

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.

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| I.A. Alushkina |  | <i>President of Sarovbusinessbank JSC</i> |
| E.K. Verba |  | <i>Director of Sluzhenie Association</i> |
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| S.M. Dmitriev |  | <i>Rector of Nizhny Novgorod Alekseev State Technical University</i> |
| D.L. Zverev |  | <i>Director, Chief Designer of Joint Stock Company Afrikantov Experimental Mechanical Engineering Design Bureau</i> |
| I.V. Ivanov |  | <i>Vice-governor, First Deputy Chairman of the Government of the Nizhny Novgorod Region</i> |
| K.B. Komarov |  | <i>Deputy Director General for Development and International Business of State Corporation Rosatom</i> |
| V.E. Kostyukov |  | <i>Director of FSUE Russian Federal Nuclear Centre, Russian Research Institute for Experimental Physic</i> |
| E.V. Kochergina |  | <i>Chairman of the Trade Union Committee of JSC NIAEP</i> |
| D.G. Krasnov |  | <i>Director General of the Chamber of Commerce and Industry of the Nizhny Novgorod Region</i> |
| D.V. Paramonov |  | <i>Deputy Director General of Strategy and Development, JSC "Atomenergoproekt"</i> |
| S.G. Novikov |  | <i>Director of Communications Department of State Corporation Rosatom</i> |
| S.V. Onuphrienko |  | <i>Director of JSC Saint Petersburg Research and Design Institute "Atomenergoproekt"</i> |
| A.V. Khasiev |  | <i>Chairman of the Oka Interregional Environmental Movement</i> |
| V.N. Tsybanev |  | <i>Director General of the Nizhny Novgorod Association of Manufacturers and Entrepreneurs</i> |