

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, 22. 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 ¹. 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.

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-Stock 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 JointStock 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.

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

² Branch application in final version.