
	11.1.1.7. Undistributed economic cost	Completely disclosed	11.1.1.7. Undistributed economic cost	Chapter 7.1. Financial Capital The indicator is disclosed using Russian Accounting Standards
11.1.2. Essential financial assistance from state government bodies. (EC4 GRI)	11.1.2.1. Essential financial assistance from State government bodies	Completely disclosed	11.1.2.1. Essential financial assistance from State government bodies	The Company did not get any financial assistance from State government bodies in the reporting period.
11.1.3. Financial aspects and other risks and possibilities for the Company activity related to change of climate and other matters of sustainable development. (EC2 GRI)	11.1.3.1. Information on the fact, whether the highest managing body of the Company considered matters of climate change and risks and possibilities related to it	Completely disclosed	11.1.3.1. Information on the fact, whether the highest managing body of the Company considered matters of climate change and risks and possibilities related to it	The highest managing body of the Company did not consider matters of climate change and risks and possibilities related to it
	11.1.3.2. Information on risks and/or possibilities related to climate change and probably having financial implication for the Company	Completely disclosed	11.1.3.2. Information on risks and/or possibilities related to climate change and probably having financial implication for the Company	No risks and/or possibilities related to climate change and probably having financial implication for the company were revealed.
	11.1.3.3. Information on the fact, whether the highest managing body of the Company performed a quantitative assessment of financial consequences (for example, cost of insurance and emission allowance) of climate change for the Company	Completely disclosed	11.1.3.3. Information on the fact, whether the highest managing body of the Company performed a quantitative assessment of financial consequences (for example, cost of insurance and emission allowance) of climate change for the company	No quantitative assessment of influence of climate change on financial conditions of the Company was carried out.
11.2.1. Policy and practical approaches to purchases from local suppliers and the share of such purchases in important regions of Company's operation. (EC6 GRI)	11.2.1.1. Data on availability of a policy or experience of giving preference to local suppliers either at a level of organization as a whole, or in certain regions of its activity	Completely disclosed	11.2.1.1. Data on availability of a policy or experience of giving preference to local suppliers either at a level of organization as a whole, or in certain regions of its activity	Chapter 7.5.3. Economic Effect on Suppliers and Contractors
	11.2.1.2. Percentage of purchasing budget in the important regions of activity used for purchases from suppliers that are local with regard to the given region	Completely disclosed	11.2.1.2. Percentage of purchasing budget in the important regions of activity used for purchases from suppliers that are local with regard to the given region	Chapter 7.5.3. Economic Effect on Suppliers and Contractors
	11.2.1.3. Factors (apart from geographical location) which influence on selection of suppliers (e.g. costs, environmental and social efficiency)	Completely disclosed	11.2.1.3. Factors (apart from geographical location) which influence on selection of suppliers (e.g. costs, environmental and social efficiency)	Chapter 7.5.3. Economic Effect on Suppliers and Contractors

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
11.3.1. Development and impact of investments into infrastructure and services provided, first of all, for public benefit (not connected directly with production activity) as commercial, in-kind or charitable contribution (EC8 GRI)	11.3.1.1. Scale of development (e.g. amount, costs, duration) of considerable investments and support as well as existing or expected influence on communities and local economies	Completely disclosed	11.3.1.1. Scale of development (e.g. amount, costs, duration) of considerable investments and support as well as existing or expected influence on communities and local economies	Chapter 7.5. Social and Economic Capital. Chapter 7.6. Interaction with Interested Parties
	11.3.1.2 Data on whether the organization performed assessment of communities needs to define which infrastructure facilities are necessary for them	Completely disclosed	11.3.1.2. Data on whether the organization performed assessment of communities needs to define which infrastructure facilities are necessary for them	Chapter 7.5.1. Investment in Social Infrastructure and Charity
12.1.1. Power which is saved as a result of activities to reduce energy consumption and to enhance energy efficiency. (EN5 GRI)	12.1.1.1. Total power which is saved as a result of activities to reduce energy consumption and to enhance energy efficiency	Completely disclosed	12.1.1.1. Total power which is saved as a result of activities to reduce energy consumption and to enhance energy efficiency	Chapter 7.4.3. Energy Efficiency Improvement
	12.1.1.2. Data on total power which is saved as a result of upgrading of production, readjustment or replacement of equipment and changes of the staff behaviour.	Completely disclosed	12.1.1.2. Data on total power which is saved as a result of upgrading of production, readjustment or replacement of equipment and changes of the staff behavior.	Chapter 7.4.3. Energy Efficiency Improvement
	12.1.1.100. Financial results of activities to reduce energy consumption and to enhance energy efficiency	Completely disclosed	12.1.1.100. Financial results of activities to reduce energy consumption and to enhance energy efficiency	Economic benefit due to implementation of program of energy efficiency enhancement in 2012 was equal to RUB1,605.0
12.1.2. Initiatives for provision of products and services that are power efficient or based on use of renewable power and reduction of power demand as the result of these initiatives. (EN6 GRI)	12.1.2.1. Data on existing initiatives for reducing of power consumption by main kinds/ groups of products or services	Completely disclosed	12.1.2.1. Data on existing initiatives for reducing of power consumption by main kinds/ groups of products or services	Chapter 7.4.3. Energy Efficiency Improvement
	12.1.2.2. Quantitative data on reducing of power consumption by products or services reached for the reporting period	Completely disclosed	12.1.2.2. Quantitative data on reducing of power consumption by products or services reached for the reporting period.	Chapter 7.4.3. Energy Efficiency Improvement

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
12.1.7. Initiatives for reduction of greenhouse gas emission and the reduction reached. (EN18GRI)	12.1.7.1. General list with description of subject of initiatives for reduction of greenhouse gas emission	Completely disclosed	12.1.7.1. General list with description of subject of initiatives for reduction of greenhouse gas emission	Chapter 7.4.4. Key Environmental Impact Indices
	12.1.7.2. Quantitative data on degree of the reached reduction of greenhouse gas emission as a result of initiatives in the reporting period	Completely disclosed	12.1.7.2. Quantitative data on degree of the reached reduction of greenhouse gas emission as a result of initiatives in the reporting period	Economical efficiency of the developed initiatives is not estimated in NIAEP.
12.1.8. Initiatives for mitigation of products and services impact on environment and the scale of mitigation. (EN26 GRI)	12.1.8.1. General list with description of the subject of initiatives for mitigation of products and services impact on environment	Completely disclosed	12.1.8.1. General list with description of the subject of initiatives for mitigation of products and services impact on environment	Chapter 7.4.Natural capital
12.1.10. Total costs and investments into environmental protection with breakdown by types. (EN30 GRI)	12.1.10.1. Costs related to treatment of wastes, emissions and effluents, as well as environmental remedial action	Partially disclosed	12.1.10.1. Costs related to treatment of wastes, emissions and effluents, as well as environmental remedial action	Chapter 7.4.4. Key Environmental Impact Indices
	12.1.10.2. Costs for prevention of environmental impact and environmental management system	Partially disclosed	12.1.10.2. Costs for prevention of environmental impact and environmental management system	Chapter 7.4.4. Key Environmental Impact Indices
12.1.11. Implementation of environmental management systems	12.1.11.1. Quantity of companies (subsidiaries and affiliates) certified for compliance with requirements of standard ISO 14001	Not disclosed	12.1.11.1. Quantity of companies (subsidiaries and affiliates) certified for compliance with requirements of standard ISO 14001	
	12.1.11.2. List of essential remarks of external auditor	Not disclosed	12.1.11.2. List of essential remarks of an external auditor	
	12.1.11.3. Results of audit	Not disclosed	12.1.11.3. Results of audit	
	12.1.11.4. Consideration of remarks and recommendations of an external auditor	Not disclosed	12.1.11.4. Consideration of remarks and recommendations of an external auditor	
12.1.13.1. Share of recycled or re-used wastes. (EN2 GRI)	12.1.13.1 Share of recycled or re-used wastes	Completely disclosed	12.1.13.1. Share of recycled or re-used wastes.	Chapter 7.4.4. Key Environmental Impact Indices

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
12.2.1. Used materials with indication of weight or volume. (EN1 GRI)	12.2.1.1. General usage of materials, including both those purchased from the external suppliers and obtained from internal sources (production for auxiliaries and extraction of minerals)	Completely disclosed	12.2.1.1. General usage of materials, including both those purchased from the external suppliers and obtained from internal sources (production for auxiliaries and extraction of minerals)	Chapter 7.4.4. Key Environmental Impact Indices
	12.2.1.2. Data on total weight or volume of the used non-renewable materials and used base materials	Completely disclosed	12.2.1.2. Data on total weight or volume of the used non-renewable materials and used base materials	Chapter 7.4.4. Key Environmental Impact Indices
	12.2.1.100. Total weight, volume, or breakdown by basic categories of the used raw materials, renewable materials to be used and industrial goods to be used	Completely disclosed	12.2.1.100. Total weight, volume, or breakdown by basic categories of the used raw materials, renewable materials to be used and industrial goods to be used	Chapter 7.4.4. Key Environmental Impact Indices
	12.2.1.101. Share of purchased or used materials, which stability was certified by the third party	Completely disclosed	12.2.1.101. Share of purchased or used materials, which stability was certified by the third party	Chapter 7.4.4. Key Environmental Impact Indices
12.2.2. Direct power use with indication of primary sources. (EN3 GRI)	12.2.2.1. Direct power use with indication of primary sources	Completely disclosed	12.2.2.1. Direct power use with indication of primary sources	Chapter 7.4.4. Key Environmental Impact Indices
12.2.3. Indirect power use with indication of primary sources. (EN4 GRI)	12.2.3.1 Indirect power use with indication of primary sources	Partially disclosed	12.2.3.1. Indirect power use with indication of primary sources	Chapter 7.4.4. Key Environmental Impact Indices
12.2.4. Total amount of water taken with breakdown by sources. (EN8 GRI)	12.2.4.1. Total amount of water taken with breakdown by sources (including surface, ground and rain water, as well as public utilities)	Completely disclosed	12.2.4.1. Total amount of water taken with breakdown by sources (including surface, ground and rain water, as well as public utilities)	Chapter 7.4.4. Key Environmental Impact Indices
	12.2.4.100. Measures to soften water and reduce water consumption	Completely disclosed	12.2.4.100. Measures to soften water and reduce water consumption	Chapter 7.4.4. Key Environmental Impact Indices
	12.2.4.101. Investments into preservation and enhancement of efficiency, as well as savings due to initiatives on reduction of energy consumption	Completely disclosed	12.2.4.101. Investments into preservation and enhancement of efficiency, as well as savings due to initiatives on reduction of energy consumption	Economic benefit due to implementation of program of energy efficiency enhancement in 2012 was equal to RUB1,605.0
12.2.5. Water used for own needs	12.2.5.1 Water used for own needs	Not disclosed	12.2.5.1. Water used for own needs	

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
12.2.6. Location and area of land which is in ownership or leased or under the organization's control and located in the protected natural areas and areas with high biological diversity outside of their borders or adjoining such areas. (EN11 GRI)	12.2.6.1. Location and area of land which is in ownership or leased or under the organization's control and located in protected natural areas and areas with high biological diversity outside of their borders or adjoining such areas	Completely disclosed	12.2.6.1. Location and area of land which is in ownership or leased or under the organization's control and located in protected natural areas and areas with high biological diversity outside of their borders or adjoining such areas	JSC NIAEP has no lands that are located in the protected natural areas, as well as near of such areas
12.3.2. Description of substantial impact of activities, products and services on biodiversity in protected natural areas and areas with high biological diversity outside of their borders. (EN12 GRI)	12.3.2.1. Description of substantial impact of activities, products and services on biodiversity in protected natural areas and areas with high biological diversity outside of their borders	Completely disclosed	12.3.2.1. Description of substantial impact of activities, products and services on biodiversity in protected natural areas and areas with high biological diversity outside of their borders	Facilities of the Company are not located in the protected natural areas and near of such areas.
12.3.5. Full-scale direct and indirect emissions of greenhouse gases with indication of mass. (EN16 GRI)	12.3.5.1. Full-scale direct and indirect emissions of greenhouse gases with indication of mass	Completely disclosed	12.3.5.1. Full-scale direct and indirect emissions of greenhouse gases with indication of mass	Chapter 7.4.4. Key Environmental Impact Indices
12.3.6. Other considerable indirect emissions of greenhouse gases with indication of mass. (EN17 GRI)	12.3.6.1. Other considerable indirect emissions of greenhouse gases with indication of mass	Completely disclosed	12.3.6.1. Other considerable indirect emissions of greenhouse gases with indication of mass.	Chapter 7.4.4. Key Environmental Impact Indices

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
12.3.7. Ozone-damaging emissions with indication of mass. (EN19 GRI)	12.3.7.1. Ozone-damaging emissions with indication of mass	Completely disclosed	12.3.7.1. Ozone-damaging emissions with indication of mass	There were no ozone-damaging emissions in the course of construction carried out by the Company and subcontractors
12.3.8. Emissions of NO_x, SO_x and other important contaminants to the atmosphere with indication of type and mass. (EN20 GRI)	12.3.8.1. Emissions of NO_x, SO_x and other important contaminants to the atmosphere with indication of type and mass	Completely disclosed	12.3.8.1. Emissions of NO_x, SO_x and other important contaminants to the atmosphere with indication of type and mass	In the course of construction carried out by the Company and subcontractors, emissions of NO_x, SO_x and other important contaminants are negligible.
12.3.9. Total volume of effluents with indication of sewage quality and receiving water body. (EN21 GRI)	12.3.9.1 Total volume of effluents with indication of sewage quality and receiving water body	Completely disclosed	12.3.9.1. Total volume of effluents with indication of sewage quality and receiving water body	Chapter 7.4.4. Key Environmental Impact Indices
12.3.10 Total mass of wastes with breakdown by type and method of treatment. (EN22 GRI)	12.3.10.1. Total mass of wastes with breakdown by type and method of treatment	Completely disclosed	12.3.10.1. Total mass of wastes with breakdown by type and method of treatment	Chapter 7.4.4. Key Environmental Impact Indices
12.3.11. Total number and volume of critical spills. (EN23 GRI)	12.3.11.1. Total number and volume of critical spills	Completely disclosed	12.3.11.1. Total number and volume of critical spills	No critical spills were revealed on the construction sites of the Company in 2012.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
12.4.1. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of environmental law and regulatory requirements. (EN 28 GRI)	12.4.1.1. Amount of compensation and fines collected from the organization by dedicated governmental authorities of the Russian Federation in the field of environmental protection to indemnify for loss as the result of violation of environmental regulations	Completely disclosed	12.4.1.1. Amount of compensation and fines collected from the organization by dedicated governmental authorities of the Russian Federation in the field of environmental protection to indemnify for loss as the result of violation of environmental regulations	No fines and nonfinancial sanctions were imposed on the Company for nonobservance of environmental law and regulatory requirements in the reporting period.
	12.4.1.2. Total number of nonfinancial sanctions imposed for nonobservance of environmental law and regulatory requirements	Completely disclosed	12.4.1.2. Total number of nonfinancial sanctions imposed for nonobservance of environmental law and regulatory requirements	No fines and nonfinancial sanctions were imposed on the Company for nonobservance of environmental law and regulatory requirements in the reporting period.
13.1.1. Total labor force with breakdown by type of employment, engagement contract, gender, and region. (LA1 GRI)	13.1.1.1. Data on total labor force with breakdown by gender	Completely disclosed	13.1.1.1. Data on total labor force with breakdown by gender	Chapter 3.4.2. NPP Construction in Russia. Chapter 7.3.1. Human Capital Description
	13.1.1.2. Data on total number of employees with breakdown by type of engagement contract	Completely disclosed	13.1.1.3. Data on total labor force with breakdown by type of engagement contract and gender	Chapter 7.3.1. Human Capital Description
	13.1.1.3. Data on total number of employees with breakdown by type of engagement contract and gender	Completely disclosed	13.1.1.2. Data on total number of employees with breakdown by employment pattern	Chapter 7.3.1. Human Capital Description
	13.1.1.4. Data on total labor force with breakdown by regions using geographic units corresponding to the range of organization activity	Completely disclosed	13.1.1.4. Data on total labor force with breakdown by regions using geographic units corresponding to the range of organization activity)	Chapter 3.4.2. NPP Construction in Russia Chapter 7.3.1. Human Capital Description
13.1.2. Total number of employees and employee turnover with breakdown by age, gender, and region. (LA2 GRI)	13.1.2.1. Total number of employees and employee turnover with breakdown by age, gender, and region	Completely disclosed	13.1.2.1. Total number of employees and share of new employees, employee turnover with breakdown by age, gender, and region	Chapter 7.3.1. Human Capital Description

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
13.1.3. Structure of the organization managing bodies and staff with breakdown by gender and age and indication of minorities representation, as well as other diversity indicators. (LA13 GRI)	13.1.3.1. Structure of the organization managing bodies and staff with breakdown by gender and age and indication of minorities representation, as well as other diversity indicators	Completely disclosed	13.1.3.1. Structure of the organization managing bodies and staff with breakdown by gender and age and indication of minorities representation, as well as other diversity indicators.	Chapter 7.3.1. Human Capital Description
13.1.4. Share of specialists under the age of 35	13.1.4.1. Share of specialists under the age of 35	Completely disclosed	13.1.4.1. Share of specialists under the age of 35	Chapter 7.3.1. Human Capital Description
13.1.5. Mean age of employees (by categories)	13.1.5.1. Mean age of employees (by categories)	Completely disclosed	13.1.5.1. Mean age of employees (by categories)	Chapter 7.3.1. Human Capital Description
13.1.6. Men and women base salary ratio with breakdown by staff categories (in the important regions of activity). (LA14 GRI)	13.1.6.1. Men and women base salary ratio with breakdown by employees categories	Completely disclosed	13.1.6.1. Men and women base salary ratio with breakdown by staff categories (in the important regions of activity)	Chapter 7.3.2. HR Management
13.1.7. Relational range of standard wage at initial level and statutory minimum wage in important regions of organization activity (with breakdown by gender). (EC5 (ad.) GRI 3.1.)	13.1.7.1. Relational range of standard wage at initial level and statutory minimum wage in important regions of organization activity	Completely disclosed	13.1.7.1. Relational range of standard wage at initial level and statutory minimum wage in important regions of organization activity (with breakdown by gender)	Chapter 7.3.2. HR Management

<table>
<tr><th>Indicators</th><th>Indices</th><th>Complete-ness of disclosure</th><th>Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom</th><th>Section of report/Comment</th></tr>
<tr><td>13.1.8. Average wage in relation to the average level at labor market</td><td>13.1.8.1. Average wage in relation to the average level at labor market</td><td>Completely disclosed</td><td>13.1.8.1. Average wage in relation to the average level at labor market</td><td>Chapter 7.3.2. HR Management</td></tr>
<tr><td rowspan="4">13.1.9. Number of new workplaces (per year)</td><td>13.1.9.1. Number of new workplaces (per year)</td><td>Completely disclosed</td><td>13.1.9.1. Number of new workplaces (per year)</td><td></td></tr>
<tr><td colspan="4">Creation of jobs in the operations areas of NIAEP in 2012 with breakdown by facilities
<table>
<tr><th>Indicator</th><th>Rostov NPP</th><th>Kalinin NPP</th><th>Baltic NPP</th><th>Belarusian NPP</th><th>Yuzhnouralsk GRES</th><th>Total</th></tr>
<tr><td>Total number of employees involved in the construction, people[32]</td><td>6,253</td><td>1,083</td><td>1,160</td><td>742</td><td>1,951</td><td>11,189</td></tr>
<tr><td>Including workers</td><td>5,148</td><td>903</td><td>935</td><td>610</td><td>1,788</td><td>9,384</td></tr>
</table></td></tr>
<tr><td colspan="4">Creation of jobs in the important regions of NIAEP activity in 2012 with breakdown by branches
<table>
<tr><th>Branch</th><th>Quantity of newly created jobs</th></tr>
<tr><td>Central Office (Nizhny Novgorod region)</td><td>303.3</td></tr>
<tr><td>Volgodon Branch (Rostov region)</td><td>55</td></tr>
<tr><td>Office of JSC NIAEP in the Republic of Belarus (Grodnenskaya oblast)</td><td>140.25</td></tr>
<tr><td>Udomlya Branch (Tver region)</td><td>0</td></tr>
<tr><td>Baltic Branch (Kaliningrad region)</td><td>101.0</td></tr>
<tr><td>Moscow Branch (Moscow)</td><td>214.9</td></tr>
<tr><td>Yuzhnouralsk branch (Chelyabinsk region)</td><td>10.0</td></tr>
</table></td></tr>
<tr><td>13.2.1. Share of employees entered into collective agreements. (LA4 GRI)</td><td>13.2.1.1. Share of employees entered into collective agreements</td><td>Completely disclosed</td><td>13.2.1.1. Share of employees entered into collective agreements</td><td>Chapter 7.3.3. Social Policy</td></tr>
<tr><td>13.2.2. Minimum period(s) of notification on considerable changes in the organization's activity and whether it is specified in the collective agreement. (LA5 GRI)</td><td>13.2.2.2. Minimum period(s) of notification on considerable changes in organization's activity and whether it is specified in the collective agreement</td><td>Completely disclosed</td><td>13.2.2. Minimum period(s) of notification on considerable changes in organization's activity and whether it is specified in the collective agreement</td><td>Minimum period(s) of notification on considerable changes in organization's activity corresponds to the Russian Federation law.</td></tr>
</table>

[32] Average value for 2012.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
13.2.3. Relation of average salary of 10% of employees with minimal salary to average salary of 10% of employees of the Corporation organizations with maximal salary	13.2.3. Relation of average salary of 10% of employees with minimal salary to average salary of 10% of employees of the Corporation organizations with maximal salary	Not disclosed	13.2.3. Relation of average salary of 10% of employees with minimal salary to average salary of 10% of employees of the Corporation organizations with maximal salary	
13.3.1. Benefits for full-time employees not provided to temporary and part-time employees with breakdown by main activity. (LA3 GRI)	13.3.1.1. Benefits for full-time employees not provided to temporary and part-time employees with breakdown by main activity	Completely disclosed	13.3.1.1. Benefits for full-time employees not provided to temporary and part-time employees with breakdown by main activity.	In accordance with collective agreement (Item 1.4, Annex 4, Item 1.4, Annex No 5, Item 1.3, Annex No 6), social benefits are provided for full-time employees (work in NIAEP is the main one for them)
13.3.2. Securing of organization's obligations related to pension plan with fixed benefits. (EC3 GRI)	13.3.2.1. Securing of organization's obligations related to pension plan with fixed benefits	Completely disclosed	13.3.2.1. Securing of organization's obligations related to pension plan with fixed benefits	Program of non-state pension provision did not exist in NIAEP in 2012. That is why, reporting data for the given indicator cannot be presented. Pensioners of the company will receive monthly financial aid, data is given in Chapter 7.3.3. Social Policy. Program of non-state pension provision was developed in 2013. Results of its implementation will be disclosed in the 2013 Public Annual Report.
13.3.3. Number of employees returned to work after maternity leave and share of employees remained in the organization after returning from maternity leave (breakdown by gender). (LA15 GRI)	13.3.3.1. Number of employees returned to work after maternity leave and share of employees remained in the organization after returning from maternity leave (breakdown by gender)	Completely disclosed	13.3.3.1. Number of employees returned to work after maternity leave and share of employees remained in the organization after returning from maternity leave (breakdown by gender)	Chapter 7.3.3. Social Policy

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
13.3.4. Non-state pension provision	13.3.4.1. Quantity of employees having a non-state pension provision.	Completely disclosed	13.3.4.1. Quantity of employees having a non-state pension provision.	Program of non-state pension provision did not exist in NIAEP in 2012. That is why, reporting data for the given indicator cannot be presented. Pensioners of the company will receive monthly financial aid, data is given in Chapter 7.3.3. Social Policy.
	13.3.4.2. Costs for non-state pension provision	Completely disclosed	13.3.4.2. Costs for non-state pension provision	Program of non-state pension provision did not exist in NIAEP in 2012. That is why, reporting data for the given indicator can not be presented. Pensioners of the company will receive monthly financial aid, data is given in Chapter 7.3.3. Social Policy. Program of non-state pension provision was developed in 2013. Results of its implementation will be disclosed in the 2013 Public Annual Report.
13.3.5. Total costs for staff	13.3.5.1. Total costs for staff	Not disclosed	13.3.5.1. Total costs for staff	
13.3.6. Costs for employees social programs	1.3.6.1. Total amount of costs for employees social programs	Completely disclosed	13.3.6.1. Total amount of costs for employees social programs	Chapter 7.3.3. Social Policy
	13.3.6.2. Costs for realization of corporate housing policy	Partially disclosed	13.3.6.2. Costs for realization of corporate housing policy	Chapter 7.3.3. Social Policy
	13.3.6.3. Costs for veterans support	Partially disclosed	13.3.6.3. Costs for veterans support	Chapter 7.3.3. Social Policy
	13.3.6.4. Welfare payments per one employee annually	Completely disclosed	13.3.6.4. Welfare payments per one employee annually	Chapter 7.3.3. Social Policy
	13.3.6.5. Costs for voluntary health insurance	Completely disclosed	13.3.6.5. Costs for voluntary health insurance	Chapter 7.3.3. Social Policy

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
13.4.1. Share of the total number of employees involved in formal joint Health and Safety Committees with participation of top management and employees participating in the process of monitoring and giving recommendations as for Health and safety programs for work place. (LA6 GRI)	13.4.1.1. Share of total number of employees involved in formal joint Health and Safety Committees with participation of top management and employees participating in the process of monitoring and giving recommendations as for Health and safety programs for work place	Completely disclosed	13.4.1.1. Share of total number of employees involved in formal joint Health and Safety Committees with participation of top management and employees participating in the process of monitoring and giving recommendations as for Health and safety programs for work place	Share of total number of employees involved in formal joint Health and Safety Committees is up 25%.
13.4.2. Accident frequency rate, level of occupational diseases, lost day and absence ratio, total number of fatal outcomes connected with work, with breakdown by regions. (LA7 GRI)	13.4.2.1. Accident frequency rate, level of occupational diseases, lost day and absence ratio, total number of fatal outcomes connected with work, with breakdown by regions	Completely disclosed	13.4.2.1. Accident frequency rate, level of occupational diseases, lost day and absence ratio, total number of fatal outcomes connected with work, with breakdown by regions and gender	Chapter 7.3.4. Labor safety
	13.4.2.2. Accident frequency rate, level of occupational diseases, lost day and absence ratio, total number of fatal outcomes connected with work, with breakdown by regions and gender in the subcontracting organizations	Completely disclosed	13.4.2.2. Accident frequency rate, level of occupational diseases, lost day and absence ratio, total number of fatal outcomes connected with work, with breakdown by regions and gender in the subcontracting organizations	Chapter 7.3.4. Labor safety
13.4.3. Existing educational, training, advisory, risk prevention and management programs for employees, members of their families and population representatives in respect of severe diseases. (LA8 GRI)	13.4.3.1. Existing educational, training, advisory, risk prevention and management programs for employees, members of their families and population representatives in respect of severe diseases	Completely disclosed	13.4.3.1. Existing educational, training, advisory, risk prevention and management programs for employees, members of their families and population representatives in respect of severe diseases	Chapter 7.3.4. Occupational Safety Management Top managers and specialists are trained to enhance occupational health and safety competence

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
13.4.4. Matters of health and safety in formal agreements with trade unions. (LA9GRI)	13.4.4.1. Matters of health and safety in formal agreements with trade unions	Partially disclosed	13.4.4.1. Matters of health and safety in formal agreements with trade unions.	Chapter 7.3.3. Social Policy. Chapter 7.3.4. Occupational Safety Management
13.4.6. Costs for health and safety of staff	13.4.6.1. Costs for health and safety of staff	Completely disclosed	13.4.6.1. Costs for health and safety of staff	Chapter 7.3.3. Social Policy
13.5.1. Development programs for skills and education throughout life intended to support ability of employees for occupancy, as well as support for them upon career endings. (LA11 (add.) GRI)	13.5.1.1. Development programs for skills and education throughout life intended to support ability of employees for occupancy, as well as support for them upon career endings	Completely disclosed	13.5.1.1. Development programs for skills and education throughout life intended to support ability of employees for occupancy, as well as support for them upon career endings	There are no programs intended to develop skills and education and to support ability of employees for occupancy in the Company.
14.1.1. Share of transactions with involvement of local communities, evaluation of impact, and availability of development programs. (SO1 GRI 3.1)	14.1.1.1. Total number of transactions	Completely disclosed	14.1.1.1. Total number of transactions	NIAEP involves local communities into all activities.
	14.1.1.2. Information on the fact how an involvement of local communities into activity of the organization is implemented, whether an evaluation of the organization activity impact is performed, and if the programs of local communities exist	Completely disclosed	14.1.1.2. Information on the fact how an involvement of local communities into activity of the organization is implemented, whether an evaluation of the organization activity impact is performed, and if the programs of local communities exist	NIAEP involves local communities into all activities.
	14.1.1.3. Share of transactions with involvement of local communities, evaluation of impact, and availability of development programs	Completely disclosed	14.1.1.3. Share of transactions with involvement of local communities, evaluation of impact, and availability of development programs	NIAEP involves local communities into all activities
	14.1.1.100. Approach to interaction with regional communities at all stages which could promote implementation of the project and improvement of attitude to activity of the organization and/or satisfaction of the community	Completely disclosed	14.1.1.100. Approach to interaction with regional communities at all stages which could promote implementation of the project and improvement of attitude to activity of the organization and/or satisfaction of the community	NIAEP involves local communities into all activities. Chapter 7.6. Interaction with Interested Parties

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
14.1.2. Procedures of local population employment and share of top managers of local population in the important regions of the Company's operation. (EC7GRI)	14.1.2.1 Procedures of local population employment and share of top managers of local population in the important regions of the Company's operation	Completely disclosed	14.1.2.1. Procedures of local population employment and share of top managers of local population in the important regions of the Company's operation	Chapter 7.5.2. Economic Effect on Local Population in Regions of Operation
14.1.4. Activity of the Company with essential potential or actual negative impact on local community. (SO9 GRI)	14.1.4.1. Activity of the Company with essential potential or actual negative impact on local community	Partially disclosed	14.1.4.1. Activity of the Company with essential potential or actual negative impact on local community	Chapter 7.4.5. Nuclear and Radiation Safety. Potential negative impact of the Company on local communities applies to environmental impact only.
14.1.5. Prevention and mitigation of essential potential or actual negative impact on local community. (SO10 GRI)	14.1.5.1. Prevention and mitigation of essential potential or actual negative impact on local community	Partially disclosed	14.1.5.1. Prevention and mitigation of essential potential or actual negative impact on local community	Chapter 7.4.5. Nuclear and Radiation Safety. Potential negative impact of the Company on local communities applies to environmental impact only.
14.4.1. Charity projects and funds directed for these projects	14.4.1.1. Charity projects and funds directed for these projects	Completely disclosed	14.4.1.1. Charity projects and funds directed for these projects	Chapter 7.5.1. Investments into social infrastructure and charity
15.1.1. Share and total number of business units assessed for risks related to corruption. (SO2 GRI)	15.1.1.1 Share and total number of business units assessed for risks related to corruption	Completely disclosed	15.1.1.1. Share and total number of business units assessed for risks related to corruption	All business units of NIAEP were checked for risks related to corruption. As a result some positions which are dangerous in terms of corruption risk were distinguished. Employees holding these positions are subject to additional checks. 46 employees were hired for positions dangerous in terms of corruption risk in NIAEP in the reporting period. A security screening was carried out by the Special Security and Assets Protection Department for 41 candidates.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
15.1.2. Share of employees trained in anti-corruption policies and organization procedures. (SO3 GRI)	15.1.2.1. Share of employees trained in anti-corruption policies and organization procedures	Completely disclosed	15.1.2.1. Share of employees trained in anti-corruption policies and organization procedures	Training in anti-corruption policies and organization procedures was not carried out in NIAEP in 2012. In the course of personal interview, each employee has a talk about anti-corruption policies in the Company.
15.1.3. Actions in response to corruption cases. (SO4 GRI)	15.1.3.1. Total number of dismissals or punishment of employees for corruption	Completely disclosed	15.1.3.1. Total number of dismissals or punishment of employees for corruption	There is no information about any completed legal effects related to corruption practices and directed against organization or its employees.
	15.1.3.2. Total number of cases of contracts non-renewal due to violations related to corruption	Completely disclosed	15.1.3.2. Total number of cases of contracts non-renewal due to violations related to corruption	In 2012, no cases of non-renewal of contracts with business partners because of infringements related to corruption were recorded. A potential supplier may be unaccepted for purchasing only on the basis of non-compliance with requirements and criteria of purchasing documents. Infringements related to corruption are not included into list of requirements approved by a unified branch standard for purchases of State Corporation Rosatom, and thus they are not included into purchasing documents.
	15.1.3.3. Information on any completed legal effects related to corruption practices and directed against organization or its employees, including their results	Completely disclosed	15.1.3.3. Information on any completed legal effects related to corruption practices and directed against organization or its employees, including their results	There is no information about any completed legal effects related to corruption practices and directed against organization or its employees
15.2.2. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of law and regulatory requirements. (SO8 GRI)	15.2.2.1. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of law and regulatory requirements	Completely disclosed	15.2.2.1. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of law and regulatory requirements	During the reporting period there were no fines and sanctions imposed on JSC NIAEP for nonobservance of law and regulatory requirements.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
15.3.1. Lifecycle stages at which influence on health and safety of products and services are assessed to reveal possibilities of improvement and share of important products and services subject to such procedures. (PR1 GRI)	15.3.1.1. Lifecycle stages at which influence on health and safety of products and services are assessed to reveal possibilities of improvement and share of important products and services subject to such procedures	Completely disclosed	15.3.1.1. Lifecycle stages at which influence on health and safety of products and services are assessed to reveal possibilities of improvement and share of important products and services subject to such procedures	Chapter 7.4.5. Nuclear and Radiation Safety of the nuclear power engineering facilities
15.3.2. Practices related to consumers satisfaction including results of researches on consumers satisfaction assessment. (PR5 GRI)	15.3.2.1. Practices related to consumers satisfaction including results of researches on consumers satisfaction assessment	Completely disclosed	15.3.5.1. Practices related to consumers satisfaction including results of researches on consumers satisfaction assessment	Chapter 7.6.1. Interaction with Interested Parties in 2012
15.3.7. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of law and regulatory requirements related to provision and usage of products and services. (PR9 GRI)	15.3.7.1. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of law and regulatory requirements related to provision and usage of products and services	Completely disclosed	15.3.7.1. Monetary value of substantial fines and total number of nonfinancial sanctions imposed for nonobservance of law and regulatory requirements related to provision and usage of products and services	During the reporting period there were no fines and sanctions imposed on JSC NIAEP for nonobservance of law and regulatory requirements.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
15.4.5. Percent and total number of important investment agreements and contracts including provisions on assurance of human rights or those evaluated in terms of human rights. (HR1 GRI)	15.4.5.1. Percent and total number of important investment agreements and contracts including provisions on assurance of human rights or those evaluated in terms of human rights	Completely disclosed	15.4.5.1. Percent and total number of important investment agreements and contracts including provisions on assurance of human rights or those evaluated in terms of human rights	All investment agreements are assessed for compliance with standards of the Russian legislation as for human rights. All investment agreements correspond to standards of the Russian legislation.
15.4.6. Share of important suppliers, contractors, and other business partners evaluated in terms of human rights assurance and measures taken. (HR2 GRI)	15.4.6.1. Share of important suppliers, contractors, and other business partners evaluated in terms of human rights assurance and measures taken	Completely disclosed	15.4.6.1. Share of important suppliers, contractors, and other business partners evaluated in terms of human rights assurance and measures taken	Suppliers and contractors are not evaluated in terms of human rights.
15.4.7. Total aggregate duration (hours) of staff training in policies and strategies related to human rights aspects important for the organization's activity including share of already trained staff. (HR3 GRI)	15.4.7.1. Total aggregate duration (hours) of staff training in policies and strategies related to human rights aspects important for organization's activity including share of already trained staff	Completely disclosed	15.4.7.1. Total aggregate duration (hours) of staff training in policies and strategies related to human rights aspects important for organization's activity including share of already trained staff	Training in strategies and procedures related to human rights issues were not carried out within the reporting period.
15.4.8. Total number of discrimination cases and measures taken. (HR4 GRI)	15.4.8.1. Total number of discrimination cases and measures taken	Completely disclosed	15.4.8.1. Total number of discrimination cases and measures taken	In 2012, there were no discrimination cases in JSC NIAEP.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
15.4.9. Activity within the framework of which a right to use freedom of association and collective bargaining may be infringed or subject to considerable risks, as well as actions aimed at supporting of these rights. (HR5 GRI)	15.4.9.1. Activity within the framework of which a right to use freedom of association and collective bargaining may be infringed or subject to considerable risks, as well as actions aimed at supporting of these rights	Completely disclosed	15.4.9.1. Transactions and relations with important suppliers, within the framework of which a right to use freedom of association and collective bargaining may be subject to considerable risks, as well as actions aimed at supporting of these rights	Suppliers and contractors are not evaluated in terms of human rights. The Company has no activity within the framework of which a right to use freedom of association and collective bargaining may be infringed.
15.4.10. Activity within which there is a substantial risk of children employment and actions aimed at participation in extermination of children employment. (HR6 GRI)	15.4.10.1. Activity within which there is a substantial risk of children employment and actions aimed at participation in extermination of children employment	Completely disclosed	15.4.10.1. Transactions and relations with important suppliers, within the framework of which there is a substantial risk of children employment and actions aimed at participation in extermination of children employment	Production activity of JSC NIAEP excludes any possibility of children employment: the Company staff includes highly-skilled professionals with higher and intermediate vocational education. People under the age of 18 are not employed at JSC NIAEP. Suppliers are not evaluated in terms of risk of children employment.
15.4.11. Activity within which there is a substantial risk of forced or compulsory labor and actions aimed at extermination of forced or compulsory labor. (HR7 GRI)	15.4.11.1. Activity within which there is a substantial risk of forced or compulsory labor and actions aimed at extermination of forced or compulsory labor	Completely disclosed	15.4.11.1. Transactions and relations with important suppliers, within the framework of which there is a substantial risk of forced or compulsory labor and actions aimed at extermination of forced or compulsory labor	Production activity of JSC NIAEP is realized in accordance with provisions of labor legislation of the Russian Federation and is not connected with substantial risk of forced or compulsory labor. Suppliers are not evaluated in terms of risk of forced or compulsory labor.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
15.4.14. Share and total number of transactions that were evaluated in terms of human rights assurance or within which assessment of impact on human rights was performed. (HR10 GRI)	15.4.14.1. Share and total number of transactions that were evaluated in terms of human rights assurance or within which assessment of impact on human rights was performed	Completely disclosed	15.4.14.1. Share and total number of transactions that were evaluated in terms of human rights assurance or within which assessment of impact on human rights was performed	Processes are not assessed in the Company in terms of human rights as all rights which are essential for the interested parties are specified in the collective labor agreement and legislation of the Russian Federation.
15.4.15. Number of complaints made in relation to human rights that were considered and settled through official grievance mechanisms. (HR11 GRI)	15.4.15.1. Number of complaints made in relation to human rights that were considered and settled through official grievance mechanisms	Completely disclosed	15.4.15.1. Number of complaints made in relation to human rights that were considered and settled through official grievance mechanisms	No complaints in relation to human rights and protection of these rights were recorded in the reporting period in the Company.
15.100.1. Standpoint on state policy, participation in state policy formation and lobbying. (SO5 GRI)	15.100.1.1. Standpoint on state policy, participation in state policy formation and lobbying	Completely disclosed	15.100.1.1. Standpoint on state policy, participation in state policy formation and lobbying	During the reporting period, JSC NIAEP did not have any official standpoint on state policy issues. The Company did not take part in state policy formation. JSC NIAEP did not lobby its interests.
15.100.2. Total monetary value of financial and in-kind contributions to political parties, politicians and related organizations with breakdown by countries. (SO6 GRI)	15.100.2.1.Total monetary value of financial and in-kind contributions to political parties, politicians and related organizations with breakdown by countries.	Completely disclosed	15.100.2.1. Total monetary value of financial and in-kind contributions to political parties, politicians and related organizations with breakdown by countries	In the reporting period, JSC NIAEP did not make contributions to political parties, politicians and related organizations.

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
100.1.1. Power consumption rate during construction. (CRE1 GRI)	100.1.1.1. Power consumption rate during construction	Completely disclosed	100.1.1.1. Power consumption rate during construction	Chapter 7.4.4. Key Environmental Impact Indices
100.1.2. Water consumption rate in the building. (CRE2 GRI)	100.1.2.1. Water consumption rate in the building	Completely disclosed	100.1.2.1. Water consumption rate in the building	Chapter 7.4.4. Key Environmental Impact Indices
100.1.3. Greenhouse gases emissions from buildings. (CRE3 GRI)	100.1.3.1. Greenhouse gases emissions from buildings	Completely disclosed	100.1.3.1. Greenhouse gases emissions from buildings	Chapter 7.4.4. Key Environmental Impact Indices
100.1.4. Greenhouse gases emissions as the result of activity connected with construction and refurbishment of buildings. (CRE4 GRI)	100.1.4.1. Greenhouse gases emissions as the result of activity connected with construction and refurbishment of buildings	Completely disclosed	100.1.4.1. Greenhouse gases emissions as the result of activity connected with construction and refurbishment of buildings	Chapter 7.4.4. Key Environmental Impact Indices
100.1.5. Restored lands or lands that need to be restored that are planned to serve current and future needs in accordance with the target purpose. (CRE5 GRI)	100.1.5.1. Restored lands or lands that need to be restored that are planned to serve current and future needs in accordance with the target purpose	Completely disclosed	100.1.5.1. Restored lands or lands that need to be restored that are planned to serve current and future needs in accordance with the target purpose	No restoration of lands was carried out in the reporting period.
100.1.6. Compliance of labor conditions at the enterprise with international health and safety standards. (CRE6 GRI)	100.1.6.1. Compliance of labor conditions at the enterprise with international health and safety standards	Completely disclosed	100.1.6.1. Compliance of labor conditions at the enterprise with international health and safety standards	Chapter 7.3.4. Occupational Safety Management

Indicators	Indices	Completeness of disclosure	Correspondence of the indicator to GRI Guidelines and Public Accounting Indicators System of State Corporation Rosatom	Section of report/Comment
100.1.7. Number of people resettled voluntarily or involuntarily during construction with breakdown by construction facilities. (CRE7GRI)	100.1.7.1. Number of people resettled voluntarily or involuntarily during construction with breakdown by construction facilities	Completely disclosed	100.1.7.1. Number of people resettled voluntarily or involuntarily during construction with breakdown by construction facilities	No resettlement was carried out in the reporting period.
100.1.8. Type and number of certification, evaluation and categorization systems in terms of sustainable development at the stages of new construction, management, use and reconstruction. (CRE8 GRI)	100.1.8.1. Type and number of certification, evaluation and categorization systems in terms of sustainable development at the stages of new construction, management, use and reconstruction	Completely disclosed	100.1.8.1. Type and number of certification, evaluation and categorization systems in terms of sustainable development at the stages of new construction, management, use and reconstruction	JSC NIAEP facilities did not pass through certification, evaluation and categorization process in terms of sustainable development in the reporting year.

Annex No. II

Plans and Obligations to Interested Parties

In the course of preparation of public reporting, the JSC NIAEP (together with the interested parties) develops plans and obligations both on improvement of public reporting and enhancement of its activity as a whole. Plans and obligations of the Company are approved during public consultations. Information on implementation of plans and obligations of NIAEP approved in the course of preparation of the previous report is presented in the Table below.

Table. Implementation of plans and obligations for 2012

Questions/recommendations of the interested parties	Plans and obligations of the Company for 2012	Performance of obligations
From partners and suppliers		
Make provision for creation of resource training center in the 2012 budget funds of NIAEP. (B.V. Telegin)	The Company will consider a possibility to provide funds to create resource training center in 2013 to prepare staff for construction of the Nizhny Novgorod NPP.	Because of extension of time for construction of the Nizhny Novgorod NPP, works on creation of resource training center were not carried out in 2012. Information on activities to provide skilled staff for the Company in 2012 is presented in Chapter 7.3.2. HR Management.
From research and education institutions		
Provide more detailed information on extension of operation time for existing facilities which is very important field of activity for NIAEP. (V.V. Egunov)	The Company will take this proposal into account in the 2012 Annual Report.	Information is presented in Chapter 1.3. Activity Environment.
From government bodies		
Provide more detailed information on the Company plans in the field of economical development of operations areas. (I.A. Chebanov)	The Company will take this proposal into account in the 2012 Annual Report.	Information is presented in Chapter 6.3. Management of social and economic capital.

In the course of interaction with the interested parties when drawing up the Report, following requests and recommendations were submitted:

- Provide more detailed information on boundaries of responsibilities and interaction within the Integrated Company, as well as present clarifications on the structure.
- Pay more attention to international cooperation because of expansion into international market and interaction with foreign partners.
- Disclose information on matters of safety, describe matters related to industrial safety at all stages of works due to changes of the law regarding industrial safety.
- Include strategy and prospect for arrangement of control and supervision into the Report.
- Disclose prospects for qualitative indicator to cover dynamics and strategy of the Company development.
- Pay more attention to cooperation with local companies regarding all matters: from localization to approval of one or another statutory acts, etc., present such information for all operations areas.

- Add additional lines "Salaries" and "Social benefits" into table Key Performance Indicators for 2012 in order to present NIAEP as a stable and reliable company.
- Present general indicators of the Integrated Company (not individual ones) in the Annual Report.
- Describe investment projects for generating units of average capacity of 500–600 MW (not only 1000–1200 MW generating units).
- Pay more attention to development of non-nuclear markets and future position of NIAEP on them.
- Describe role of partners, in particular of suppliers and interaction with them in the conditions of the Company expansion into international market.
- Disclose information (in details) on the Company's policy regarding purchases, in particular, from local suppliers and describe cooperation with providers of disposal services.

The Integrated Company undertakes to take into account all above requests and recommendations when preparing 2013 Annual Report.

Annex No. 12

Glossary

- **EPC-companies** (EPC – engineering, procurement, construction) are companies which implement turn-key projects. Functions of EPC-company include engineering, supplies, and construction.

- **EPCM-companies** (EPCM – Engineering, Procurement, Construction, Management) are companies which use methods and means of turn-key projects portfolio management. The functions of an EPCM-company are engineering, supplies, construction, and project management.

- **GRI** (Global Reporting Initiative) is an international non-governmental organization that developed corporate reporting guidelines in the field of sustainable development.

- **ISO** means a series of international standards on company management system developed to provide for predictable and stable services quality.

- **NPP-2006**. At the moment, it is the most up-to date typical design of Russian nuclear plant of new "3+" generation with an improved technical and economic performance. The project purpose is to achieve up-to-date safety and reliability characteristics alongside with optimized capital investments for plant construction. The design provides for use of VVER reactor with electric power output of at least 1150 MW (and an option for uprating to 1200 MW). Two NPP projects were developed under the approved technical assignment: Novovoronezh NPP-2 (General Designer JSC "Atomenergoproekt", Moscow) and Leningrad NPP-2 (General Designer - JSC Saint Petersburg Research and Design Institute "Atomenergoproekt").

- **Vendor** is a company which manufactures and supplies products and services under its trade mark.

- **General Contractor** is a party in the contractor's agreement that commissions performance of certain types and packages of works under the agreement to dedicated contractor organizations (subcontractors). General Contractor is fully responsible to the Customer for package of subcontract works and their quality, timely elimination of defects, imperfections, etc.

- **Customer (Developer)** is a person or legal entity intending to perform building, renovation, or other type of construction works for which a construction permit is required.

- **Engineering** (lat. ingenium – inventiveness; knowledge) means engineering and advisory services of research, design and analytical nature, preparation of project feasibility study, drawing up of recommendations for production and management organization, i.e. a package of commercial services for preparation and assurance of production process and sales of products, for maintenance and operation of industrial, infrastructure, and other facilities.

- **Project documentation** implies documentation consisting of information in the form of texts and charts (diagrams). It specifies architectural, functional and engineering, design and technical solutions for the purposes of construction and renovation of capital construction objects, their parts, as well as major repairs, if in the course of such repair, engineering data and other safety and reliability characteristics of capital construction objects are affected.

- **Design and survey works** means a package of works including engineering survey, development of feasibility study, preparation of projects, detailed design documentation, drawing up of cost estimate documentation for the purposes of construction (new construction, extension, renovation, re-equipment) of facilities and buildings.

- **Detailed design documentation** is documentation developed in accordance with the approved project documentation and intended for performance of construction works.

- **Radioactive substances** are substances containing radioactive nuclides.

- **Construction** means the entire process of NPP erection from design and survey to commissioning to the Customer.

- **Generating unit** is a power station generator producing electric power.

- **Nuclear power** is internal power of atomic cores released in case of nuclear fission or nuclear reactions.

Annex No. 13

List of abbreviations

- **NFCE** – Neutron flux control equipment
- **NPP** – Nuclear Power Plant
- **IDO** – Integrated Design Office
- **VVER** – Water-Water Energetic Reactor
- **GRES** – Regional power station
- **SaA** – Subsidiaries and associates of the Company
- **VHI** – Voluntary Health Insurance
- **CIS** – Common Information Space
- **UBDCS** – Unified branch document control system
- **LRW** – Liquid radioactive waste
- **PIMS** – Project Information Management System
- **ODR** – Occupational Disease Ratio
- **LRW TC** – Complex of liquid radioactive waste treatment
- **IIR** – Industrial Injury Ratio
- **KPI** – Key Performance Indicators
- **EPM** – Environment protection measures
- **SCT NRS** – Scientific-Research Center on Nuclear and Radiation Safety
- **EIA** – Environmental Impact Assessment
- **EP** – Environmental protection
- **DSW** – Design and survey works
- **SW** – Software
- **DED** – Design and Estimate Documentation
- **PSR** – Production System Rosatom
- **CIW** – Construction and Installation Works
- **CID** – Construction and Installation Department
- **FS–JoI** – feasibility study – justification of investments
- **CHP** – Combined Heat and Power Plant
- **LRW SP** – Solidification plant for liquid radioactive waste
- **FSUE** – Federal State Unitary Enterprise
- **SF** – Salary Fund

Annex No. 14

Feedback Questionnaire

Feedback: your opinion of the Annual report of JSC Nizhny Novgorod Engineering Company "Atomenergoproekt"

1. Please tick the group of interested parties to which you belong:

- ☐ Shareholders (JSC Atomenergoprom, State Corporation Rosatom)
- ☐ Customer (Rosenergoatom Concern)
- ☐ Partners (enterprises of State Corporation Rosatom)
- ☐ Partners (other enterprises)
- ☐ Labor collective
- ☐ Non-governmental organizations
- ☐ Local authorities
- ☐ Mass media
- ☐ Other (please specify)_____

2. Does the Report provide useful information about the Company?

- ☐ yes
- ☐ no
- ☐ other (please, give your comments)_____

_____

3. Which section of the Report is the most important for you?
(Please give your comments)_____
_____
_____

4. Is JSC NIAEP a dynamically developing company in the nuclear Industry?

- ☐ yes
- ☐ rather yes than no
- ☐ no

5. Your evaluation of Report reliability and fairness

- ☐ high
- ☐ satisfactory
- ☐ low
- ☐ none

6. Your evaluation of Report presentation style

- ☐ high
- ☐ satisfactory
- ☐ low
- ☐ none

7. Your evaluation of Report design

- ☐ high
- ☐ satisfactory
- ☐ low
- ☐ none

8. Which information, in your opinion, shall be added to the next Report?
(Please, give your comments)_____
_____

9. Would you like to become a member of the Company after reading of this Report?

- ☐ yes
- ☐ now
- ☐ other (please give your comments)_____
_____

10. Would you like to become a partner of the Company after reading of this Report?

- ☐ yes
- ☐ no
- ☐ other (please give your comments)_____
_____

11. Your evaluation of report importance:

- ☐ yes, it is an important document from which one can get useful information
- ☐ no, it is a useless document
- ☐ other (please give your comments)_____
_____

12. Did you read the Company's Report for the previous year?

- ☐ yes
- ☐ no

13. If yes, please evaluate the reports for 2010 and 2011 on a 1–5 scale by the following parameters:

	2011	2012
accessibility of presentation	☐	☐
sufficiency of data	☐	☐
design	☐	☐

Thank you very much for your attention!

You can send the filled out Questionnaire (marked "Annual Report") to the following address:
JSC NIAEP, 3, Svoboda sq., Nizhny Novgorod, 603006, Russia, or by fax: +7 831 421-06-04, 419-84-90,
or to E-mail: niaep@niaep.ru.

Multi-D
engineering

НИАЭП

JSC NIAEP, 3, Svoboda sq., Nizhny Novgorod, 603006, Russia
Phone +7 831 421 79 00, Fax +7 831 421 06 04
E-mail: niaep@niaep.ru • www.niaep.ru

JSC Nizhny Novgorod Engineering Company “ATOMENERGOPROEKT” **PUBLIC ANNUAL REPORT** • 2012