MINUTES

of the public consultation on ROSATOM's draft public annual report for 2018

Venue: headquarters of ROSATOM, conference room No. 3, 24 Bolshaya Ordynka Street, Moscow.

Date and time: June 21, 2019, 3:00 p.m. – 5:30 p.m.

AGENDA:

1. ROSATOM's key operating results in 2018.
2. Process of preparation of the public annual report for 2018.
3. Strategic programme of JSC Rusatom Healthcare 'Development of the Nuclear Medicine and Technology Product Line'.
4. Recommendations and requests from stakeholder representatives regarding ROSATOM's draft public annual report for 2018 and its public reporting system.
5. Closing remarks by ROSATOM's representatives: response to stakeholders' proposals and recommendations.

LIST of participants:

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| Moderator of the dialogue | | |
| 1. | Zhan Zagidullin | CEO of DA-Strategy Agency for Corporate Development, member of the Board of the Russian Union of Industrialists and Entrepreneurs on Non-Financial Reporting |
| Representatives of ROSATOM | | |
| 2. | Igor Ermakov | Director of the Strategic Management Department |
| 3. | Maxim Ivanov | Business Development Project Manager in the New Business Support Division |
| 4. | Sergey Golovachev | Head of the working group on public reporting |
| 5. | Vitaly Migal | Adviser in the Strategic Planning Division of the Strategic Management Department |
| 6. | Tatyana Nikolaeva | Manager in the Project Office for Sustainable Development Programmes |
| 7. | Ekaterina Mamiy | Adviser in the Communications Department |
| **Stakeholders providing public assurance of the report** | | |
| 8. | Alexander Ageev | Director General of the Institute for Economic Strategies of the Russian Academy of Sciences |
| 9. | Alexander Makarenko | Executive Director of the Association of CATFs in the Nuclear Industry |
| 10. | Valery Mezhuev | Deputy Chairman of the Interregional Social Movement of Veterans of Nuclear Power and Industry |
| 11. | Yury Egorov | Assistant to the deputy of the Russian State Duma, member of the Committee on Energy Gennady Sklyar |
| **Representatives of organizations in the nuclear industry** | | |
| 12. | Olga Esaulova | Director for Public – Private Partnership (PPP) Development, Adviser to the CEO of JSC Rusatom Healthcare |
| 13. | Mikhail Avanesov | Project Director at JSC Rusatom Healthcare |
| 14. | Natalia Goncharova | Expert in the Communications Department of JSC ASE EC |
| 15. | Vyacheslav Leonov | Chief Specialist in the Communications Department of JSC TVEL |
| 16. | Igor Burlaka | Chief Specialist in the Strategy and Development Department of JSC Atomenergomash |
| Representatives of environmental organizations | | |
| 17. | Olga Plyamina | Director of the Scientific Research Institute of Environmental Problems |
| **Representatives of the expert community** | | |
| 18. | Elena Pertseva | Deputy Director of the Corporate Governance and Sustainability Department of FBK Grant Thornton |
| 19. | Maria Spiridonova | Manager in the sustainability services group of Deloitte |
| DA-Strategy Agency for Corporate Development | | |
| 20. | Mikhail Borisov | Consultant analyst at DA-Strategy Agency for Corporate Development |

SPEAKERS:

Zhan Zagidullin, CEO of DA-Strategy Agency for Corporate Development, member of the Board of the Russian Union of Industrialists and Entrepreneurs on Non-Financial Reporting. The moderator of the dialogue explained the tasks and the rules of procedure.

ITEM No. 1

SPEAKERS:

Sergey Golovachev, head of the working group on public reporting of ROSATOM. Topic: ROSATOM's key operating results in 2018. The speaker demonstrated the functioning and the capabilities of the pilot version of the interactive report for 2018 and described its purposes: provision of information on ROSATOM's operations, including the presentation of certain indicators in real time, provision of reports by ROSATOM's Divisions, publication of news and analysis. Thus, the public reporting platform being developed by ROSATOM should become an integrated reporting resource of ROSATOM, including for sustainability reporting.

The presentation outlined ROSATOM's key operating results in core areas: power generation, construction of power units in Russia and abroad, the project to build a floating nuclear power plant, digitization, development of scientific research, development of the Northern Sea Route, key social and economic indicators, development of nuclear towns and cities, safe operation, key objectives for 2019 (the presentation was made in an interactive form, but the results presented by the speaker had been disclosed in the draft report that had been sent out to the participants of the public consultation in advance).

ITEM No. 2

SPEAKERS:

Ekaterina Mamiy, Adviser in ROSATOM's Communications Department. Topic: Process of preparation of the public annual report for 2018. The speaker emphasized that ROSATOM used an integrated approach to the preparation of the report; she also listed the standards governing the preparation of the public annual report for 2018. Ekaterina Mamiy also presented key changes in the report structure and content and in the reporting process and outlined the procedure for compiling and making changes to the map of material topics to be disclosed in the report (the presentation is provided in Appendix 2).

The participants asked no follow-up questions.

ITEM No. 3

SPEAKERS:

Olga Esaulova, Director for Public – Private Partnership (PPP) Development, Adviser to the CEO of JSC Rusatom Healthcare. Topic: ROSATOM's contribution to the development of nuclear medicine: projects, outcomes and prospects. The speaker outlined the goal and key focus areas of the efforts of JSC Rusatom Healthcare as an integrator responsible for the development of ROSATOM's nuclear medicine business. She provided detailed information on equipment developed and supplied by the company (diagnostic equipment for nuclear medicine, equipment for the production of radiopharmaceuticals and medical isotopes, equipment for external beam radiotherapy, food irradiation and sterilization of medical products).

The speaker concluded her presentation by highlighting the importance of the establishment of multipurpose irradiation facilities (MIFs) and a strategy for the development of a MIF network in Russia for the promotion of nuclear technologies and equipment.

The participants asked follow-up questions.

Zhan Zagidullin asked the speaker to explain what medical supplies were irradiated for the purposes of sterilization. The speaker explained that the range of products was extensive, from orthopaedic products to irradiation/sterilization of packed disposable medical products before their use.

Zhan Zagidullin asked the speaker to explain whether there was any cumulative effect from food irradiation involving the use of ionizing radiation. Olga Esaulova replied that there was no cumulative effect from food irradiation, as evidenced by extensive research.

Natalia Goncharova asked whether any research had been done on the impacts of ionizing radiation and how the detoxification of organic matter (protein) occurred. Olga Esaulova replied that the relevant research institutes in cooperation with JSC Rusatom Healthcare had established that the use of ionizing radiation was effective and that irradiated products could not cause any damage to living organisms. Mikhail Avanesov added that the first research on this type of irradiation had been conducted 63 years ago.

Vyacheslav Leonov asked the speaker to provide more detail on the connection between the operations of JSC Rusatom Healthcare and JSC Isotope. Olga Esaulova replied that JSC Isotope was managed by JSC Rusatom Healthcare.

Zhan Zagidullin asked the speaker to provide more detail on the position of JSC Rusatom Healthcare on the beam radiotherapy market. Olga Esaulova outlined the market structure (diagnostics, therapy and treatment) and stated that the company was a leader on the market for radiotherapy equipment (the presentation is provided in Appendix 3).

ITEM No. 4. Recommendations and requests regarding ROSATOM's draft public annual report and its public reporting system

SPEAKERS:

The speakers unanimously expressed a positive opinion of the completeness and materiality of information disclosed in the 2018 report. They also expressed a high opinion of the practice adopted by ROSATOM which involves holding dialogues as part of the public reporting process and recommended that ROSATOM should continue to develop this practice in the future.

Vyacheslav Leonov, Chief Specialist in the Communications Department of JSC TVEL.

Vyacheslav Leonov requested that it should be specified that ROSATOM was a leader on the Russian power generation market in terms of electricity output (p. 29 of the draft report). He also suggested including information on the market for the production of stable isotopes, where ROSATOM is a leader, in subsequent reports and providing information on projects in this area.

Olga Plyamina, Director of the Scientific Research Institute of Environmental Problems.

Olga Plyamina recommended including environmental information in the interactive version of ROSATOM's public annual report for 2018.

She also recommended providing commentary on figures presented in the interactive version of the report that are updated in real time (e.g. environmental indicators should be benchmarked against the maximum permissible limits set by the law, while other indicators should be benchmarked against comparable indicators of other companies, industries and countries).

She requested that the interactive platform should provide links not only to annual reports but also to individual chapters of the reports, including chapters on the environment.

Alexander Ageev, Director General of the Institute for Economic Strategies of the Russian Academy of Sciences.

Alexander Ageev recommended using a single format for the time periods presented in the report (changes in indicators over 5 years, 3 years, 2 years, benchmarking against a specific period in the history of the industry in the USSR, etc.). He suggested adding a description of the business model, as this is a crucial element of integrated reporting. He recommended adding a diagram (table) of the management of ROSATOM's capitals reflecting changes in different types of capital in the reporting year.

Alexander Ageev suggested presenting significant indicators (e.g. the number of international agreements concluded by ROSATOM) not only for the reporting year, but also as a cumulative total in order to clearly show the increase achieved in the reporting year compared to the previous periods.

In the future, it is advisable to provide the search function on the public reporting platform to enable the search for information in the reports of ROSATOM and its Divisions for different years.

Alexander Ageev also recommended presenting information in section 3.2.3 'Implementation of the JCPOA' as carefully as possible.

Maria Spiridonova, manager in the sustainability services group of Deloitte.

Maria Spiridonova recommended ROSATOM to consider reducing the scope of the report and focusing on disclosing only material information. She also recommended considering engaging an audit firm to provide assurance of non-financial information.

Natalia Goncharova, Expert in the Communications Department of JSC ASE EC.

Natalia Goncharova recommended benchmarking the latest (real-time) data presented in the interactive version of the report against the IAEA data.

Alexander Makarenko, Executive Director of the Association of CATFs in the Nuclear Industry.

Alexander Makarenko recommended providing an assessment of efficiency of measures implemented by ROSATOM (including the Lean Polyclinic project) from the perspective of those who these measures are targeted at in the section 'Developing the Regions of Operation' and including the findings of opinion polls conducted among residents of ROSATOM's regions of operation and their statements.

Vitaly Migal, Adviser in the Strategic Planning Division of the Strategic Management Department.

Vitaly Migal recommended dividing markets served by ROSATOM into traditional and new markets in the relevant section. He recommended eliminating the duplication of information in the report.

He also suggested posting information about markets served by ROSATOM on the interactive platform.

Elena Pertseva, Deputy Director of the Corporate Governance and Sustainability Department of FBK Grant Thornton.

Elena Pertseva recommended specifying the version (year) of the AA1000 Standard used in the reporting process.

She also recommended adding the download function to the interactive platform to enable data download in Excel.

Igor Burlaka, Chief Specialist in the Strategy and Development Department of JSC Atomenergomash.

Igor Burlaka recommended eliminating the duplication of information in the report.

He also recommended providing more detail on the procedure for updating data in real time on the interactive platform (who will do this, in what period, whether this will involve cooperation with regions, etc.).

Tatyana Nikolaeva, Manager in the Project Office for Sustainable Development Programmes of ROSATOM.

Tatyana Nikolaeva recommended taking measures to ensure consistent presentation of data in the report by year and to eliminate the duplication of information. She also recommended posting reports of the Divisions on the interactive public reporting platform along with ROSATOM's report.

Maxim Ivanov, Business Development Project Manager in the New Business Support Division.

Maxim Ivanov recommended adding an up-to-date photograph of the Akademik Lomonosov floating nuclear power plant to the report.

ITEM No. 5. Closing remarks by ROSATOM's representatives: response to stakeholders' proposals and recommendations.

SPEAKERS:

Igor Ermakov stated that the division of information provided in the report into traditional and new markets would be considered. Expansion of the scope of information on markets served by ROSATOM would depend on demand, market size and development prospects.

Sergey Golovachev thanked stakeholder representatives for their constructive participation in the public consultation and recommendations on the draft report that they had put forward. He also commented on proposals and recommendations made by stakeholder representatives (the table reflecting stakeholders' recommendations and proposals is provided in Appendix 1).

The moderator informed that the minutes of the public consultation, including the Table Reflecting Stakeholders' Recommendations and Proposals, would be sent out to all the participants of the event for approval.

Appendices: Appendix 1. Table reflecting stakeholders' recommendations and requests regarding the draft public annual report of ROSATOM for 2018.

Appendix 2. Presentation: Process of Preparation of the Public Annual Report for 2018.

Appendix 3. Presentation: Strategic Programme of JSC Rusatom Healthcare 'Development of the Nuclear Medicine and Technology Product Line'.

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| Head of the working group on public reporting of ROSATOM | /signature/ | **Sergey Golovachev** |
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| Moderator of the dialogue, CEO of DA-Strategy Agency for Corporate Development, member of the Board of the Russian Union of Industrialists and Entrepreneurs on Non-Financial Reporting | /signature/ | **Zhan Zagidullin** |

Appendix 1

Table reflecting stakeholders' recommendations and requests regarding the draft public annual report of ROSATOM for 2018.

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| No. | Stakeholders' suggestion/recommendation | Author | ROSATOM's response |
| 1. | To specify that ROSATOM is a leader on the Russian power generation market in terms of electricity output (p. 29 of the draft report). | Vyacheslav Leonov | The proposal will be incorporated |
| 2. | To add information on the market for the production of stable isotopes, where ROSATOM is a leader, to subsequent reports and provide information on projects in this area. | Vyacheslav Leonov | The proposal will be incorporated in the next reporting year |
| 3. | It is recommended that environmental information should be included in the interactive version of ROSATOM's public annual report for 2018. | Olga Plyamina | The proposal will be incorporated |
| 4. | It is recommended that commentary should be provided on figures presented in the interactive version of the report that are updated in real time (e.g. environmental indicators should be benchmarked against the maximum permissible limits set by the law, while other indicators should be benchmarked against comparable indicators of other companies, industries and countries). | Olga Plyamina | The proposal will be incorporated |
| 5. | It is desirable that the interactive platform should provide links not only to annual reports but also to individual chapters of the reports, including chapters on the environment. | Olga Plyamina | The proposal will be incorporated |
| 6. | It is recommended that a single format should be used for the time periods presented in the report (changes in indicators over 5 years, 3 years, 2 years, benchmarking against a specific period in the history of the industry in the USSR, etc.). | Alexander Ageev  Tatyana Nikolaeva | The proposal will be incorporated |
| 7. | It is suggested that a description of the business model should be added to the report, as this is a crucial element of integrated reporting. | Alexander Ageev | The proposal will be incorporated |
| 8. | It is recommended that a diagram (table) of the management of ROSATOM's capitals reflecting changes in different types of capital in the reporting year should be included in the report. | Alexander Ageev | The proposal will be incorporated |

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| 9. | In the future, it is advisable to provide the search function on the public reporting platform to enable the search for information in the reports of ROSATOM and its Divisions for different years. | Alexander Ageev | The matter will be considered, and the proposal will be incorporated in subsequent reporting cycles if a positive decision is made |
| 10. | It is recommended that significant indicators (e.g. the number of international agreements concluded by ROSATOM) should be presented not only for the reporting year, but also as a cumulative total in order to clearly show the increase achieved in the reporting year compared to the previous periods. | Alexander Ageev | The proposal will be incorporated |
| 11. | It is recommended that information in section 3.2.3 'Implementation of the JCPOA' should be presented as carefully as possible. | Alexander Ageev | The proposal will be incorporated |
| 12. | It is recommended that ROSATOM should consider reducing the scope of the report and focusing on disclosing only material information. | Maria Spiridonova | Given considerable interest in a wide range of information about ROSATOM's operations among stakeholders, a significant reduction in the scope of the report is impossible |
| 13. | It is recommended that ROSATOM should consider engaging an audit firm to provide assurance of non-financial information. | Maria Spiridonova | The proposal has been incorporated. The report is audited by a professional auditor responsible for reviewing non-financial information; in addition, public assurance of the report is also provided. |
| 14. | It is recommended that the latest (real-time) data presented in the interactive version of the report should be benchmarked against the IAEA data. | Natalia Goncharova | The proposal will be incorporated |
| 15. | It is recommended that an assessment of efficiency of measures implemented by ROSATOM (including the Lean Polyclinic project) from the perspective of those who these measures are targeted at should be provided in the section 'Developing the Regions of Operation' and that the findings of opinion polls conducted among residents of ROSATOM's regions of operation and their statements should be included. | Alexander Makarenko | The proposal will be incorporated in the next reporting period |

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| 16. | It is recommended that markets served by ROSATOM should be divided into traditional and new markets in the relevant section. | Vitaly Migal | The proposal will be incorporated |
| 17. | To post information about markets served by ROSATOM on the interactive platform. | Vitaly Migal | The proposal will be incorporated |
| 18. | It is recommended that the duplication of information in different sections of the report should be eliminated. | Vitaly Migal  Igor Burlaka  Tatyana Nikolaeva | The proposal will be incorporated |
| 19. | We recommend specifying the version (year) of the AA1000 Standard used in the reporting process. | Elena Pertseva | The information will be added |
| 20. | It is recommended that the download function should be added to the interactive platform to enable data download in Excel. | Elena Pertseva | The proposal will be incorporated; ROSATOM plans to add the relevant function |
| 21. | It is recommended that more detail should be provided on the procedure for updating data in real time on the interactive platform (who will do this, in what period, whether this will involve cooperation with regions, etc.). | Igor Burlaka | After the functionality of the interactive platform is approved, the relevant information will be provided on the platform itself |
| 22. | It is recommended that reports of the Divisions should be posted on the interactive public reporting platform along with ROSATOM's report. | Tatyana Nikolaeva | The proposal will be incorporated in the next reporting cycle |
| 23. | It is recommended that an up-to-date photograph of the Akademik Lomonosov floating nuclear power plant should be added to the report. | Maxim Ivanov | The proposal will be incorporated |