

# APPENDICES



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GRI G3

GRI G3.1

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In our activities, we are motivated by openness to partners, business transparency and reliance on figures and facts. This is what moves us, step by step, towards new goals.

Transforming resources into capital

## Appendix No. 1 Table of the Used ROSATOM Public Reporting Indicators

No.	Indicator	Disclosure	Extent of disclosure
<b>Part 1. Core Business Performance</b>			
<b>Meeting the Demands of the Power Grids</b>			
1	1.1.1. Meeting the demands of this country for electric energy using Russian nuclear fuel	Basic Characteristics (page 16)	disclosed
<b>Economic Performance</b>			
2	2.1.1. Financial efficiency	Key Results (page 11). Financial Results of Activities (page 62)	disclosed
3	2.1.2. Productivity	Key Results (page 11). Production and Economic Results (page 67)	disclosed
4	2.1.3. Economic and financial efficiency	Key Results (page 11). Financial Results of Activities (page 62)	disclosed
<b>Business Continuity</b>			
5	2.2.1. Diversification of activity	Key Results (page 11). Financial Results of Activities (page 62)	disclosed
6	2.2.2. Supply of orders	Financial Results of Activities (page 62)	disclosed
7	2.2.3. Dependence on suppliers and contractors	Procurement Activities (page 53)	partially disclosed
8	2.2.4. Risk Management	Risk Management (page 45)	disclosed
9	2.2.5. Development of production capacity	Investment Activity Results (page 67). Appendix No.5 Financial Statements for the year 2013	disclosed
10	2.2.6. Financial stability	Key Results (page 11). Financial Results of Activities (page 62)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
<b>Place on Global Markets</b>			
11	2.3.1. Situation on the market of the initial stage of NFC	Place of TVEL FC in the World Market of FE NFC (page 30)	disclosed
12	2.3.2. Volume of exports	Financial Results of Activities page 62)	disclosed
<b>International cooperation in the Sphere of peaceful Use of Nuclear Energy</b>			
13	2.4.1. International legal infrastructure for promotion of Russian companies to global markets of nuclear technologies and services	Place of TVEL FC in the World Market of FE NFC (page 30)	disclosed
14	2.4.2. Development of international cooperation	Place of TVEL FC in the World Market of FE NFC (page 30)	disclosed
15	2.4.3. Strengthening of nuclear non-proliferation regime	Place of TVEL FC in the World Market of FE NFC (page 30)	disclosed
<b>Nuclear and Radiation Safety Systems Management</b>			
16	4.1.1. Provision of training to industry workers on the NRS standards	Labor Protection and Industrial Safety (page 106)	disclosed
17	4.1.2. Emergency response and emergency alertness	Nuclear and Radiation Safety (page 124)	disclosed
18	4.1.3. Physical protection of nuclear facilities	Nuclear and Radiation Safety (page 124)	disclosed
19	4.1.4. Development of technologies for handling RAW and SNF	Nuclear and Radiation Safety (page 124)	disclosed
<b>Compliance with Requirements of Nuclear and Radiation Safety</b>			
20	4.2.1. Compliance with license requirements to promotion of nuclear and radiation safety	In 2013, TVEL FC lost no licenses in the sphere of nuclear energy	disclosed
21	4.2.2. Violations in the course of handling the nuclear and radioactive materials	Nuclear and Radiation Safety (page 124)	disclosed
<b>Decommissioning of Nuclear Facilities</b>			
22	4.3.1. Decommissioning	Nuclear and Radiation Safety (page 124)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
<b>RAW and SNF Handling and Rehabilitation of Contaminated Areas</b>			
23	4.4.1. Rehabilitation of contaminated areas	Nuclear and Radiation Safety (page 124)	disclosed
24	4.4.2. Revision of the RAW accumulation volume	Nuclear and Radiation Safety (page 124)	disclosed
25	4.4.3. Recycling of accumulated RAW	Nuclear and Radiation Safety (page 124)	partially disclosed
<b>Intellectual Capital</b>			
26	5.1.1. Inventive activities	Intellectual Property of TVEL FC (page 88)	disclosed
27	5.1.2. Efficiency of investments in R&D	Fundamental Scientific Activity (page 78)	disclosed
<b>Innovative Activities</b>			
28	5.2.1. Efficiency of innovative activities	Fundamental Scientific Activity (page 78). Innovative Activities in Nuclear Industry (page 81). Innovative Activities in Non-Nuclear Industry (page 84)	partially disclosed
29	5.2.2. Improvement of technologies of the existing process platform	Innovative Activities in Nuclear Industry (page 81)	disclosed
30	5.2.3. Engineering development in related spheres	Innovative Activities in Non-Nuclear Industry (page 84)	partially disclosed
<b>Support of Development of Innovative and Technological Potential</b>			
31	5.3.1. Development of infrastructure of scientific and technological complex	Fundamental Scientific Activity (page 78)	disclosed
32	5.3.2. Participation in implementation of innovative projects	Innovative Activities in Nuclear Industry (page 81). Innovative Activities in Non-Nuclear Industry (page 84)	disclosed
<b>Improvement of Control Mechanisms</b>			
33	6.1.1. Management system improvement projects	TVEL FC Development Strategy (page 36). Procurement Activities (page 53). Productive Efficiency Management (page 73).	disclosed
34	6.1.2. Implementation of projects related to improvement of efficiency performance	Energy Saving and Efficiency Improvement (page 127)	disclosed
35	6.1.3. Reorganization of financial and economic management	Information Technologies (page 56). Financial Policy (page 62)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
36	6.1.4. Introduction of international management standards	Quality Management (page 76)	disclosed
37	6.1.5. Procurement Activities	Procurement Activities (page 53)	disclosed
38	6.1.6. Development of internal communications	Information Technologies (page 56). Corruption Management and Settlement of Conflicts of Interest (page 58). Stakeholders Engagement (page 137)	disclosed
39	6.1.7. Informatization of Management	Information Technologies (page 56)	disclosed
40	6.1.8. Management of financial and economic activities	Internal Control of TVEL FC (page 52). Corruption Management and Settlement of Conflicts of Interest (page 58)	disclosed
<b>Improvement of Information Transparency of Nuclear Industry</b>			
41	7.1.1. Public reporting	About the Report (page 8)	disclosed
42	7.1.2. Information resources of the industry	Stakeholders Engagement (page 137)	disclosed
<b>Public Acceptance of Construction Projects of the Corporation and its Organizations</b>			
43	7.2.1. Expert environmental examination envisaged by the laws of the Russian Federation	For details regarding the number of inspections see "Nuclear and Radiation Safety" (page 124)	partially disclosed
44	7.2.2. Public discussion of the EIAS materials	Ecological Policy (page 112)	disclosed
<b>Improvement of Regulatory Framework in the Sphere of Nuclear Energy</b>			
45	8.1.1. Participation in development of regulatory framework	Legal Scope of Activity of TVEL FC (page 57)	disclosed
<b>Implementation of Certain Functions of the State Administration in the Established Sphere of Activities</b>			
46	Implementation of Certain Functions of the State Administration in the Established Sphere of Activities	Nuclear and Radiation Safety (page 124)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
<b>Provision of Qualified Personnel</b>			
47	9.1.1. Provision of qualified personnel	Personnel Management (page 90)	disclosed
48	9.1.2. Training of personnel	Personnel Management (page 90)	disclosed
49	9.1.3. Organization and use of personnel reserves	Personnel Management (page 90)	disclosed

## Part 2. Performance in the Sphere of Sustainable Development

### Economic Performance

50	10.1.1. Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Social Capital (page 130)	disclosed
51	10.1.2. Significant financial assistance received from government	Ecological Policy (page 112). Nuclear and Radiation Safety (page 124)	disclosed
52	10.1.3. Financial implications and other risks and opportunities for the organization's activities due to climate change	Climatic effect attributed to the enterprises managed by TVEL FC is insignificant compared to the enterprises related to extractive industries and thermal power companies. That's why the management board has not evaluated financial aspects and other risks related to the alteration of the climate. Climate change has no impact on business operations of TVEL FC and its employees	disclosed

### Market Presence

53	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Procurement Activities (page 53)	disclosed
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### Indirect Economic Impact

54	10.3.1. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Social Capital (page 130)	disclosed
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No.	Indicator	Disclosure	Extent of disclosure
55	10.3.2. Understanding and describing significant indirect economic impacts, including the extent of impacts	Social Capital (page 130)	disclosed
<b>Environmental Impact Management</b>			
56	11.1.1. Energy saved due to conservation and efficiency improvements	Energy Saving and Efficiency Improvement (page 127)	disclosed
57	11.1.2. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Energy Saving and Efficiency Improvement (page 127)	disclosed
58	11.1.3. Initiatives to reduce indirect energy consumption and reductions achieved	At this time, the Company does not have a policy that regulates management of other indirect energy consumption due to the absence of the relevant regulatory requirements	disclosed
59	11.1.4. Initiatives to reduce emission of harmful substances into the air, and the reduction achieved	Environmental Impact (page 114)	disclosed
60	11.1.5. Initiatives to reduce emission of harmful substances into water bodies, and the reduction achieved	Environmental Impact (page 114)	disclosed
61	11.1.6. Strategies, current actions, and future plans for managing impacts on biodiversity	Environmental Impact (page 114)	disclosed
62	11.1.7. Initiatives to reduce greenhouse gas emissions and reductions achieved	Environmental Impact (page 114). The Company does not keep records of the number and impact of the said initiatives to promote the reduction of greenhouse gases emission, because there are no regulatory requirements to any such records and the effect from such information is considerably lower than the cost of its acquisition	disclosed
63	11.1.8. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Ecological Policy (page 112)	disclosed
64	11.1.9. Percentage of products sold and their packaging materials that are reclaimed by category	Environmental Impact (page 114). Specifics of TVEL FC production do not envisage the return of products and packaging materials for recycling	disclosed
65	11.1.10. Total environmental protection expenditures and investments by type	Environmental Impact (page 114)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
66	11.1.11. Introduction of environmental management system in organizations of the Corporation	Ecological Policy (page 112)	disclosed
67	11.1.12. Percentage of materials used that are recycled input materials	Environmental Impact (page 114). No data is available on the percentage of recycled materials in total amount of the used materials	partially disclosed
68	11.1.13. Percentage and total volume of water recycled and reused	Environmental Impact (page 114)	disclosed

#### Use of Materials, Energy and Water

69	11.2.1. Materials used by weight or volume	Environmental Impact (page 114)	partially disclosed
70	11.2.2. Direct energy consumption by primary energy source	Energy Saving and Efficiency Improvement (page 127)	disclosed
71	11.2.3. Indirect energy consumption by primary source	Energy Saving and Efficiency Improvement (page 127)	partially disclosed
72	11.2.4. Total water withdrawal by source	Environmental Impact (page 114)	disclosed
73	11.2.5. Water consumption (own needs)	Environmental Impact (page 114)	disclosed
74	11.2.6. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Impact (page 114)	disclosed

#### Environmental Impact (Emissions, Effluents and Waste), Radiation Impact Excluded

75	11.3.1. Water sources significantly affected by withdrawal of water	Environmental Impact (page 114)	disclosed
76	11.3.2. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Environmental Impact (page 114)	disclosed
77	11.3.3. Habitats protected or restored	Environmental Impact (page 114)	disclosed
78	11.3.4. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Environmental Impact (page 114)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
79	11.3.5. Total direct and indirect greenhouse gas emissions by weight	Environmental Impact (page 114)	disclosed
80	11.3.6. Other relevant indirect greenhouse gas emissions by weight	Statutory legal acts that regulate interaction between the enterprises of Fuel Company and the contractors make no provision for mandatory connection between the choice of the contractor and its environmental efficiency. Enterprises of TVEL FC do not keep records of emissions of greenhouse gases due to the absence of applicable regulatory requirements.	disclosed
81	11.3.7. Emissions of ozone-depleting substances by weight	Environmental Impact (page 114)	disclosed
82	11.3.8. NOx, SOx, and other significant air emissions by type and weight	Environmental Impact (page 114)	disclosed
83	11.3.9. Total water discharge by quality and destination	No data is available about overall amount of scheduled and unscheduled discharge of waste water and quality of the said water.	partially disclosed
84	11.3.10. Total weight of waste by type and disposal method	Environmental Impact (page 114)	disclosed
85	11.3.11. Total number and volume of significant spills	Environmental Impact (page 114)	disclosed
86	11.3.12. Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste	TVEL FC is not engaged in transboundary movement of hazardous waste.	disclosed
87	11.3.13. Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Environmental Impact (page 114)	disclosed
88	11.3.14. Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Environmental Impact (page 114)	disclosed
89	11.3.15. Payments for emission of pollutants into the air by stationary and mobile sources, discharge of pollutants into surface and subsurface water, and disposal of industrial and consumption waste	Environmental Impact (page 114)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
<b>Compliance with Environmental Laws</b>			
90	11.4.1. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Impact (page 114)	disclosed
<b>Radiation Environmental Impact</b>			
91	11.5.1. Emission of radionuclides into the atmosphere	Environmental Impact (page 114)	disclosed
92	11.5.2. Discharge of waste water containing radionuclides	Environmental Impact (page 114)	disclosed
93	11.5.3. Pollution of territory with radionuclides	Environmental Impact (page 114)	disclosed
94	11.5.4. Financial support of radiation exposure mitigation measures	Environmental Impact (page 114)	disclosed
<b>Employment</b>			
95	12.1.1. Total workforce by employment type, employment contract, and region	Personnel Management (page 90)	disclosed
96	12.1.2. Total number of new employee hires and employee turnover by age group, gender, and region	Personnel Management (page 90)	disclosed
97	12.1.3. Percentage of employees receiving regular performance and career development reviews, by gender	Personnel Management (page 90)	disclosed
98	12.1.4. Share of specialists aged up to 35	Personnel Management (page 90)	disclosed
99	12.1.5. Average age of employees (by category)	Personnel Management (page 90)	disclosed
100	12.1.6. Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Personnel Management (page 90)	disclosed
101	12.1.7. Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Personnel Management (page 90)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
102	12.1.8. Average salary in ratio to average level of the labor market	Personnel Management (page 90)	disclosed
103	12.1.9. Jobs created (over a year)	Social Capital (page 130)	not disclosed
<b>Relations between Workers and Management</b>			
104	12.2.1. Percentage of employees covered by collective bargaining agreements	Personnel Management (page 130)	disclosed
105	12.2.2. Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Personnel Management (page 130)	disclosed
106	12.2.3. Correlation of average salary between 10% of employees with lowest salary and 10% of employees with highest salary	Personnel Management (page 130)	disclosed
<b>Social Security of Employees</b>			
107	12.3.1. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Payments and benefits to employees of the enterprises of TVEL FC are made or provided in accordance with collective labor agreements and vary from enterprise to enterprise of the Fuel Company. Collective agreement applies to all employees. All payments and benefits are in line with applicable labor laws	disclosed
108	12.3.2. Coverage of the organization's defined benefit plan obligations	Personnel Management (page 130)	disclosed
109	12.3.3. Return to work and retention rates after parental leave, by gender	Personnel Management (page 130)	disclosed
110	12.3.4. Non-state pension scheme	Personnel Management (page 130)	disclosed
111	12.3.5. Total costs related to personnel	Personnel Management (page 130)	disclosed
112	12.3.6. Costs related to social programs for employees	Personnel Management (page 130)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
<b>Health and Safety at Workplace</b>			
113	12.4.1. Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Labor Protection and Industrial Safety (page 106). No joint committees and commissions comprising of representatives of employees and employers are created for this purpose	disclosed
114	12.4.2. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Labor Protection and Industrial Safety (page 106)	disclosed
115	12.4.3. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	The Fuel Company provides training to its employees with respect to serious diseases resulting from professional activities, including consulting, risk control and treatment. No such programs are envisaged for members of the employees' families and indigenous population	disclosed
116	12.4.4. Health and safety topics covered in formal agreements with trade unions	Labor Protection and Industrial Safety (page 106)	disclosed
117	12.4.5. Staff radiation exposure management	Labor Protection and Industrial Safety (page 106)	disclosed
118	12.4.6. Costs related to health and safety of the employees	Labor Protection and Industrial Safety (page 106)	disclosed
<b>Training and Education</b>			
119	12.5.1. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Personnel Management (page 90). No programs to assist change of career/lifestyle are envisaged for the retiring or dismissed employees	partially disclosed
<b>Impact on Social Situation in the Areas of Presence</b>			
120	13.1.1. Percentage of operations with implemented local community engagement, impact assessments, and development programs	Social Capital (page 130)	disclosed
121	13.1.2. Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Personnel Management (page 90)	disclosed

No.	Indicator	Disclosure	Extent of disclosure
122	13.1.3. Operations with significant potential or actual negative impacts on local communities	Environmental Impact (page 114). Nuclear and Radiation Safety (page 124)	disclosed
123	13.1.4. Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Environmental Impact (page 114). Nuclear and Radiation Safety (page 124)	disclosed
<b>Stakeholders Engagement in the Sphere of Socially Important Issues of Social and Economic Development of the Area of Presence</b>			
124	13.2.1. Making of development programs for the Closed Administrative Territorial Units	Social Capital (page 130)	disclosed
125	13.2.2. Joint projects with non-commercial and non-state organizations related to socially important tasks	Social Capital (page 130)	disclosed
<b>Charity</b>			
126	13.3.1. Charitable projects and amounts invested in these projects	Charitable Activity and Support of External Social Programs (page 135)	disclosed
<b>Corruption Management</b>			
127	14.1.1. Percentage and total number of business units analyzed for risks related to corruption	Corruption Management and Settlement of Conflicts of Interest (page 58)	disclosed
128	14.1.2. Percentage of employees trained in organization's anti-corruption policies and procedures	Corruption Management and Settlement of Conflicts of Interest (page 58)	disclosed
129	14.1.3. Actions taken in response to incidents of corruption	Corruption Management and Settlement of Conflicts of Interest (page 58)	disclosed
<b>Compliance with Requirements</b>			
130	14.2.1. Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No serious violations of applicable laws by TVEL JSC and its enterprises were detected in 2013	disclosed

No.	Indicator	Disclosure	Extent of disclosure
131	14.2.2. Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	No serious violations of applicable laws by TVEL JSC and its enterprises were detected in 2013	disclosed
132	14.2.3. Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Not detected in 2013.	disclosed
133	14.2.4. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable due to specifics of products manufactured and services provided by TVEL FC enterprises	not applicable

#### Product Liability

134	14.3.1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Quality Management (page 76)	disclosed
135	14.3.2. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Nuclear and Radiation Safety (page 124)	disclosed
136	14.3.3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Not applicable due to specifics of products manufactured and services provided by TVEL FC enterprises	not applicable
137	14.3.4. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Not applicable due to specifics of products manufactured and services provided by TVEL FC enterprises	not applicable
138	14.3.5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Quality Management (page 76)	disclosed
139	14.3.6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Due to specifics of activities conducted by TVEL FC, no programs related to the provision of correspondence to the legislation, standards, requirements of voluntary certification related to marketing communications, including publicity, product promotion and sponsorship are available	disclosed

No.	Indicator	Disclosure	Extent of disclosure
140	14.3.7. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not charged in 2013.	disclosed
141	14.3.9. Number of claims and complaints from consumers	None	disclosed

#### Ethical Practices and Human Rights

142	14.4.1. Institutionalization of ethical practice	Corporate Governance (page 40)	disclosed
143	14.4.2. Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	All investment agreements undergo evaluation for conformity to applicable laws of the Russian Federation with respect to human rights. All investment agreements conform to applicable laws of the Russian Federation with respect to human rights	disclosed
144	14.4.3. Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	Suppliers and contractors are subject to no evaluation for human rights compliance due to the absence of regulatory requirements	disclosed
145	14.4.4. Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Personnel Management (page 90)	disclosed
146	14.4.5. Total number of incidents of discrimination and corrective actions taken	No discrimination cases detected in 2013. If any discrimination is detected, each employee of TVEL FC may appeal directly to the CEO of the enterprises or the President of TVEL JSC via e-mail or the boxes of appeals	disclosed
147	14.4.6. Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Personnel Management (page 90)	disclosed



No.	Indicator	Disclosure	Extent of disclosure
148	14.4.7. Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	No child labor is possible in this company. Complex engineering of the enterprises implies that the worker should have at least secondary vocational education, therefore, employment of children is out of question	disclosed
149	14.4.8. Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	TVEL FC is conducting its business in accordance with applicable laws of the Russian Federation which expressly forbid any use of forced labor. No cases of forced labor were detected in TVEL FC in 2013	disclosed
150	14.4.9. Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Personnel Management (page 90)	disclosed
151	14.4.10. Total number of incidents of violations involving rights of indigenous people and actions taken	Not detected	disclosed
152	14.4.11. Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	TVEL FC does not evaluate any processes in the context of human rights or transactions evaluated for impact on human rights, excluding however the rights envisaged by labor laws and personal data laws	disclosed
153	14.4.12. Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	No complaints were filed against TVEL FC in 2013 with respect to violation of human rights	disclosed

## Table of the Used GRI G3.1 Standard Disclosures and Performance Indicators

GRI G3.1: 3.12

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
<b>Strategy and Analysis</b>			
1	1.1. Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	Message by chief executives (page 6)	Full compliance
2	1.2. Description of key impacts, risks, and opportunities	TVEL FC Development Strategy (page 40). Risk Management (page 50). Place of TVEL FC in the World Market of FE NFC (page 32). Nuclear and Radiation Safety (page 124). Social Capital (page 131)	Full compliance
<b>Organizational Profile</b>			
3	2.1. Name of the organization	Company Background Information (page 16)	Full compliance
4	2.2. Primary brands, products, and/or services	Company Background Information (page 16)	Full compliance
5	2.3. Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Corporate Governance (page 45)	Full compliance
6	2.4. Location of organization's headquarters	Company Background Information (page 16)	Full compliance
7	2.5. Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Basic Characteristics (page 16). Place of TVEL FC in the World Market of FE NFC (page 30)	Full compliance
8	2.6. Nature of ownership and legal form	Company Background Information (page 16)	Full compliance
9	2.7. Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Basic Characteristics (page 17). Place of TVEL FC in the World Market of FE NFC (page 30)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
10	2.8. Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• number of employees;</li> <li>• number of operations;</li> <li>• net sales (for private sector organizations) or net revenues (for public sector organizations);</li> <li>• total capitalization broken down in terms of debt and equity (for private sector organizations);</li> <li>• quantity of products or services provided</li> </ul>	Key Results (page 11). Company Background Information (page 18). Financial Results of Activities (page 63). Personnel Management (page 91)	Full compliance
11	2.9. Significant changes during the reporting period regarding size, structure, or ownership	Corporate Governance (page 42)	Full compliance
12	2.10. Awards received in the reporting period	Stakeholders Engagement During the Preparation of the Report 2013 (page 144)	Full compliance
<b>Report Parameters</b>			
13	3.1. Reporting period (e.g., fiscal/calendar year) for information provided	About the Report (page 8)	Full compliance
14	3.2. Date of most recent previous report (if any)	About the Report (page 8). General Information (page 16)	Full compliance
15	3.3. Reporting cycle (annual, biennial, etc.)	About the Report (page 8)	Full compliance
16	3.4. Contact point for questions regarding the report or its contents	Contact Information (page 241)	Full compliance
17	3.5. Process for defining report content, including: <ul style="list-style-type: none"> <li>• determining materiality;</li> <li>• prioritizing topics within the report;</li> <li>• identifying stakeholders the organization expects to use the report</li> </ul>	About the Report (page 8). Stakeholders Engagement During the Preparation of the Report 2013 (page 137)	Full compliance
18	3.6. Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	Information about the Report (page 8)	Full compliance
19	3.7. State any specific limitations on the scope or boundary of the report	About the Report (page 8)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
20	3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	About the Report (page 8)	Full compliance
21	3.9. Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	About the Report (page 8)	Full compliance
22	3.16. Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	No significant alterations have been made	Full compliance
23	3.11. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	About the Report (page 8). No alterations occurred to the range, boundaries and evaluation methods	Full compliance
24	3.12. Table identifying the location of the Standard Disclosures in the report	Appendix No.2 Table of the Used GRI G3.1 Standard Elements of Reporting and Performance Indicators (page 166)	Full compliance
25	3.13. Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	About the Report (page 8)	Full compliance
<b>Governance, Commitments, and Engagement</b>			
26	4.1. Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Corporate Governance (page 41). Organizational Structure of TVEL JSC (page 45)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
27	4.2. Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	Corporate Governance (page 42)	Full compliance
28	4.3. For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Corporate Governance (page 42)	Full compliance
29	4.4. Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Stakeholders Engagement During the Preparation of the Report 2013 (page 137)	Full compliance
30	4.5. Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Corporate Governance (page 43)	Full compliance
31	4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided	The matter of conflict of interests in the top executive body of TVEL JSC is under control of ROSATOM State Corporation	Full compliance
32	4.7. Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	Corporate Governance (page 42). The sole shareholder represented by Atomenergoprom JSC evaluates the qualification and competence of the member of top executive body of TVEL JSC. The Board of Directors plays the key role in strategic management of the Company and the entire Fuel Company. The sole shareholder appoints the Board of Directors with due account for the ability to handle the abovementioned objectives. The Board of Directors comprises mostly of the external directors, i.e. individuals who are not employed by the Company, and professionals vastly experienced in the industry and thoroughly understanding the specifics of activities conducted by the Company	Full compliance
33	4.8. Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Mission, Goals and Values (page 26). Corporate Governance (page 41). Sustainable Development Management (page 40)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
34	4.9. Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	TVEL FC Development Strategy (page 36). Corporate Governance (page 43). Risk Management (page 45). Quality Management (page 76).	Full compliance
35	4.10. Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	No processes for evaluation of its own performance by the top executive body are available	Full compliance
36	4.11. Explanation of whether and how the precautionary approach or principle is addressed by the organization	Being guided by the precautionary principle, the Company endeavors to avoid the expected damage to environment even if there is no scientific evidence that any specific activity inflicts this damage	Full compliance
37	4.12. Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	GRI G3.1 Reporting Guidelines International Integrated Reporting Council, v. 1.0	Full compliance
38	4.13. Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• has positions in governance bodies;</li> <li>• participates in projects or committees;</li> <li>• provides substantive funding beyond routine membership dues;</li> <li>• views membership as strategic</li> </ul>	TVEL JSC is a member of the Union of Employers of Nuclear Power Industry and Science of Russia (President of the Company is a member of the Board of the Union) and member of the National Association of Procurement Institutes (NAPI)	Full compliance
39	4.14. List of stakeholder groups engaged by the organization	Stakeholders Engagement During the Preparation of the Report 2013 (page 137)	Full compliance
40	4.15. Basis for identification and selection of stakeholders with whom to engage	Stakeholders Engagement During the Preparation of the Report 2013 (page 137)	Full compliance
41	4.16. Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholders Engagement During the Preparation of the Report 2013 (page 137)	Full compliance
42	4.17. Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Appendix No. 3 Records of the Proposals Made By Stakeholders of TVEL FC (page 180)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
<b>Management Approach and Performance Indicators</b>			
43	Disclosure on Management Approach to economic efficiency	Procurement Activities (page 53). Personnel Management (page 90)	Full compliance
44	Disclosure on Management Approach to environmental efficiency	Ecological Policy (page 112). Energy Saving and Efficiency Improvement (page 127)	Full compliance
45	Disclosure on Management Approach to social efficiency	Procurement Activities (page 53). Corruption Management and Settlement of Conflicts of Interest (page 58). Quality Management (page 76). Personnel Management (page 90). Labor Protection and Industrial Safety (page 106). Social Capital (page 130)	Full compliance
<b>Economic Performance Indicators</b>			
1	EC1. Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Social Capital (page 131)	Full compliance
2	EC2. Financial implications and other risks and opportunities for the organization's activities due to climate change	Climatic effect attributed to the enterprises managed by the Fuel Company is insignificant compared to the enterprises related to extractive industries and thermal power companies. That is why the management board has not evaluated financial aspects and other risks related to the alteration of the climate. Climate change has no impact on business operations of TVEL FC and its employees	Full compliance
3	EC3. Coverage of the organization's defined benefit plan obligations	Personnel Management (page 105)	Full compliance
4	EC4. Significant financial assistance received from government	Nuclear and Radiation Safety (page 125)	Full compliance
5	EC5. Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Personnel Management (page 97)	Full compliance
6	EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Procurement Activities (page 54)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
7	EC7. Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Personnel Management (page 95)	Full compliance
8	EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Social Capital (page 135)	Full compliance
9	EC9. Understanding and describing significant indirect economic impacts, including the extent of impacts	Social Capital (page 131)	Full compliance
<b>Environmental Performance Indicators</b>			
10	EN1. Materials used by weight or volume	Environmental Impact (page 115). No information is available on total volume of materials used	Full compliance
11	EN2. Percentage of materials used that are recycled input materials	Environmental Impact (page 116). No information is available on the percentage of recycled materials in total amount of materials used by the Company	Full compliance
12	EN3. Direct energy consumption by primary energy source	Energy Saving and Efficiency Improvement (page 129). Enterprises of TVEL FC do not use energy from renewable sources	Full compliance
13	EN4. Indirect energy consumption by primary source	Energy Saving and Efficiency Improvement (page 128, 130)	Full compliance
14	EN5. Energy saved due to conservation and efficiency improvements	Energy Saving and Efficiency Improvement (page 127)	Full compliance
15	EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Energy Saving and Efficiency Improvement (page 128)	Full compliance
16	EN7. Initiatives to reduce indirect energy consumption and reductions achieved	Currently, the Company has not developed any policy to promote management of other indirect energy consumption, as there are no applicable regulatory requirements	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
17	EN8. Total water withdrawal by source	Environmental Impact (page 117)	Full compliance
18	EN9. Water sources significantly affected by withdrawal of water	Environmental Impact (page 117)	Full compliance
19	EN10. Percentage and total volume of water recycled and reused	Environmental Impact (page 117)	Full compliance
20	EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Impact (page 121)	Full compliance
21	EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Environmental Impact (page 121). Information about the impact on biological diversity caused by Atomredmetzoloto JSC and NAC Kazatomprom JSC (major suppliers of uranium processed at the enterprises of TVEL FC) can be found in public annual reports of these companies	Full compliance
22	EN13. Habitats protected or restored	Environmental Impact (page 121)	Full compliance
23	EN14. Strategies, current actions, and future plans for managing impacts on biodiversity	Environmental Impact (page 121)	Full compliance
24	EN15. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Environmental Impact (page 121)	Full compliance
25	EN16. Total direct and indirect greenhouse gas emissions by weight	Environmental Impact (page 120)	Full compliance
26	EN17. Other relevant indirect greenhouse gas emissions by weight	Statutory legal acts regulating the interaction between enterprises of the Fuel Company and the contractors make no provisions for connection between the choice of the contractor and the environmental efficiency of the latter	Full compliance
27	EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved	Environmental Impact (page 120). The Company does not keep records of the number of the said initiatives aiming to reduce emissions of greenhouse gases, as there are no regulatory requirements to keep any such records and the cost of acquisition of any such information will by far exceed the effect from acquisition thereof	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
28	EN19. Emissions of ozone-depleting substances by weight	Environmental Impact (page 118)	Full compliance
29	EN20. NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight	Environmental Impact (page 120)	Full compliance
30	EN21. Total water discharge by quality and destination	Environmental Impact (page 118)	Full compliance
31	EN22. Total weight of waste by type and disposal method	Environmental Impact (page 115)	Full compliance
32	EN23. Total number and volume of significant spills	Environmental Impact (page 114)	Full compliance
33	EN24. Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste	Enterprises of TVEL FC are not engaged in cross-border movement of waste.	Full compliance
34	EN25. Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Environmental Impact (page 121)	Full compliance
35	EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Environmental Impact (page 114)	Full compliance
36	EN27. Percentage of products sold and their packaging materials that are reclaimed by category	Specifics of industry wherein TVEL FC conducts its business make no provisions for recycling of products and packaging materials	Full compliance
37	EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Impact (page 123)	Full compliance
38	EN29. Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Environmental Impact (page 120)	Full compliance
39	EN30. Total environmental protection expenditures and investments by type	Environmental Impact (page 122)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
<b>Labor Practices and Decent Work Performance Indicators</b>			
40	LA1. Total workforce by employment type, employment contract, and region, broken down by gender	Personnel Management (page 92)	Full compliance
41	LA2. Total number and rate of new employee hires and employee turnover by age group, gender, and region	Personnel Management (page 91)	Full compliance
42	LA3. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Payments and benefits to employees of the enterprises of TVEL FC are made or provided in accordance with collective labor agreements and vary from enterprise to enterprise of the Fuel Company. Collective agreement applies to all employees. All payments and benefits are in line with applicable labor laws	Full compliance
43	LA4. Percentage of employees covered by collective bargaining agreements	Labor Protection and Industrial Safety (page 91)	Full compliance
44	LA5. Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	In the event of any significant operational changes in or to the business of the Company, the employees are given at least 2-months' prior notice. This provision is envisaged by applicable labor laws of the Russian Federation and included in the Collective Agreement of each enterprise	Full compliance
45	LA6. Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Labor Protection and Industrial Safety (page 106). No joint committees and commissions comprising of representatives of employees and employers are created for this purpose	Full compliance
46	LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	Labor Protection and Industrial Safety (page 107)	Full compliance
47	LA8. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	The Fuel Company provides training to its employees with respect to serious diseases resulting from professional activities, including consulting, risk control and treatment. No such programs are envisaged for members of the employees' families and indigenous population	Full compliance
48	LA9. Health and safety topics covered in formal agreements with trade unions	Labor Protection and Industrial Safety (page 106)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
49	LA10. Average hours of training per year per employee by gender, and by employee category	Personnel Management (page 100)	Full compliance
50	LA11. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Personnel Management (page 100). No programs to assist change of career/lifestyle are envisaged for the retiring or dismissed employees	Full compliance
51	LA12. Percentage of employees receiving regular performance and career development reviews, by gender	Personnel Management (page 99)	Full compliance
52	LA13. Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Personnel Management (page 95)	Full compliance
53	LA14. (GRI G 3.1) Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Personnel Management (page 96)	Full compliance
54	LA15. (GRI 3.1) Return to work and retention rates after parental leave, by gender	Personnel Management (page 94)	Full compliance
<b>Performance Indicators – Society</b>			
55	SO1. Percentage of operations with implemented local community engagement, impact assessments, and development programs	Social Capital (page 131)	Full compliance
56	SO2. Percentage and total number of business units analyzed for risks related to corruption	Corruption Management and Settlement of Conflicts of Interest (page 59)	Full compliance
57	SO3. Percentage of employees trained in organization's anti-corruption policies and procedures	Corruption Management and Settlement of Conflicts of Interest (page 59)	Full compliance
58	SO4. Actions taken in response to incidents of corruption	Corruption Management and Settlement of Conflicts of Interest (page 59)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
59	SO5. Public policy positions and participation in public policy development and lobbying	Legal Scope of Activity of TVEL FC (page 57). ROSATOM State Corporation, TVEL FC does not participate in shaping of public policy and lobbying activities, excluding however development of suggestions related to legislative initiatives	Full compliance
60	SO6. Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	TVEL FC is not engaged in contributions, whether financial or in kind, to any political parties, politicians and related institutions	Full compliance
61	SO7. Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No serious violations of applicable laws by TVEL JSC and its enterprises were detected in 2013	Full compliance
62	SO8. Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	No serious violations of applicable laws by TVEL JSC and its enterprises were detected in 2013	Full compliance
63	SO9. (GRI G 3.1) Operations with significant potential or actual negative impacts on local communities	Nuclear and Radiation Safety (page 124)	Full compliance
64	SO10. (GRI G 3.1) Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities Performance Indicators – Product Liability	Nuclear and Radiation Safety (page 124)	Full compliance
<b>Performance Indicators – Product Liability</b>			
65	PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Quality Management (page 77)	Full compliance
66	PR2. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Labor Protection and Industrial Safety (page 109). Nuclear and Radiation Safety (page 127)	Full compliance
67	PR3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Not applicable due to specifics of products manufactured and services provided by TVEL FC enterprises	not applicable

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
68	PR4. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Not applicable due to specifics of products manufactured and services provided by TVEL FC enterprises	not applicable
69	PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Quality Management (page 78)	Full compliance
70	PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Due to specifics of activities conducted by TVEL FC, no programs related to the provision of correspondence to the legislation, standards, requirements of voluntary certification related to marketing communications, including publicity, product promotion and sponsorship are available	Full compliance
71	PR7. Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Not detected	Full compliance
72	PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable due to specifics of products manufactured and services provided by TVEL FC enterprises	not applicable
73	PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No fines charged in 2013	Full compliance

**Human Rights Performance Indicators**

74	HR1. Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	Procurement Activities (page 54)	Full compliance
75	HR2. Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	Procurement Activities (page 54)	Full compliance

No.	Indicator	Disclosure	Compliance with GRI G3.1 for Level A
76	HR3. Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Personnel Management (page 100)	Full compliance
77	HR4. Total number of incidents of discrimination and corrective actions taken	No discrimination cases detected in 2013	Full compliance
78	HR5. Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Personnel Management (page 104). The Company did not conduct any analysis of the suppliers in 2013 with respect to this indicator due to the absence of applicable regulatory requirements	Full compliance
79	HR6. Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	No child labor is possible in this company. Complex engineering of the enterprises implies that the worker should have at least secondary vocational education, therefore, employment of children is out of question. The Company did not conduct any analysis of the suppliers in 2013 with respect to this indicator due to the absence of applicable regulatory requirements	Full compliance
80	HR7. Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	TVEL FC is conducting its business in accordance with applicable laws of the Russian Federation which expressly forbid any use of forced labor. No cases of forced labor were detected in TVEL FC in 2013. The Company did not conduct any analysis of the suppliers in 2013 with respect to this indicator due to the absence of applicable regulatory requirements	Full compliance
81	HR8. Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Personnel Management (page 100)	Full compliance
82	HR9. Total number of incidents of violations involving rights of indigenous people and actions taken	Not detected	Full compliance
83	HR10. (GRI G 3.1) Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	TVEL FC does not evaluate any processes in the context of human rights or transactions evaluated for impact on human rights, excluding however the rights envisaged by labor laws and personal data laws	Full compliance
84	HR11. (GRI G 3.1) Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	No complaints were filed against TVEL FC in 2013 with respect to violation of human rights	Full compliance

### Appendix No. 3. Records of the Proposals Made by Stakeholders of TVEL FC

#### Offers made by TVEL FC Stakeholders in prior periods

Description	Implementation of plans and obligations
Try to make the Report reflect the customer's reaction to the "social care" that the Company provides to inhabitants of its region of presence	<b>Noted.</b> Feedback Form is available in printed and interactive versions of the Report for 2012 and 2013
By the end of 2011, the Company should make a consolidated plan of events and projects to promote the development of social and economic environment of the regions of presence of incorporate enterprises and make a section at its corporate Website where information about implementation of the plan will be updated on a regular basis	<b>Noted</b> to the extent applicable to planning the events and projects. Section "Social Capital". Section in the corporate Website that will be updated to provide details concerning the events and implementation of the plan – in perspective
By the end of 2012, make a section on Website dedicated to interaction between stakeholders (obligation pending)	<b>Partially noted.</b> Interactive versions of the 2013 and 2013 Reports have a Feedback Form
In order to improve the environmental management system, audit the appropriate systems at MSZ JSC, JSC CMP, JSC NNCP, JSC MZP and CC JSC, and continue the introduction of corporate and integrated environmental management system	<b>Noted.</b> Section "Quality Management"
Modify Programs of Quality Environment Object Monitoring ("the OMSN") in accordance with Guidelines prepared by Federal State Unitary Geological Enterprise Gidrospeitsgeologia	In 2012, Programs were modified at JSC AECC, JSC VNIINM, MSZ JSC, JSC NNCP and JSC CMP. Final coordination of the Object Monitoring Programs of JSC SGChE and JSC UEIP was planned for 2013. In 2013, modification and coordination of the OMSN of JSC SGChE and the Quality Environment Monitoring Center with ROSATOM State Corporation (Federal State Unitary Geological Enterprise Gidrospeitsgeologia) detected the need for additional technical measures in order to develop the network of observation wells; the Program can be coordinated only upon completion of the said measures. JSC UEIP in 2013 completed the development of network of observation wells comprising the OMSN System of the enterprise; the Program was modified; currently, the Program is undergoing the final stage of preparations for coordination with the Federal State Unitary Geological Enterprise Gidrospeitsgeologia. Results of the quality environment monitoring by JSC UEIP in conjunction with the Federal State Unitary Geological Enterprise Gidrospeitsgeologia were presented at the Round Table dedicated to Quality Environment Monitoring during the international forum AtomEco-2013



<i>Description</i>	<i>Implementation of plans and obligations</i>
Expand the strategic goal and mission of TVEL FC by adding a point about liquidation of nuclear legacy. Describe the procedures and plans of cooperation with ROSATOM State Corporation, including its enterprises and organizations, in the sphere of handling RAW	<b>Noted.</b> Section "TVEL FC Development Strategy"
Improve the existing and create new standards for working with veterans of the industry	<b>Noted.</b> In 2013, the Fuel Company introduced a new corporate program for provision of support to non-working pensioners that is consistent with corporate social policy of ROSATOM State Corporation Section "Social Capital"
Elucidate on the subject Corporate Science in the 2013 TVEL JSC Report	<b>Noted.</b> Section "Intellectual Capital". "Innovative Potential as Development Basis of TVEL FC" is one of the priorities of the 2013 TVEL JSC Report
Detailed description of social and economic impact of TVEL FC within the regions of presence should be provided in each Report of TVEL JSC	<b>Noted.</b> Section "Social Capital"
Do not make a separate chapter for "Sustainable Development" in the next Report but rather integrate this kind of activity in the main sections of the Report	<b>Noted.</b> Chapter "Management System"

### Suggestions Received from Stakeholders during the 2013 Reporting Campaign

GRI G3.1: 4.17

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
<b>Suggestions regarding the contents of the 2013 public report</b>		
Expand the audience of stakeholders questioned	Dialogue 1	The suggestion will be noted during the preparation of the 2014 Report
Issue abridged version of the annual report by April when forum/dialogue of ROSATOM State Corporation "Nuclear Energy, Society, Safety-2014" is held	Dialogue 1	Cannot be noted due to the time of the forum
Provide information in the annual report about personnel training and provision of support to veterans	Dialogue 1	Noted during the preparation of the Report, Section "Personnel Management"
Include roadmap for transition to GRI G4, including ranking of the activity aspects that are to be disclosed	Dialogue 1	Will be noted at the time of preparation of the first report under GRI G4
Upon conversion to GRI G4, focus on the basic level of disclosure	Dialogue 1	Will be noted at the time of preparation of the first report under GRI G4

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
Present the Annual Report of the FC for the year of 2013 at the site of JSC SGChE and other regions of presence of the Fuel Company	Dialogue 1	We expect this suggestion to be noted, subject to approval the 2014 budget of Public Relations Department
Publish the abridged version of the Annual Report on the Website of the Russian Atomic Community	Dialogue 1	Will be noted by way of publishing of press release about the issue of the public annual report of TVEL JSC
Each section of Chapter 4 of the Annual Report – "Outcomes by Capital" should also have description of the policy of activities and a list of events and plans up to 2030	Dialogue 1	Will be noted in the course of preparation of future reports
Chapter "Outcomes by Capital" in the 2013 Report should start with Section dedicated to innovations	Dialogue 1	Found not feasible
Add Section dedicated to risk management	Dialogue 1	Noted during the preparation of the Report, Section "Risk Management"
The Report should mention that the Fuel Company develops its business in compliance with mandatory safety provision in the broadest sense of word and keeps working on solution to the problem of "nuclear legacy". This kind of information is extremely important	Dialogue 2	Noted during the preparation of the Report, Chapter "Environmental Impact (Natural Capital)"
Description of innovative development should link the innovative projects in progress to corporate strategy of nuclear and non-nuclear spheres. It is important to point out the relationship between the Company's activities and the environment: context and analysis of conditions, potential and opportunities	Dialogue 2	Noted during the preparation of the Report, Section "TVEL FC Development Strategy", Section "Place of TVEL FC in the World Market of FE NFC" and Section "Innovative Activities in Non-Nuclear Industry"
The declared priority topic is beyond the scope of technology. Innovations are also used in organizational development and in social and economic relations. There is one more important component – education of the residents of the regions of presence of the Fuel Company, e.g. supporting programs to promote innovative thinking in schoolchildren, students and young employees of the enterprise. In 2013, JSC SGChE together with Seversk Technological Institute NRNU MEPhI held quite a number of events in this sphere. The primary goal is to build education process so as to encourage the ability to think innovative, develop scientific thinking in children and teach them innovative thinking methods. This is innovative training! We would like the Fuel Company to support these initiatives and include them in its 2013 Report.	Dialogue 2	Noted during the preparation of the Report, Section "Personnel Management"
It would be great, if the Report provided information not only about RPS and work on suggestions for improvement, but also information about the incentives (including pecuniary) that would encourage the personnel to make these suggestions	Dialogue 3	Noted during the preparation of the Report, Section "Productive Efficiency Management"

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
The Report should have information about training provided to the young people and students about work with children, i.e. training the next generation of workers of the Fuel Company	Dialogue 3	Noted during the preparation of the Report, Section "Personnel Management"
2014 is the year of culture in the Russian Federation. It would seem reasonable that the 2013 Report should be designed so as to reflect cultural diversity and riches of Russia (Malevich, Lisitsky, etc.)	Dialogue 3	The suggestion will be forwarded to the Company that designs the 2013 Report
Did not find information about contribution of the Fuel Company to big science in connection with prospective tasks	Dialogue 3	Noted during the preparation of the Report, Section "Fundamental Scientific Activity"
Forum-dialogue "Nuclear Energy, Society, Safety-2014" will be held in Moscow on April 10-11. This is the biggest event in the C.I.S. dedicated to this subject. The Fuel Company should think about presenting its draft annual report to the audience	Dialogue 3	Cannot be noted due to the time of the forum
Did not find information about cooperation of ROSATOM State Corporation with consortium of base universities. Nothing about human resources and engineering	Dialogue 3	Noted during the preparation of the Report, Section "Personnel Management"
Provide information about participation of universities comprising the consortium of base higher education institutions of ROSATOM State Corporation in scientific and engineering activities of the Fuel Company. Specifically, elucidate on the scientific and engineering areas involving the base universities that comprise the consortium, and on conformity of the amounts paid to the universities for R&D projects to the values set forth in the KPI of ROSATOM State Corporation Program for Innovative Development and Technological Modernization for the Period Up to 2020 (percentage of funding provided to universities for R&D Projects of total R&D outlays – 4% in 2013, 5% in 2015, etc.)	Dialogue 3	Not noted in 2013 reporting campaign. Will be noted at the time of preparation of the 2014 Statement
Checked the topic of formation of social harmony by the Fuel Company and found nothing about the role of trade unions. Extensive involvement of TVEL FC personnel and maintenance of environment of social harmony is in many ways the result of good relationship between the administration of the enterprises, trade unions, veteran councils and other workers' associations	Dialogue 3	Noted during the preparation of the Report, Section "Personnel Management"
One should understand that the subject of social capital is closely tied to the subject of industrial, human and reputation capital. One should elucidate on the types of capital in the business model and properly structure the information in the Report by each type of capital	Dialogue 3	Noted during the preparation of the Report, Section "Value Creation"
Comparing the salaries at various subsidiaries and affiliates of TVEL JSC and salaries in vital areas of business – this is a GRI. If the comparison is favorable, it must be published in the Report	Dialogue 3	Noted during the preparation of the Report, Section "Personnel Management"

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
Comments to the arrangement of information: the ROSATOM Production System is part of production activity, therefore, it does not seem to be correct when it only deals with social capital	Dialogue 3	Noted during the preparation of the Report, Chapter "Productive Efficiency Management", "Personnel Management"
The title "Natural Capital Management" is not proper. There is no legal basis for the term "natural capital". In addition, "Natural Capital" implies quite a bit more than "environment protection" or "Environmental Impact (Ecology)". TVEL FC is a user of natural resources only. Therefore, one should think of a more fitting title for the section that deals with environmental impact	Dialogue 3	Noted during the preparation of the Report, Chapter named "Environmental Impact (Natural Capital)". The Glossary contains definition of capitals in accordance with the IIRS
If you need to use the term "Natural Capital" in the Report pursuant to requirements of the IIRS, you should provide definition thereof in the Glossary	Dialogue 3	
"Zero emissions", "zero failure level" you should avoid using such terms in the Report. Mention the potential loss of containment of TVS, how the Fuel Company looks like in comparison with international practices in this aspect, and how the Company intends to minimize the possibility of any such loss to the values below international standards. Mention the objective to stay within the limits of emission rather than the number of malfunctions and emissions that are zero. It looks like an emotional report made using technically inappropriate language	Dialogue 3	"Zero Failure Level" is the official name of the project. The risk of loss of containment of TVS for NPP using VVER-1000 is addressed in Section "Quality Management"
If the Company intends to mention in its Report average points earned at the meetings dedicated to discussion of the FC strategy, the values should be presented no longer than two digits after the decimal point	Dialogue 3	Noted during the preparation of the Report, Section "Stakeholders engagement"
The diagram describing correlation of strategic goals of ROSATOM State Corporation and TVEL FC should highlight the point where the goal of ROSATOM State Corporation to ensure competitiveness of its products and the goals of the Fuel Company with respect to development of the second core business meet	Public consultation	Noted during the preparation of the Report, Section "TVEL FC Development Strategy"
Mitigation of the risks is the key result of corporate risk management system functioning. The Report should reflect this result. If the Company applies the same conceptual approaches to risk management, it would seem reasonable to make a link to the report made the year before, and sections describing the results of the year of report should mention specific events in the sphere of risk management held over the period of report and present the results (risk reduced/increased/unchanged)	Public consultation	Will be noted in the course of preparation of future annual reports
Information about the share on the markets of fabrication and enrichment should provide a link to the dynamics of the same values in previous years	Public consultation	Noted during the preparation of the Report, Section "Place of TVEL FC in the World Market of FE NFC"

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
National operator commenced its work in Russia to handle radioactive waste. It already experiences certain communication problems with the Closed Administrative Territorial Unit and with some enterprises. Public Council with ROSATOM State Corporation organized a working group to handle this matter. The forthcoming Report should provide information about the ways for the Company and its subsidiaries and affiliates to interact with the National Nuclear Waste Operator	Public consultation	Will be noted in the course of preparation of future annual reports
We found the information about cooperation agreements with the regions and we regret to say that information about implementation of these agreements in 2013 (for JSC SGChE – creation of BREST-300, physics and math lyceums, etc.) is scattered all over the Report. The authors should provide links to information about the agreements and description of specific results. This kind of information is important to our stakeholders	Public consultation	Noted during the preparation of the Report, Section “Development of the Regions of Presence”
Modify the table dedicated to the current products by development of new businesses of TVEL FC to present JSC SGChE as the main manufacturer of stable isotopes	Public consultation	Noted during the preparation of the Report, Section “Innovative Activities in Non-Nuclear Industry”
Update the section dedicated to cooperation agreements with the regions by adding information about negotiations held in 2013 and plans for 2014 with respect to signing such agreement between ROSATOM State Corporation and Irkutsk Region	Public consultation	Preparations were made in 2013 for signing of cooperation agreement between ROSATOM State Corporation and Irkutsk Region Administration. This work has yielded no specific results so far. Including this kind of information in the Report would be premature, because negotiations go on
The list of vital issues that need to be resolved in connection with drafting of the industrial program of strategic development of the Closed Administrative Territorial Unit mentions “development and synergy in transportation, social and engineering infrastructures of agglomeration Tomsk–Seversk and agglomeration Yekaterinburg-Novouralsk”	Public consultation	Partially noted in the course of preparation of the Report, Section “Development of the Regions of Presence”

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
<b>Suggestions with respect to activities of the Fuel Company</b>		
TVEL FC should make inter-generational continuity, including personnel training and support to veterans, a priority task	Dialogue 1	These are already mentioned among other priorities in corporate personnel policy. For details see Section “Personnel Management”
The Fuel Company should participate in Glazov Industrial Park Project. In 2013, the town administration drafted the concept and standard business plan for the local industrial park. Materials are open to public on the official Website of the town administration	Dialogue 2	Funds from TVEL FC are raised through additional taxation mechanisms under the plan of events funded by the consolidated group of taxpayers. The Program of Social and Economic Development of Glazov in 2013-2014 envisages disbursement of RUB 99 mln. at the cost of increased regional taxation for purposes of implementation of investment policy to promote job creation
The demand for nondestructive inspection aids is growing worldwide. This is about instrument engineering where JSC NNCP, JSC CMP, JSC VPA Tochmash, JSC SGChE and JSC VNIINM have sufficient skills and expertise. The Fuel Company should develop a program to get a piece of the action on this market. Among other things, one should engage expertise and innovative solutions of scientific organization beyond the loop of ROSATOM State Corporation, while using the existing know-how in aerospace, petroleum and other industries and adapting them to specifics of the nuclear sector	Dialogue 2	These projects are implemented by ROSATOM State Corporation
JSC PA ECP operates a unique automated industrial and environmental monitoring system that allows to get updates about the environment (including radiation) situation online. This ideology and structure should be supported and, probably, used as the basis for building the national monitoring system	Dialogue 3	These systems of industrial and environmental monitoring are operated by all environmentally important subsidiaries and affiliates of TVEL JSC. National monitoring system is within jurisdiction of the government and creation thereof is regulated by documents of the Ministry of Natural Resources and Environment of the Russian Federation
Creation of conditions for development of small and mid-sized businesses should be supported by ideas about the spheres where these businesses may operate within the Closed Administrative Territorial Unit. A lot of higher education institutions, such as the Lomonosov Moscow State University, have some interest projects on this matter	Dialogue 3	Comprehensive planning of business development in 2014 includes mapping of the area for assignment of prospective market niches to the existing and potential small and mid-sized businesses
Information Centers of nuclear industry may provide proper basis for establishment of external communications. You should acquire more projects for our centers	Dialogue 3	Continuous interaction with information center of nuclear industry is already going on for educational purposes. TVEL JSC provides funding every year in support of Autonomous Non-profit Organization Information Center of Nuclear Industry (ANO ICNI), see Section “Charitable Activity and Support of External Social Programs”

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
TVEL FC should consider the creation of a vertical structure similar to that of Rosenergoatom Concern JSC where interregional public veterans organization (MOOVK) functions successfully	Dialogue 3	Please keep in mind that all enterprises of the Fuel Company, unlike the NPP of Rosenergoatom Concern JSC, are stand-alone business entities with their own trade unions which usually have veterans organizations. At this time, TVEL FC is not thinking about the establishment of a public organization that would coordinate the activities of veterans organizations at the enterprises. This process may be started under the RPRAEP
Please send presentations to participants in advance, this would make the Dialogue more effective	Dialogue 3	This will be done whenever possible, subject to the terms of revision of the materials by the Permanent Technical Commission
Please note that execution of a collective agreement for each specific enterprise is a unique process, because the said agreement cannot be executed in a standard form that suits everyone. Locally, one often has a better insight into how to proceed with each specific social program. If we want to keep social harmony, put more trust in people locally	Dialogue 3	Draft collective agreements are examined by experts in accordance with recommendations of ROSATOM State Corporation. Fundamental principles of collective agreements have been repeatedly discussed at the meetings where chairmen of primary trade union cells have been delegated

\* Dialogue 1 held on December 12, 2013 was dedicated to the concept of public annual report of TVEL JSC for the year of 2013. Dialogue 2 and Dialogue 3 aimed to discuss with the stakeholders disclosure of priority topics in the public annual report («Innovative Potential as Development Basis of TVEL FC» and « Social Capital Management of TVEL FC»). Dialogue 4 –public consultations on the draft public annual report of TVEL JSC for the year of 2013.

## Appendix No. 4. Corporate Governance Code Compliance Report

<i>No.</i>	<i>Provision of the Corporate Governance Code</i>	<i>Observed or not observed</i>
<b>General Meeting of Shareholders</b>		
1.	Notification of shareholders about the General Meeting at least 30 days before the date when it is scheduled to convene regardless of the issues in its agenda, unless a longer term is envisaged by applicable laws	Not applicable because the Company has only the Sole Shareholder
2.	Ability of shareholders to study the list of persons entitled to participate in the General Meeting of Shareholders, starting from the day of notification on its holding and up to the ending of such meeting in person, and in case of an extra-mural General Meeting of Shareholders – and through the date of termination of voting bulletins acceptance term	Not applicable because the Company has only the Sole Shareholder
3.	Ability of shareholders to study the information (materials) that is to be presented in the course of preparation for the General Meeting of Shareholders, using the electronic means of communication, including the Internet	Compliant
4.	Ability of shareholders to suggest an issue to the agenda of the General Meeting of Shareholders or demand that the General Meeting of Shareholders is convened without provision of an excerpt from the Register of Shareholders, if its rights to the shares are recorded in the Register of Shareholders System, and if its rights to the shares are recorded by means of its deposit account, an excerpt from any such account shall be sufficient for exercising of any such rights	Not applicable because the Company has only the Sole Shareholder
5.	Provisions in the Articles of Association or any other internal regulations of the Joint-Stock Company requiring physical presence of the General Director, members of the board, members of the Board of Directors, members of the Audit Commission and the Auditor of the Joint-Stock Company at the general meeting of Shareholders	Not applicable because the Company has only the Sole Shareholder
6.	Mandatory presence of candidates at the General Meeting of Shareholders to consider the issues on the election of the members of the Board of Directors, the General Director, members of the board, members of the Audit Commission and approval of the Auditor of the Joint-Stock Company	Not applicable because the Company has only the Sole Shareholder
7.	Provisions in the internal regulations of the Joint-Stock Company that envisage any registration procedure for the participants of the general Meeting of Shareholders	Not applicable because the Company has only the Sole Shareholder
<b>Board of Directors</b>		
8.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to approve the annual financial and economic plan of the Joint-Stock Company	Compliant
9.	Risk management procedure approved by the Board of Directors of the Joint-Stock Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
10.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to suspend the authority of the General Director appointed by the general Meeting of Shareholders	Compliant
11.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to outline requirements to qualification of and establish the amount of remuneration due to the general Director, members of the board and managers of the main structural divisions of the Joint-Stock Company	Compliant
12.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to approve terms and conditions of agreements with the General Director and members of the board	Compliant
13.	Provisions in the Articles of Association or any other internal regulations of the Joint-Stock Company stipulating that the votes of members of the Board of Directors represented by the General Director and members of the board are to be disregarded at the time of approval of terms and conditions of the agreements with the General Director (Managing Company, Executive Manager)	Compliant
14.	At least three independent directors in the Board of Directors of the Joint-Stock Company who qualify under the Corporate Code of Conduct	Not compliant
15.	No individuals in the Board of Directors of the Joint-Stock Company who have been found guilty of economic crimes or crimes against the state authorities, interests of public service and service in the bodies of local self-government, or those who have been subject to administrative charges for violations committed in the course of entrepreneurial activities or in the sphere of finance, taxes and charges, or securities market	Compliant
16.	No individuals in the Board of Directors of the Joint-Stock Company who happen to be a participant, General Director (Executive Manager), member of the management body or employee of a legal entity competing with the Joint-Stock Company	Compliant
17.	Provision in the Articles of Association of the Joint-Stock Company about the election of the Board of Directors by cumulative voting	Not applicable because the Company has only the Sole Shareholder
18.	Provision in internal documents of the Joint-Stock Company obliging members of the Board of Directors to eschew activities which will or may cause conflict of interests between any such members and the Joint-Stock Company, and in the event of any such conflict – obligation to disclose any pertinent information to the Board of Directors	Compliant
19.	Provision in internal documents of the Joint-Stock Company obliging members of the Board of Directors to notify the said Council in writing of their intention to perform any transaction that involves securities of the Joint-Stock Company wherein they hold a position of a member of the Council of Director, including its subsidiaries and/or affiliates, and to disclose information about any such transactions involving any such securities	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
20.	Provision in internal documents of the Joint-Stock Company about meetings of the Board of Directors to be held at least once every six weeks	Compliant
21.	Meetings of the Board of Directors of the Joint-Stock Company to be held during the year covered in the annual report at least once in every six weeks	Compliant
22.	Provision in internal documents of the Joint-Stock Company outlining the procedure of the meeting of the Board of Directors	Compliant
23.	Provision in internal documents of the Joint-Stock Company about the Board of Directors to approve transactions of the Joint-Stock Company to the amount exceeding 10% of the value of corporate assets, excluding however transactions consummated in a normal course of business	Compliant
24.	Provision in internal documents of the Joint-Stock Company about the right of the Board of Directors to receive information from the executive bodies and managers of key structural divisions of the Joint-Stock Company necessary for performance of their functions and setting liability for failure to provide any such information	Compliant
25.	Availability of a committee of the Board of Directors for strategic planning or assignment of functions of the said committee to another committee (excluding however the committee for audit and committee for human resources and remuneration)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. The Sole Shareholder appoints the Board of Directors out of professionals and considering the ability thereof to perform the assignment. The Board of Directors comprises mostly of the external directors who are not employed by the Company and are represented by professionals sufficiently experienced and savvy to the specifics of the industry and business of the Company. Sector-specific divisions of Atomenergoprom JSC perform functions of committees with the Board of Directors of the Company
26.	Availability of a committee of the Board of Directors (committee for audit) that gives recommendations to the Board of Directors regarding auditor of the joint stock company and interacts with the Council and the Audit Commission of the Joint-Stock Company	
27.	The committee for audit comprising of independent and non-executive directors only	
28.	An independent director in charge of the committee for audit	
29.	Provision in internal documents of the Joint-Stock Company that provides to all members of the committee for audit open access to any documents and information of the Joint-Stock Company subject to compliance with confidentiality clause	
30.	Creation of a committee of the Board of Directors (committee for human resources and remuneration), the function of which is to identify the criteria of selection of candidates to members of the Board of Directors and outline the policy of the Joint-Stock Company in the field of remuneration	
31.	An independent director to run the committee for human resources and remuneration	
32.	No executives of the Joint-Stock Company among members of the committee for human resources and remuneration	

No.	Provision of the Corporate Governance Code	Observed or not observed
33.	Creation of a risk management committee with the Board of Directors or assigning the functions of the said committee to another committee (excluding however the committee for audit and the committee for human resources and remuneration)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. The Sole Shareholder appoints the Board of Directors out of professionals and considering the ability thereof to perform the assignment. The Board of Directors comprises mostly of the external directors who are not employed by the Company and are represented by professionals sufficiently experienced and savvy to the specifics of the industry and business of the Company. Sector-specific divisions of Atomenergoprom JSC perform functions of committees with the Board of Directors of the Company
34.	Establishment of a committee with the Board of Directors for settlement of corporate conflicts or assigning the functions of the said committee to another committee (excluding however the committee for audit and the committee for human resources and remuneration)	
35.	No executives of the Joint-Stock Company among members of the committee for settlement of corporate conflicts	
36.	An independent director to run the committee for settlement of corporate conflicts	
37.	Internal documents of the Joint-Stock Company approved by the Board of Directors that regulate the formation and functioning of the committees with the Board of Directors	
38.	Provision in the Articles of Association of the Joint-Stock Company outlining the procedure of establishment of a quorum at the Board of Directors that permits mandatory participation of independent directors in the meetings of the Board of Directors	

#### Executive Bodies

39.	Availability of a collegiate executive body (board) in the Joint-Stock Company	No collegiate executive body is envisaged by the Articles of Association of the Company
40.	Provision in the Articles of Association or internal documents of the Joint-Stock Company that requires the board to approve transactions with immovable property and acquisition of loans, if the aforementioned does not constitute major transactions and the performance thereof is beyond the scope of normal business activity of the Joint-Stock Company	
41.	Provision in internal documents of the Joint-Stock Company concerning the procedure of coordination of transactions beyond the scope of financial and business plan of the Joint-Stock Company	Compliant
42.	No individuals in the executive bodies of the Joint-Stock Company who happen to be a participant, General Director (Executive Manager), member of the management body or employee of a legal entity competing with the Joint-Stock Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
43.	No individuals in the executive bodies of the Joint-Stock Company who have been found guilty of economic crimes or crimes against the state authorities, interests of public service and service in the bodies of local self-government, or those who have been subject to administrative charges for violations committed in the course of entrepreneurial activities or in the sphere of finance, taxes and charges, or securities market. If an Managing company (Executive Manager) performs functions of the sole executive body – compliance of the General Director and members of the board of the Managing company or the Executive Manager with requirements to the General Director and members of the board of the Joint-Stock Company	Compliant
44.	Provision in the Articles of Association or internal documents of the Joint-Stock Company that prohibits the Managing company (Executive Manager) to perform similar functions at a rival company and have any property relationship with the Joint-Stock Company beyond the scope of provision of services of the Managing Company (Executive Manager)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. No provision is made for the transfer of functions of the executive body to the Managing Company (Executive Manager)
45.	Provision in internal documents of the Joint-Stock Company obliging the executive bodies to eschew activities which will or may cause conflict of interests between any such bodies and the Joint-Stock Company, and in the event of any such conflict – obligation to notify the Board of Directors accordingly	No collegiate executive body is envisaged by the Articles of Association of the Company
46.	Provision in the Articles of Association or internal documents of the Joint-Stock Company outlining the criteria for selection of an Managing Company (Executive Manager)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. No provision is made for the transfer of functions of the executive body to the Managing Company (Executive Manager)
47.	Executive bodies of the Joint-Stock Company to report on a monthly basis to the Board of Directors	Compliant
48.	Liability for breach of confidentiality and abuse of proprietary information envisaged by agreements entered into by and among the Joint-Stock Company and the General Director (Managing Company, Executive Manager) and members of the Board	Compliant

#### Secretary of the Company

49.	Availability of a special executive (secretary) whose objective is to ensure compliance with procedures by the bodies and executive officers of the Joint-Stock Company to guarantee the exercise of rights and lawful interests of the shareholders	Secretary of the Board of Directors performs functions of the corporate secretary of the Joint-Stock Company
50.	Provision in the Articles of Association or internal documents of the Joint-Stock Company outlining the procedure of appointment (election) of the secretary and its duties and obligations	Compliant
51.	Provision in the Articles of Association outlining requirements to the secretary of the Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
<b>Essential Corporate Actions</b>		
52.	Provision in the Articles of Association or internal documents of the Joint-Stock Company outlining requirements to approval of a major transaction before it is consummated	Compliant
53.	Mandatory engagement of an independent professional to estimate market value of property that is the subject matter of a major transaction	Compliant
54.	The Articles of Association prohibiting any actions in the course of acquisition of major minority shareholding (takeover) aiming to protect the interests of executive bodies (members thereof) and members of the Board of Directors of the Joint-Stock Company as well as actions that make the position of shareholders worse (specifically, prohibiting the Board of Directors to approve before the expiry date of the expected purchase of the shares any additional issue of the shares or securities that may be converted into shares, or securities that give the right to purchase the shares of the Company, even if the Board of Directors has any such right under the Articles of Association)	Articles of Association have no provisions prohibiting any actions in the course of acquisition of major minority shareholding (takeover) aiming to protect the interests of executive bodies (members thereof) and members of the Board of Directors of the Joint-Stock Company as well as actions that make the position of shareholders worse
55.	Provision in the Articles of Association that envisages mandatory contracting of an independent appraiser for the establishment of current market value of the shares and potential changes in the said value resulting from takeover	Articles of Association have no provision that envisages mandatory contracting of an independent appraiser for the establishment of current market value of the shares and potential changes in the said value resulting from takeover
56.	No provision in the Articles of Association of the Joint-Stock Company that exempts the buyer from obligation to suggest to the shareholders that they should sell their ordinary shares (equity securities that can be converted into ordinary shares) at the time of takeover	Compliant
57.	Provision in the Articles of Association or internal documents of the joint-stock that envisages mandatory contracting of an independent appraiser to estimate the share conversion rates at the time of reorganization	Articles of Association or internal documents of the joint-stock have no provisions that envisage mandatory contracting of an independent appraiser to estimate the share conversion rates at the time of reorganization
<b>Disclosure of Information</b>		
58.	Availability of internal document approved by the Board of Directors that sets the disclosure rules and procedures for the Joint-Stock Company (Provisions on Information Policy)	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
59.	Provision in internal documents of the Joint-Stock Company that requires to disclose information about the purpose of placement of the shares and about the individuals who intend to purchase any such shares, including a big package thereof, and about participation (if any) of chief executive officers of the Joint-Stock Company in the purchase of the said shares	Internal documents of the Joint-Stock Company contain no provision that requires to disclose information about the purpose of placement of the shares and about the individuals who intend to purchase any such shares, including a big package thereof, and about participation (if any) of chief executive officers of the Joint-Stock Company in the purchase of the said shares
60.	Provision in internal documents of the Joint-Stock Company that identifies the list of information, documents and materials that shall be made available to the shareholders for decision-making on the issues considered at the General Meeting of Shareholders	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. Pursuant to the cooperation Regulations, the Company shall provide to Atomenergoprom JSC any information in addition to the scope envisaged by the federal Law "On Joint-Stock Companies"
61.	Availability of a Website and provision of information about the Joint-Stock Company therein on a regular basis	Compliant
62.	Provision in internal documents of the Joint-Stock Company that requires disclosure of information about transactions between the Joint-Stock Company and individuals who are chief executive officers of the same Joint-Stock Company as defined by the Articles of Association, and about any transactions between the Joint-Stock Company and other companies wherein chief executive officers of the Joint-Stock Company own, directly or otherwise, at least 20% of the authorized capital, or the companies that may be subject to considerable influence of any such individuals	Not applicable.
63.	Provision in internal documents of the Joint-Stock Company that requires disclosure of information about all and any transactions that are capable of affecting the market value of the shares of the Joint-Stock Company	Not applicable because shares of the Company are not floated on equity markets
64.	Availability of internal document approved by the Board of Directors that regulates the use of essential information about the activities of the Joint-Stock Company, its shares and other securities and transactions with the same, which is not public domain and, if disclosed, may considerably affect the market value of the shares and other securities of the Joint-Stock Company	Not applicable because shares of the Company are not floated on equity markets
<b>Control of Financial and Economic Activities</b>		
65.	Availability of procedures approved by the Board of Directors that regulate the internal control of financial and economic activities of the Joint-Stock Company	Compliant
66.	Availability of a special division (supervision and auditing service) that supervises the compliance with the internal control procedures of the Joint-Stock Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
67.	Provision in internal documents of the Joint-Stock Company that requires the Board of Directors to identify the structure and composition of the supervision and auditing service of the Joint-Stock Company	Compliant
68.	No individuals in the supervision and auditing service of the Joint-Stock Company who have been found guilty of economic crimes or crimes against the state authorities, interests of public service and service in the bodies of local self-government, or those who have been subject to administrative charges for violations committed in the course of entrepreneurial activities or in the sphere of finance, taxes and charges, or securities market	Compliant
69.	No individuals in the supervision and auditing service of the Joint-Stock Company who are members of executive bodies of the Joint-Stock Company and participants, General Director (Executive Manager), members of the management bodies or employees of a legal entity that is rival to the Joint-Stock Company	Compliant
70.	Provision in internal documents of the Joint-Stock Company that sets deadlines for submission of documents and materials to the supervision and auditing service for the assessment of a consummated financial and business transaction, and liability of executives and employees of the Joint-Stock Company for failure to submit the said documents and materials within the established terms	Compliant
71.	Provision in internal documents of the Joint-Stock Company that obliges the supervision and auditing service to report any violations it detects to the committee for audit (and in the absence thereof – to the Board of Directors of the Joint-Stock Company)	Compliant
72.	Provision in the Articles of Association of the Joint-Stock Company that requires the supervision and auditing service to conduct preliminary assessment of feasibility of transactions beyond the scope of the financial and economic plan of the Joint-Stock Company (unconventional transactions)	Articles of Association of the Joint-Stock Company contain no provision that requires the supervision and auditing service to conduct preliminary assessment of feasibility of transactions beyond the scope of the financial and economic plan of the Joint-Stock Company (unconventional transactions). These requirements are set by the internal documents of the Company.
73.	Provision in internal documents of the Joint-Stock Company that sets the procedure of coordination of the unconventional transaction with the Board of Directors	Compliant
74.	Availability of an internal document approved by the Board of Directors that outlines the procedure of audit of financial and business activities of the Joint-Stock Company by the Audit Commission	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
75.	The Audit Committee to appraise the audit report prior to presentation thereof to the shareholders at the general meeting	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. The Sole Shareholder appoints the Board of Directors out of professionals and considering the ability thereof to perform the assignment. The Board of Directors comprises mostly of the external directors who are not employed by the Company and are represented by professionals sufficiently experienced and savvy to the specifics of the industry and business of the Company. Sector-specific divisions of Atomenergoprom JSC perform functions of committees with the Board of Directors of the Company

#### Dividends

76.	Availability of an internal document approved by the Board of Directors and used by the same upon the approval of recommendations regarding the amount of dividends (Dividends Policy Regulations)	Atomenergoprom JSC regulates the Dividends Policy of the Company on the basis of financial performance, investment plans of the Company and industry
77.	Provision in the Dividends Policy Regulations that outlines the procedure of estimating the minimum share of net profit that the Joint-Stock Company shall use for payment of dividends, as well as terms and conditions when dividends are to be paid out partially or no dividends are payable under the preferred shares, the amount of which is set in the Articles of Association of the Joint-Stock Company	
78.	Publication of information about the Dividends Policy of the Joint-Stock Company and amendments thereto in a periodical edition envisaged by the Articles of Association of the Joint-Stock Company for announcement of General Meetings of Shareholders, and publication of the said data on the official Website of the Joint-Stock Company	



## Financial Statements for the year 2013

Balance sheet as at December 31, 2013

Organization TVEL Joint Stock Company	<b>Form under OKUD</b>	Codes
Taxpayer Identification Number	<b>Date (day, month, year)</b>	0710001
Type of business Production of nuclear fuel	<b>under OKPO</b>	31   12   2013
Form of incorporation / form of ownership Joint Stock Company	<b>TIN</b>	45046040
Measurement unit: in thousand RUB	<b>under OKVED</b>	7706123550
Location (address) Bld.24, Bolshaya Ordynka st., Moscow, 119017	<b>under OKOPF / OKFS</b>	23.30
	<b>under OKEI</b>	12247   16
		384

Comments	Index description	Code	As on December 31, 2013	As on December 31, 2012	As on December 31, 2011
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### Assets

#### I. Non-current assets

4.1, 4.9	Intangible assets	1110	744,233	418,026	28,685
4.2, 4.9	Results of research and development	1120	1,758,298	1,768,853	1,227,845
4.3	Fixed assets	1150	301,118	264,814	299,510
	Buildings, vehicles, equipment etc.	1151	286,641	213,382	285,025
	Capital investments in progress	1152	13,991	1,092	11,752
4.9	Advances to suppliers	1153	486	50,340	2,733
4.3, 4.9	Income-bearing investments in tangibles	1160	2,488,089	2,823,171	3,194,114
4.6	Financial investments	1170	229,717,502	227,731,322	223,288,158
4.18	Deferred tax assets	1180	–	–	79 459
4.4	Other non-current assets	1190	1,769,667	1,879,439	1,366,983
	Total for section I	1100	236,778,907	234,885,625	229,484,754

#### II. Current assets

4.5	Stock	1210	85,822,038	70,010,415	55,523,371
	Raw, materials and other similar assets	1211	7,809,561	8,913,840	4,709,306

Comments	Index description	Code	As on December 31, 2012	As on December 31, 2012	As on December 31, 2011
	Work in progress expenditures	1212	62,859,501	49,505,259	37,840,454
	Finished products and goods for resale	1213	15,152,976	11,418,279	12,973,611
	Shipped goods	1214	–	173 037	–
	Prepaid expenses	1215	–	–	–
	Not presented for payment but accrued revenue	1216	–	–	–
	Other stock and expenses	1217	–	–	–
	Value added tax on aquired assets	1220	11,356,957	9,059,577	7,701,108
4.9	Accounts receivable	1230	19,780,606	16,784,840	12,084,951
	Long-term accounts receivable – total	1231	1,106,542	262,814	361,113
	Settlements with buyers and customers	1232	44,424	76,178	107,932
	Advances made	1233	5,105	–	–
	Other debtors	1234	1,057,013	186,636	253,181
	Short-term accounts receivable – total	1235	18,674,064	16,522,026	11,723,838
	Settlements with buyers and customers	1236	6,476,450	11,067,812	6,528,734
	Advances made	1237	3,607,282	2,455,638	2,931,694
	Other debtors	1238	8,590,332	2,998,576	2,263,410
4.6	Financial investments	1240	547,687	3,454,314	2,844,650
4.8	Cash	1250	2,390,128	4,382,332	4,747,646
	Other current assets	1260	200,709	1,101,254	918,068
	Total for section II	1200	120,098,125	104,792,732	83,819,794
	<b>Balance</b>	<b>1600</b>	<b>356,877,032</b>	<b>339,678,357</b>	<b>313,304,548</b>

### Liabilities

#### III. Capital and reserves

Equity capital (pooled capital, collective capital, contribution of partners)	1310	22,962	22,962	22,962
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Comments	Index description	Code	As on December 31, 2013	As on December 31, 2012	As on December 31, 2011
	Own shares redeemed from shareholders	1320	(-)	(-)	(-)
	Revaluation of non-current assets	1340	-	-	-
	Added capital (without revaluation)	1350	181,524,792	181,735,153	181,735,316
	Reserve capital	1360	8,972	26,798	25,538
4.16	Reserves formed in accordance with legislation	1361	7,824	25,650	24,390
	Reserves formed in accordance with founding documents	1362	1,148	1,148	1,148
	Undistributed profit (uncovered loss)	1370	89,864,036	91,676,694	92,083,860
	Total for section III	1300	271,420,762	273,461,607	273,867,676

## IV. Long-term liabilities

	Borrowed funds	1410	7,993,031	3,735,233	-
	Deferred tax liabilities	1420	122,375	174,975	-
	Estimated liabilities	1430	-	-	-
	Other liabilities	1450	981,324	586,912	-
	Total for section IV	1400	9,096,730	4,497,120	-

## V. Short-term liabilities

4.15	Borrowed funds	1510	33,732,964	27,910,479	11,956,933
4.12	Accounts payable	1520	41,488,165	32,519,968	26,802,261
	Suppliers and contractors	1521	22,100,035	14,441,780	8,055,076
	Advances received	1522	16,663,672	17,820,789	18,702,484
	Accounts payable to employees	1523	191	611	275
	Accounts payable to state non-budget bodies	1524	-	-	-
	Accounts payable in respect of taxes and levies	1525	14,624	70,901	16,572
	Other creditors	1526	2,709,643	185,887	27,854

Comments	Index description	Code	As on December 31, 2012	As on December 31, 2012	As on December 31, 2011
4.11	Deferred income	1530	8,043	8,592	16,997
4.17	Estimated liabilities	1540	817,893	1,224,600	644,847
	Other liabilities	1550	312,475	55,991	15,834
	Total for section V	1500	76,359,540	61,719,630	39,436,872
	<b>Balance</b>		<b>356,877,032</b>	<b>339,678,357</b>	<b>313,304,548</b>

Senior Vice-President,  
Finance, Economy and  
Corporate Governance

(signature)



N.V. Nikipelova  
(name)



Chief  
accountant

(signature)

O.V. Pechkina  
(name)

## Profit and Loss Statement for the year 2013

Organization TVEL Joint Stock Company

Taxpayer Identification Number

Type of business Production of nuclear fuel

Form of incorporation / form of ownership Joint Stock Company

Measurement unit: in thousand RUB

Location (address) Bld.24, Bolshaya Ordynka st., Moscow, 119017

	Codes
Form under OKUD	0710002
Date (day, month, year)	31   12   2013
under OKPO	45046040
TIN	7706123550
under OKVED	23.30
under OKOPF / OKFS	12247   16
under OKEI	384

Comments	Index description	Code	As on December 31, 2013	As on December 31, 2012
4.19	Proceeds, including	2110	106,701,619	102,758,386
	proceeds from sale of own products		87,398,527	78,394,400
	proceeds from sale of goods		-	-
	proceeds from carrying out work, rendering services		15,870,724	21,233,887
4.19	Prime cost of sales, including	2120	(75,722,527)	(70,515,682)
	prime cost of sales of own products		(57,891,889)	(50,484,780)

Comments	Index description	Code	As on December 31, 2013	As on December 31, 2012
	prime cost of sales of goods		(-)	(-)
	prime cost of carrying out work, rendering services		(14,989,136)	(17,822,826)
	Gross profit (loss)	2100	30,979,092	32,242,704
4.19	Commercial expenses	2210	(1,302,238)	(1,405,774)
4.19	Management expenses	2220	(6,803,476)	(5,228,577)
	Sales profit (loss)	2200	22,873,378	25,608,353
4.20	Income from participation in other entities	2310	4,150,891	515,740
4.20	Interest receivable	2320	457,967	326,448
4.20	Interest payable	2330	(1,697,016)	(979,779)
4.20	Other income, including	2340	867,122	3,769,534
	Income from lease out of fixed assets (net) Long lead equipment		467,550	493,572
	Income from revaluation of securities at market value		-	860,397
	Income from currency differences on liabilities and assets in foreign currency		-	765,174
	Income from property and monetary assets from federal, regional and local budget (financial activities)		-	574,127
	Income from currency purchase and sale transactions		64,090	-
	Income from inventory surplus and other property as a result of inventory check		240,655	239,495
	Other income (net)		-	258,144
4.20	Other expenses, including	2350	(6,295,796)	(5,111,530)
	Expenses associated with lease out of fixed assets		(348,486)	(355,183)
	Expenses for provisions for financial investments impairment		(-)	(2,359,351)
	Expenses from currency differences on liabilities and assets in foreign currency		(1,353,059)	(-)
	Expenses from revaluation of securities at market value		(2,150,397)	(-)

Comments	Index description	Code	As on December 31, 2013	As on December 31, 2012
	Expenses for charity and voluntary contributions		(-)	(395,230)
	Expenses for R&D and design and survey work		(1,242,176)	(918,502)
	Expenses from tax claims		(-)	(471,534)
	Other expenses		(367,743)	(-)
	Income (loss) before tax	2300	20,356,546	24,128,766
	Current profit tax	2410	(3,632,569)	(4,794,844)
4.18	including standing tax liabilities (assets)	2421	(338,492)	(326,016)
4.18	Variation of deferred tax liabilities	2430	1,172	(126,612)
4.18	Variation of deferred tax assets	2450	51,428	(127,822)
	Other	2460	(104,508)	-
	Redistribution of profit tax within consolidated group of taxpayers	2465	452,761	-
	Net profit (loss)	2400	17,124,830	19,079,488

## For reference only

	Result of revaluation of non-current assets not to be included in net profit (loss) of the period	2510		
	Result of other operations not to be included in net profit (loss) of the period	2520	(210,361)	(162)
	Cumulative financial result for the period <sup>8</sup>	2500	16,914,469	19,079,326
4.21	Basic earnings (loss) per share	2900	1	1
	Diluted earnings (loss) per share	2910		

Senior Vice-President,  
Finance, Economy and  
Corporate Governance

(signature)

Chief  
accountant

(signature)

O.V. Pechkina  
(name)

Capital Statement for the year 2013		Codes
Organization TVEL Joint Stock Company	<b>Form under OKUD</b>	0710003
Taxpayer Identification Number	<b>Date (day, month, year)</b>	31   12   2013
Type of business Production of nuclear fuel	<b>under OKPO</b>	45046040
Form of incorporation / form of ownership Joint Stock Company	<b>TIN</b>	7706123550
Measurement unit: in thousand RUB	<b>under OKVED</b>	23.30
Location (address) Bld.24, Bolshaya Ordynka st., Moscow, 119017	<b>under OKOPF / OKFS</b>	12247   16
	<b>under OKEI</b>	384

## I. Flow of capital

Index description	Code	Equity capital	Own shares redeemed from shareholders	Added capital	Reserve capital	Undistributed profit (uncovered loss)	Total
Value of the capital as of December 31, 2011	3100	22962		181,735,316	25,538	92,083,860,	273,867,676
<b>For the year 2012</b>							
Increase of capital – total:	3210			705	2,075,673	19,079,488	21,155,866
including: net profit	3211					19,079,488	19,079,488
revaluation of property	3212						
income charged directly to increase of capital	3213			705	2,075,673		2,076,378
additional emission of shares	3214						
increase in the par value of shares	3215						
reorganization of the legal entity	3216						
use of industry-based reserves for investment purposes	3217						
Reduction of the capital – total:	3220			(868)	(2,074,413)	(19,486,654)	(21,561,935)
including: loss	3221						
revaluation of property	3222						

Index description	Code	Equity capital	Own shares redeemed from shareholders	Added capital	Reserve capital	Undistributed profit (uncovered loss)	Total
expenses charged directly to reduction of the capital	3223			(868)	(2,074,413)		(2,075,281)
decrease in the par value of shares	3224						
decrease in the number of shares	3225						
reorganization of the legal entity	3226						
dividends	3227					(19,486,654)	(19,486,654)
Change in the added capital	3230						
Change in the reserve capital	3240						–
Value of the capital as on December 31, 2012	3200	22,962		181,735,153	26,798	91,676,694	<b>273,461,607</b>

## For the year 2013

Increase of the capital – total:	3310	–	–	394,731	3,384,125	17,124,830	20,903,686
including: net profit	3311					17,124,830	17,124,830
revaluation of property	3312						–
income charged directly to increase of capital	3313			394,731	3,384,125		3,778,856
additional emission of shares	3314						–
increase in the par value of shares	3315						–
reorganization of the legal entity	3316						–
use of industry-based reserves for investment purposes	3317						–
Reduction of the capital – total:	3320			(605,092)	(3,401,951)	(18,937,488)	(22,944,531)
including: loss	3321						–
revaluation of property	3322						–

Index description	Code	Equity capital	Own shares redeemed from shareholders	Added capital	Reserve capital	Undistributed profit (uncovered loss)	Total
expenses charged directly to reduction of the capital	2223			(605,092)	(3,401,951)	( )	(4,007,043)
decrease in the par value of shares	3324						—
decrease in the number of shares	3325						—
reorganization of the legal entity	3326						—
dividends	3327					(18,937,488)	(18,937,488)
Change in the added capital	3330						—
Change in the reserve capital	3340				( )	( )	(—)
Value of the capital as on December 31, 2013	3300	22962		181,524,792	8,972	89,864,036	271,420,762

## II. Corrections due to change in the accounting policy and elimination of errors

Index description	As of December 31, 2011	Changes in the capital for 2012		As of December 31, 2012
		on account of the net profit (loss)	based on other factors	
<b>Capital – total</b>				
before corrections				—
correction due to: change in the accounting policy	—			—
elimination of errors				
after corrections	—			
<b>including:</b>				
undistributed profit (uncovered loss): before corrections				
correction due to: change in the accounting policy				—
elimination of errors				

Index description	As of December 31, 2011	Changes in the capital for 2012		As of December 31, 2012
		on account of the net profit (loss)	based on other factors	
after corrections	—			
other capital items, where corrections were made:				
<b>Added capital</b>				
before corrections				
correction due to: change in the accounting policy				
elimination of errors				
after corrections				—
<b>Reserve capital</b>				
before corrections				
correction due to: change in the accounting policy				—
elimination of errors				
after corrections	—	—	—	—

## III. Net assets

Index description	Code	As on December 31, 2012	As on December 31, 2012	As on December 31, 2011
Net assets	3600	271,428,805	273,470,199	273,884,673

Senior Vice-President,  
Finance, Economy and  
Corporate Governance

(signature)



N.V. Nikipelova  
(name)



Chief  
accountant

(signature)

O.V. Pechkina  
(name)

Cash Flow Statement for the year 2013		Codes	
Organization TVEL Joint Stock Company	<b>Form under OKUD</b>	0710004	
Taxpayer Identification Number	<b>Date (day, month, year)</b>	31	12   2013
Type of business Production of nuclear fuel	<b>under OKPO</b>	45046040	
Form of incorporation / form of ownership Joint Stock Company	<b>TIN</b>	7706123550	
Measurement unit: in thousand RUB	<b>under OKVED</b>	23.30	
Location (address) Bld.24, Bolshaya Ordynka st., Moscow, 119017	<b>under OKOPF / OKFS</b>	12247	16
	<b>under OKEI</b>	384	

<i>Index description</i>	<i>Code</i>	<i>Over 12 months of 2013</i>	<i>Over 12 months of 2012</i>
<b>Cash flow associated with day-to-day operations</b>			
Receipts – total	4110	109,809,008	101,611,222
including:			
to suppliers (contractors) for raw materials, materials, works, services	4111	109,396,513	98,212,987
from lease payments, license payments, royalty and other similar payments	4112	49,582	49,492
from re-sale of financial investments	4113		
other receipts	4119	362,913	3,348,743
Payments – total	4120	(100,191,433)	(93,117,115)
including:			
to suppliers (contractors) for raw materials, materials, works, services	4121	(87,292,384)	(80,370,719)
associated with remuneration of employees labour	4122	(1,707,353)	(1,580,452)
interest on debt obligations	4123	(1,768,983)	(922,066)
corporate profit tax	4124	(4,474,476)	(4,576,032)
other payments	4129	(4,948,237)	(5,667,846)
Balance of cash flow associated with day-to-day operations	4100	9,617,575	8,494,107

**Cash flow associated with investment activities**

Receipts – total	4210	38,013,383	9,532,236
including:			
from sale of non-current assets (except for financial investments)	4211	91,046	88,588

<i>Index description</i>	<i>Code</i>	<i>Over 12 months of 2013</i>	<i>Over 12 months of 2012</i>
from sale of shares (participation shares) in other organizations	4212		95,334
from return of loans granted, from sale of debt securities (rights of funds claim from third parties)	4213	33,387,077	8,562,630
Dividends, interest from long-term financial investments and similar revenues from share interests in other companies	4214	4,515,309	758,222
other receipts	4219	19,951	27,462
Payments – total	4220	(39,446,025)	(19,229,335)
including:			
associated with acquisition, creation, modernization, reconstruction and preparation for current assets operation	4221	(3,377,339)	(4,030,995)
associated with acquisition of shares (participation shares) in other organizations	4222	(5,581,706)	(5,991,798)
associated with acquisition of debt securities (rights of funds claim from third parties), loans provision to third parties	4223	(30,480,200)	(9,170,982)
interest on debt obligations included in the value of investment asset	4224	( )	( )
other payments	4229	(6,780)	(35,560)
Balance of cash flow associated with investment activities	4200	(1,432,642)	(9,697,099)

**Cash flow associated with financial activities**

Receipts – total	4310	71,791,214	46,950,074
including:			
getting credits and loans	4311	71,791,214	46,950,074
owners' (participants') money deposits	4312		
from issue of shares, increase in participation shares	4313		
from issue of bonds, promissory notes and other debt securities and etc.	4314		
budgetary provisions and other target financing	4315		
other receipts	4319		
Payments – total	4320	(82,327,879)	(45,954,648)
including:			
to owners (participants) due to repurchase their shares or their resignation	4321	( )	( )

Index description	Code	Over 12 months of 2013	Over 12 months of 2012
for payment of dividends and other payments under distribution of profit in favour of owners (participats)	4322	(18,937,488)	(19,486,653)
associated with payment (repurchase) of promissory notes and other debt securities, repayment of credits and loans	4323	(63,390,391)	(26,467,995)
other payments	4329	( )	( )
Balance of cash flow associated with financial operations	4300	(10,536,665)	995,426
Balance of cash flow for the reporting period	4400	(2,351,732)	(207,566)
Balance of cash and cash equivalents as of reporting period beginning	4450	4,382,333	4,747,646
Balance of cash and cash equivalents as of reporting period end	4500	2,390,128	4,382,333
Effect of exchange rate changes to ruble	4490	359,528	(157,747)

Senior Vice-President,  
Finance, Economy and  
Corporate Governance

(signature)



N.V. Nikipelova  
(name)

Chief  
accountant

(signature)

O.V. Pechkina  
(name)



## Auditors' Report concerning the Financial Statements

**Auditors' report concerning the financial statements**  
for the period from January 1 through to December 31, 2013

### Auditors' report

To the shareholders of Joint  
Stock Company TVEL

### Audited party

**Name:**  
Joint Stock Company TVEL (hereinafter TVEL JSC)

**Location:**  
Bld.24, Bolshaya Ordynka st., Moscow, the Russian Federation, 119017

**State registration:**  
Registered by Moscow Registration Chamber on September 12, 1996, Certificate No.061.775. Entered in the Unified State Register of Legal Entities under the principal number 1027739121475.

### Auditor

**Name:**  
Financial and Accounting Consultant Limited Liability Company (FBK LLC)

**Location:**  
2AB, bld.44/1, Myasnitskaya st., Moscow, 101990

**State registration:**  
Registered by Moscow Registration Chamber on November 15, 1993, Certificate Series Ю3 3 No.484.583. Entered in the Unified State Register of Legal Entities on July 24, 2002 under the principal number 1027700058286.

**Membership in self-regulated audit organization:**  
Non-profit partnership Russian Audit Chamber

**Number in the register of audit organizations of self-regulated audit organization**  
Certificate of membership in non-profit partnership Russian Audit Chamber No.5353, Principal Number of Registration Entry – 10201039470.

We have audited the attached accounting (financial) statements of TVEL JSC consisting of Balance Sheet as of December 31, 2013, Profit and Loss Statement, Capital Statement, Cash Flow Statement for 2013 and notes being a part of accounting (financial) statements.

### Liability of the Audited Party for its Financial Statements

The management personnel of the audited party is liable for preparation and accuracy of the abovementioned accounting (financial) statements in compliance with the Russian rules of preparation of accounting (financial) statement and for the internal control system necessary for preparation of accounting (financial) statements free of any material errors and omissions resulting from mala fide actions or errors.

**Liability of the Auditor**

We are liable for expressing opinion on the accuracy of the accounting (financial) statements on the basis of the conducted audit. We conducted the audit in accordance with the Federal Auditing Standards. These Standards require us to comply with the relevant ethical norms, and to plan and conduct the audit in such a manner, as to obtain reasonable assurance that the accounting (financial) statements are free of material errors and omissions.

The audit involved performing audit procedures to obtain audit evidence, proving the numbers in the accounting (financial) statements and disclosure of information therein. The choice of audit procedures is subject to our judgment, which is based on assessment of risks of material misstatements resulted due to fraud or error. Within the process of risk assessment, we reviewed the internal control system, ensuring preparation and truthfulness of accounting (financial) statements in order to choose appropriate audit procedures, but not to express opinion on the effectiveness of internal control system. The audit also included evaluation of the appropriateness of used accounting policies and justification of estimates, obtained by the management personnel of the audited party, as well as assessment of the overall presentation of the financial (accounting) statements.

We believe that the audit evidence, obtained in the course of the audit, provide a reasonable basis for expressing opinion on the accuracy of financial (accounting) statements.

**Opinion**

In our opinion, the accounting (financial) statements present accurate, in all material aspects, the financial position of the entity TVEL JSC as of December 31, 2013, the results of its financial and business operations and its cash flows over 2013 in compliance with the Russian Accounting (financial) principles.

Vice President FBK LLC Attorney

A.V. Tikhonovskiy  
On the basis of Power of  
of January 15, 2013 No.4/13  
Auditor qualification certificate  
No.01-000005, Principal Number  
of Registration Entry 29401041892

Date of Auditors' report  
February 27, 2014

## Report of the Audit Committee on the results of the audit of financial and economic activity of 2013

Moscow, March 25, 2014

**General Provisions**

The Audit Committee of the Company with the following membership:

- Chairman of the Audit Committee – Oleg Ivanovich Linyaev – Head of the Department of NFC Life Cycle Projects of ROSATOM State Corporation,
- member of the Audit Committee – Vladimir Vladimirovich Vaskovsky – Head of the Department of option modeling of transaction flows and prices for main products of ROSATOM State Corporation,
- member of the Audit Committee – Irina Mikhailovna Leonova – Head of the Department of Economics and Controlling of ROSATOM State Corporation.

guided by the authority provided to it by the Federal law "On joint stock companies", the Company's Charter, the Statement on the Audit Committee of the Company, performed the examination of the financial and economic activity of the Company from January 1, 2013 through December 31, 2013. The examination was held from 20 through 25 of March, 2014.

During the examination the Company's chief executive was the President Yury Aleksandrovich Olenin.

The person responsible for preparation of accounting and financial (accounting) statements – from January 1, 2013 through December 31, 2013 was the chief accountant Marina Nikolaevna Guseva.

The founding documents, accounting registers, accounting (financial) statements, analytical materials, matters concerning compliance with corporate procedures and other documents, presented to the Audit Committee, were studied selectively.

**General Information about the Company**

The Company's Charter was approved by the general meeting of shareholders (Minutes No.4 of June 26, 2002). Last changes and amendment to the Company's Charter were approved by the decision of Atomenergoprom JSC – the sole shareholder of TVEL JSC (decision from February 1, 2013).

Company's share capital consists of ordinary shares with a total nominal value of 22,962 thousand rubles. During 2013 the value of the share capital was not changed.

**Ownership of the Company as of December 31, 2013**

<i>Item number</i>	<i>Name of the holder</i>	<i>Shareholding, (%)</i>
1	Atomic Energy Power Corporation JSC	100

In 2013 the Company did not pay the remuneration to the members of the Board of Directors and to the members of the Audit Committee.

**Organization of corporate governance (implementation of the decisions of the general meeting of shareholders and the Board of Directors)**

Meetings of the Board of Directors was held in accordance with the requirements of the Law "On joint stock companies", the Company's Charter, Regulation of Board of Directors.



Decisions adopted by the Board of Directors were implemented in full and within the established time limit.

In 2013, major transactions requiring reconciliation in accordance with the law, were not carried out by the Company.

Transactions with related parties were carried out in accordance with the requirements of the legislation to the order of making of such transactions.

Transactions with related parties on grounds of Article 81 paragraph 2 of the Federal Law "On joint stock companies" dated December 26, 1995 No. 208-FZ were not carried out in 2012.

The Sole shareholder of TVEL JSC (decision dated June 28, 2013 No. 21) made a decision to direct the net profit for the year 2012 in the amount of 19,079,488 thousand rubles for payment of dividends in the amount of 15,347,488 thousand rubles, on investments – 3,732,000 thousand rubles.

### Data on the open operating accounts

Name of the Bank	Account type	Account number	Amount of funds in the currency as of December 31, 2013	Amount of funds on the accounts in rubles at the exchange
<b>Funds on accounts in rubles</b>				
SBERBANK OF RUSSIA JSC	Operating	40702810800020106097	253,850,318.81	253,850,318.81
SBERBANK OF RUSSIA JSC	Operating	40702810238060050775	3,724,880.67	3,724,880.67
SBERBANK OF RUSSIA JSC	Operating	40702810940020002543	1,975,973.06	1,975,973.06
BS of SBERBANK OF RUSSIA/U PJSC	Operating	26007010000157	3,160,000.00	3,160,000.00
VTB BANK JSC	Operating	40702810800000005139	99,798.59	99,798.59
JSC VTB BANK JSC	Operating	40702810200030004386	-	-
Gazprombank JSC	Operating	40702810500000007452	32,628,039.13	32,628,039.13
Gazprombank JSC	Operating	40702810600000017452	-	-
Gazprombank JSC	Operating	40702810700000027452	4,187.76	4,187.76
Gazprombank JSC	Operating	40702810900001017452	15,271,931.33	15,271,931.33
Alfa Bank	Operating	40702810500000017721	64,179.54	64,179.54
VNESHECONOMBANK	Operating	40702810645178030518	13,083.11	13,083.11
MOSCOW BRANCH OF AB ROSSIA JSC	Operating	40702810700100000123	722,013.69	722,013.69
Nordea Bank JSC	Operating	40702810102000082922	19,314,479.68	19,314,479.68
Deutsche Bank LLC	Operating	40702810300000001082	23,560.27	23,560.27

Name of the Bank	Account type	Account number	Amount of funds in the currency as of December 31, 2013	Amount of funds on the accounts in rubles at the exchange
INKAROBANK (CJSC) JSCB	Operating	40702810200000000881	4,000.00	4,000.00
Total funds on accounts in Russian rubles			330,856,445.64	330,856,445.64
<b>Funds in accounts in Euro</b>				
SBERBANK OF RUSSIA JSC	Current	40702978700020106097	8,732,422.25	392,696,155.34
SBERBANK OF RUSSIA JSC	Transit	40702978438061050775	-	-
SBERBANK OF RUSSIA JSC	Current	40702978138060050775	6,099.83	274,308.75
SBERBANK OF RUSSIA JSC	Transit	40702978600020206097	-	-
SBERBANK OF RUSSIA JSC	Current	40702978840020002543	-	-
SBERBANK OF RUSSIA JSC	Transit	40702978140021002543	-	-
Gazprombank JSC	Current	40702978400000007452	11,459,454.75	515,330,534.16
Gazprombank JSC	Transit	40702978500007007452	-	-
Alfa Bank	Current	40702978101300000025	68,717.34	3,090,211.91
Alfa Bank	Transit	40702978901300000403	-	-
MOSCOW BRANCH OF AB ROSSIA JSC	Client-transit	40702978300109000123	-	-
MOSCOW BRANCH OF AB ROSSIA JSC	Current	40702978600100000123	-	-
Nordea Bank JSC	Current	40702978002000082922	-	-
Nordea Bank JSC	Transit	40702978302001082922	-	-
Deutsche Bank LLC	Current	40702978400000001358	-	-
Deutsche Bank LLC	Transit	40702978700000001359	-	-
INKAROBANK (CJSC) JSCB	Transit	40702978800001000371	-	-
INKAROBANK (CJSC) JSCB	Current	40702978900002000306	-	-
Total funds on accounts in Euro			20,266,694.17	911,391,210.16
<b>Funds in accounts in US Dollars</b>				
SBERBANK OF RUSSIA JSC	Current	40702840100020106097	13,452,479.42	440,288,889.43

Name of the Bank	Account type	Account number	Amount of funds in the currency as of December 31, 2013	Amount of funds on the accounts in rubles at the exchange
SBERBANK OF RUSSIA JSC	Current	40702840538060050775	15,282.45	500,182.36
SBERBANK OF RUSSIA JSC	Transit	40702840838061050775	-	-
SBERBANK OF RUSSIA JSC	Transit	40702840000020206097	6,071,978.00	198,730,982.36
SBERBANK OF RUSSIA JSC	Transit	40702840540021002543	-	-
SBERBANK OF RUSSIA JSC	Current	40702840240020002543	-	-
VTB BANK JSC	Current	40702840500000005140	7,946.07	260,068.51
VTB BANK JSC	Transit	40702840800000005141	-	-
Gazprombank JSC	Current	40702840800000007452	13,718,235.87	448,986,885.44
Gazprombank JSC	Transit	40702840900007007452	12.00	392.75
Alfa Bank	Current	40702840100000004586	7,982.58	261,263.46
Alfa Bank	Transit	40702840701300000715	-	-
VNESHECONOMBANK	Transit	40702840645178110518	928,000.00	30,372,697.60
VNESHECONOMBANK	Current	40702840945178030518	849,122.08	27,791,086.38
MOSCOW BRANCH OF AB ROSSIA JSC	Transit	40702840700109000123	-	-
MOSCOW BRANCH OF AB ROSSIA JSC	Current	40702840000100000123	-	-
Nordea Bank JSC	Current	40702840402000082922	-	-
Nordea Bank JSC	Transit	40702840702001082922	-	-
Deutsche Bank LLC	Current	40702840300000001133	-	-
Deutsche Bank LLC	Transit	40702840600000001134	-	-
Total funds on accounts in US Dollars			35,051,038.47	1,147,192,448.29
<b>Funds on accounts in hryvnya</b>				
PAT SB Russia	Operating	26007010000157	93,953.26	373,181.41
Total funds on accounts in hryvnya			93,953.26	373,181.41
Total in rubles at the exchange rate of the CBRF				2,389,813,285.50

**Financial investments**

Long-term financial investments as of December 31, 2013 amounted to 229,717,502 rubles, including securities – 229,717,502 rubles.

Companies	Item number	Issuer	As of January 1, 2013	Received	Disposed	As of December 31, 2013
Subsidiaries	1	MSZ JSC	3,925,184			2,161,905
	2	JSC NNCP	504,770	555,050		1,059,820
	3	NRDC LLC	453,220			453,220
	4	Industrial Innovations CJSC	1,049,970	213,250		1,263,220
	5	CMP JSC	4,833,165			4,833,165
	6	JSC VNIINM	11,086,864			11,086,864
	7	RGC JSC	12,785,960			12,785,960
	8	JSC MZP	3,700,456			3,700,456
	9	IK RSK JSC	153,002,391			153,002,391
	10	SPTI JSC	99,556			99,556
	11	UGCMP Ltd.	3,310,020			3,310,020
	12	KLM LLC	1,000			1,000
	13	KC JSC	225,963			225,963
		TOTAL	194,978,519	768,300		193,983,540
Associated company	1	JSC VPA Tochmash	806,004			806,004
	2	JE UkrTVS CJSC	4,547			4,547
	3	TVEL-Stroy JSC	2,505			2,505
	4	Nf PJSC	308,876			308,876
	5	Uranium Enrichment Center JSC	196,204	2,591,742		2,787,942
	6	ALVEL JSC	1,572			1,572
	7	KMP OJSC	408,700			214,459
		TOTAL	1,728,408	2,591,742		4,125,907

Companies	Item number	Issuer	As of January 1, 2013	Received	Disposed	As of December 31, 2013
Other	1	First NPF Fund	500			500
	2	Elemash -Energ LLC	3,000			3,000
	3	Atomstroyexport JSC	72,359			72,359
	4	PRIARGUNSKY MINING AND CHEMICAL WORKS JSC	277,590			277,590
	5	Atomenergomash JSC	51			51
	6	JSC SGChE	3,641,034			3,641,034
	7	JSC PA ECP	1			1
	8	JSC VPA Tochmash		437,870		437,870
	9	Centrotech-SPb	181			181
	10	OKB – Nizhny Novgorod CJSC	143			143
	11	Atomredmetzoloto JSC	29,418,033			29,418,033
	12	KMP OJSC		410,800		217,925
	13	KLM LLC		138,905		318,907
		TOTAL	33,412,892	987,575		34,207,594
		TOTAL SUM	230,119,819	4,347,620		232,317,041

The value of securities in this table does not include the allowance for impairment of investments in the First NPF Fund in the amount of 500 thousand rubles and RGC JSC in the amount of 2,599,039 rubles.

Short-term financial investments as of December 31, 2013 amounted to 547,687 rubles, including loans issued – 530,000 rubles.

Date of contract	Borrower	Loan amount, thousand rubles	Disbursement date	Maturity date	Justification (objective, requirement for borrowed funds)	Rate, per cent per annum X	Balance as of December 31, 2013, thousand rubles	
							Amount	Past due interest
02.12.13	JSC VPA Tochmash	50,000	05.12.13	04.03.14	Working capital financing	6,69	50,000	0

Date of contract	Borrower	Loan amount, thousand rubles	Disbursement date	Maturity date	Justification (objective, requirement for borrowed funds)	Rate, per cent per annum X	Balance as of December 31, 2013, thousand rubles	
02.12.13	JSC VPA Tochmash	60,000	10.12.13	05.03.14	Working capital financing	6.67	60,000	0
18.12.13	JSC VPA Tochmash	40,000	24.12.13	21.03.04	Working capital financing	6.69	40,000	0
23.12.13	JSC VPA Tochmash	240,000	26.12.13	25.03.14	Working capital financing	6.69	240,000	0
24.07.13	KMP OJSC	70,000	05.08.13	05.12.13	Working capital financing	6.77	70,000	0
21.08.13	SPTI JSC	70,000	26.08.13	26.12.13	Working capital financing	6.77	70,000	0
	TOTAL						530,000	0

Deposits as of December 31, 2012 are missing.

#### Receivables

In comparison with the beginning of the year, the receivables increased by 2,995,766 thousand rubles or by 15.14%, and as of December 31, 2013 amounted to 19,780,606 thousand rubles, including long-term receivables 1,106,542 thousand rubles, short term – 18,674,064 thousand rubles, in terms of individual adjustments with the liable partner CTG (consolidated taxpayers group) Atomenergoprom JSC under the contract on establishment of a consolidated taxpayers group dated 10.10.2012.

Trade receivables amounted to 6,520,874 thousand rubles or 32.9% of the total receivables, including the long-term receivables. Receivable for advances paid amounted to 3,612,387 thousand rubles (18.26%), other receivables – 9,647,345 thousand rubles (48.8%).

The largest debtors are the following: Techsnabexport JSC, MBM Paks Nuclear Power Plant CJSC, SE NNEG Energoatom, CMP JSC, Nf PJSC.

Past due debts with past the limitation period are missing.

#### Loans and borrowings

Compared with the beginning of the year 2013, loans and borrowings increased by 10,080,283 thousand rubles and as of December 31, 2013 they amounted to 41,725,995 thousand rubles.

#### Data on the loans and borrowings received by the Company:

Date of contract	Name of the creditor – lender	Amount of credit (loan)	Maturity date	Rate, per cent per annum as of December	Balance as of December 31, 2013, thousand rubles	
					Amount of the	Post due
26.08.2013	MSZ JSC	500,000	21.01.2014	6.83%	500,000	0
28.08.2013	MSZ JSC	200,000	05.02.2014	6.86%	200,000	0

Date of contract	Name of the creditor – lender	Amount of credit (loan)	Maturity date	Rate, per cent per annum as of December	Balance as of December 31, 2013, thousand rubles	
					Amount of the	Post due
23.10.2013	MSZ JSC	300,000	19.02.2014	6.76%	300,000	0
19.11.2013	MSZ JSC	400,000	05.03.2014	6.88%	400,000	0
26.11.2013	MSZ JSC	400,000	07.04.2014	7.01%	400,000	0
09.12.2013	MSZ JSC	450,000	05.05.2014	7.20%	450,000	0
10.12.2013	MSZ JSC	200,000	19.03.2014	7.10%	200,000	0
16.12.2013	MSZ JSC	300,000	26.05.2014	6.95%	300,000	0
18.12.2013	MSZ JSC	350,000	16.06.2014	6.95%	350,000	0
26.12.2013	MSZ JSC	350,000	25.06.2014	7.00%	350,000	0
01.07.2013	OK RSK JSC	450,000	20.01.2014	6.95%	450,000	0
24.07.2013	OK RSK JSC	500,000	10.02.2014	6.95%	500,000	0
24.07.2013	OK RSK JSC	500,000	20.02.2014	6.97%	500,000	0
24.07.2013	OK RSK JSC	660,000	26.02.2014	6.98%	660,000	0
26.09.2013	OK RSK JSC	2,591,700	16.04.2014	6.75%	2,591,700	0
02.12.2013	OK RSK JSC	200,000	05.03.2014	6.67%	200,000	0
02.12.2013	OK RSK JSC	50,000	12.03.2014	6.70%	50,000	0
18.10.2013	JSC MZP	330,000	29.01.2014	6.72%	330,000	0
24.10.2013	JSC MZP	300,000	24.03.2014	6.76%	300,000	0
28.11.2013	JSC MZP	80,000	13.01.2014	6.30%	80,000	0
20.12.2013	JSC MZP	80,000	29.01.2014	6.44%	80,000	0
18.12.2013	JSC VNIINM	150,000	23.01.2014	6.31%	150,000	0
04.06.2013	JSC AECC	150,000	17.01.2014	6.72%	150,000	0
04.06.2013	JSC AECC	100,000	23.01.2014	6.72%	100,000	0
04.06.2013	JSC AECC	150,000	10.02.2014	6.75%	150,000	0
04.06.2013	JSC AECC	100,000	19.02.2014	6.75%	100,000	0

Date of contract	Name of the creditor – lender	Amount of credit (loan)	Maturity date	Rate, per cent per annum as of December	Balance as of December 31, 2013, thousand rubles	
					Amount of the	Post due
04.06.2013	JSC AECC	100,000	24.02.2014	6.75%	100,000	0
04.06.2013	JSC AECC	120,000	04.03.2014	6.76%	120,000	0
04.06.2013	JSC AECC	140,000	11.03.2014	6.75%	140,000	0
24.09.2013	JSC AECC	100,000	09.01.2014	6.74%	100,000	0
22.11.2013	JSC AECC	90,000	19.03.2014	6.75%	90,000	0
03.12.2013	JSC AECC	150,000	20.03.2014	6.72%	150,000	0
03.12.2013	JSC AECC	150,000	27.03.2014	6.72%	150,000	0
03.12.2013	JSC AECC	100,000	09.04.2014	6.74%	100,000	0
06.12.2013	Promyshlennye Innovatsii	470,000	19.05.2014	6.84%	470,000	0
06.12.2013	Promyshlennye Innovatsii	276,000	19.03.2014	6.70%	276,000	0
20.12.2013	NRDC LLC	100,000	28.01.2014	6.44%	100,000	0
20.12.2013	NRDC LLC	230,000	26.02.2014	6.53%	230,000	0
16.09.2013	RGC JSC	65,000	29.01.2014	6.80%	65,000	0
28.11.2013	Uralpribor Ltd.	50,000	31.01.2014	6.50%	50,000	0
03.09.2013	CC JSC	50,000	12.03.2014	6.71%	50,000	0
03.09.2013	CC JSC	300,000	19.03.2014	6.71%	300,000	0
31.10.2013	Centrotech-SPb	25,000	06.02.2014	6.42%	25,000	0
11.12.2013	Centrotech-SPb	15,000	22.01.2014	6.31%	15,000	0
23.12.2013	Centrotech-SPb	30,000	06.03.2014	6.57%	30,000	0
23.12.2013	Centrotech-SPb	30,000	07.04.2014	6.73%	30,000	0
23.12.2013	Centrotech-SPb	40,000	07.05.2014	6.79%	40,000	0
03.06.2013	JSC SGChE	500,000	29.01.2014	6.74%	500,000	0
03.06.2013	JSC SGChE	800,000	06.03.2014	6.75%	800,000	0
06.06.2013	JSC SGChE	500,000	14.05.2014	6.89%	500,000	0

Date of contract	Name of the creditor – lender	Amount of credit (loan)	Maturity date	Rate, per cent per annum as of December	Balance as of December 31, 2013, thousand rubles	
					Amount of the	Post due
06.06.2013	JSC SGChE	600,000	11.04.2014	6.80%	600,000	0
06.06.2013	JSC SGChE	1,200,000	12.03.2014	6.70%	1,200,000	0
09.12.2013	JSC SGChE	600,000	17.03.2014	6.71%	600,000	0
09.12.2013	JSC SGChE	500,000	20.03.2014	6.72%	500,000	0
21.11.2013	CMP JSC	180,000	10.01.2014	6.18%	180,000	0
21.11.2013	CMP JSC	200,000	23.01.2014	6.28%	200,000	0
21.11.2013	CMP JSC	250,000	12.02.2014	6.54%	250,000	0
25.04.2013	GPB JSC	41,000	25.04.2014	2.69%	1,341,897	593
07.05.2013	GPB JSC	29,400	07.05.2014	2.50%	1,322,115	543
04.06.2013	GPB JSC	70,100	04.06.2014	2.55%	2,294,317	962
11.06.2013	GPB JSC	31,340	13.06.2014	2.20%	1,409,357	510
18.06.2013	GPB JSC	49,630	18.06.2014	2.50%	1,624,350	668
08.10.2013	GPB JSC	45,000	04.07.2014	2.30%	1,472,814	557
21.03.2013	Srednerussky Bank of Sberbank of Russia JSC	38,900	20.03.2014	2.75%	1,273,166	576
17.04.2013	Srednerussky Bank of Sberbank of Russia JSC	30,800	16.04.2014	2.45%	1,385,073	558
24.04.2013	Srednerussky Bank of Sberbank of Russia JSC	59,600	23.04.2014	2.45%	2,680,206	1,079
07.08.2013	Srednerussky Bank of Sberbank of Russia JSC	34,200	06.08.2016	3.10%	1,537,971	784
09.09.2013	Srednerussky Bank of Sberbank of Russia JSC	25,000	08.09.2016	2.90%	818,230	390
05.03.2013	Nordea Bank JSC	24,900	05.03.2014	2.60%	1,119,751	–
16.07.2013	Nordea Bank JSC	30,500	15.07.2016	3.35%	1,371,582	–
22.07.2013	Nordea Bank JSC	67,665	21.07.2016	3.30%	2,214,621	–

Date of contract	Name of the creditor – lender	Amount of credit (loan)	Maturity date	Rate, per cent per annum as of December	Balance as of December 31, 2013, thousand rubles	
					Amount of the	Post due
20.08.2013	Nordea Bank JSC	45,600	20.08.2016	2.95%	2,050,627	–
TOTAL					41,718,777	7,219

#### Accounts payable

In comparison with the beginning of the year, accounts payable, excluding borrowings, increased by 9,362,609 thousand rubles (22.04%) and as of December 31, 2013 amounted to 42,469,489 thousand rubles, including:

- Suppliers and contractors – 22,112,467 thousand rubles;
- Payables to employees – 191 thousand rubles;
- Taxes and levies payable – 17,632,564 thousand rubles;
- Advances received – 17,632,564 thousand rubles;
- Other creditors – 2,709,643 thousand rubles.

The largest creditors are: Department of Atomic Energy, Government of India, Concern Rosenergoatom JSC, MSZ JSC, UEIP JSC, JSC NNCP, JSC PA ECP, JSC AECC, SE NNEG Energoatom.

Accounts payable, together with borrowing exceeds the accounts receivable for 64,413,286 thousand rubles or by 4.2-folds.

#### Generation of financial results

Total revenues from sales of goods, products, works and activities amounted to 106,701,619 thousand rubles.

Total revenues from sales of goods, products (works, services) including commercial and administrative expenses amounted to 83,828,241 thousand rubles.

Financial result on ordinary activities:

Type of activity	Revenue	Prime cost	Profit (+), loss (-)
Nuclear Fuel Production	69,204,117	42,919,488	26,284,629
Nuclear fuel components production	2,506,046	1,741,590	764,456
Production of product RGC	4,148,190	3,659,694	488,496
Services for uranium conversion and enrichment for third parties	23,078,771	18,630,872	4,447,899
Trade operations	3,411,785	2,903,543	508,242
Production of superconducting materials	1,010,847	977,712	33,135
Engineering services	197,954	222,168	-24,214
Other operations	3,143,909	4,667,460	-1,523,551
TOTAL	106,701,619	75,722,527	30,979,092

In 2013 commercial expenses amounted 1,302,238 thousand rubles, administrative expenses amounted to 6,803,476 thousand rubles.

In 2013, the loss from other revenues and expenses amounted to 2,516,832 thousand rubles.

No Item number	Type of revenue	Amount, thousand rubles
1	Revenues from sales and purchases of foreign currency	64,090
3	Interest receivable	457,967
4	Revenues from interest in a partnership	4,150,891
5	Other revenues	803,032
	TOTAL	5,475,980

### Breakdown of other expenses

No Item number	Type of revenue	Amount, thousand rubles
1	Revaluation of securities at market value	2,150,397
2	Expenses in the form of exchange rate differences	1,353,059
3	Interest expenses	1,697,016
4	Research and development and Engineering and Design expenses with a positive result, not accepted asset.	1,242,176
5	Other expenses	1,550,164
	TOTAL	7,992,812

### Taking inventory

In accordance with Order No. 4/208-П dated August 17, 2013 the Working Inventory Commission of the Company held the planned inventory.

During the inventory any discrepancies among actual availability of property with accounting data were not revealed.

As of December 31, 2013 there are no real estate objects, which are not publicly registered to the ownership rights and which are registered as a part of the fixed assets.

### Information about the property and liabilities on the off balance sheet accounts

- Leased fixed assets 904,061 thousand rubles
- Material assets accepted for safekeeping – 5,753,133 thousand rubles;
- Material assets accepted for processing – 5,542,317 thousand rubles;
- Fixed assets valued within the limit – 62,028 thousand rubles;
- Securities received for obligations and payments – 348,840 thousand rubles;
- Intangible assets acquired for use – 153,558 thousand rubles.

### Final provisions

Reliability of the annual financial statements in all material respects, as well as compliance of the accounting with legislation of the Russian Federation were confirmed by the Auditor's report on financial statements by the auditor of Financial and Accounting Consultants LLC (FAC LLC).

For the foregoing reasons and in accordance with the result of the examination of the financial and economic activities of the Company the Audit Committee confirms the information contained in the Annual Report of the Company:

The financial results of the Company's activities in 2013 are reliable.

Accounting statements with the balance value 356,877,032 thousand rubles reliably demonstrate the assets and obligations as of December 31, 2013 and the financial results of the Company's activities in 2013. The net profit available for distribution for the examined period amounted to 17,124,830 thousand rubles.

Chairman of the Audit Committee:



Oleg Ivanovich Linyaev

Members of the Committee:



Vladimir Vladimirovich Vas'kovsky



Irina Mikhailovna Leonova

## Report of TVEL JSC Internal Control and Audit Director on the results of “Public Annual Reporting Preparation” process audit

We have audited the process of public annual reporting preparation (hereinafter - PAR) of TVEL JSC over 2013.

We are responsible for expressing the opinion on the effectiveness of the internal control system of the process of PAR preparation and on compliance of the order of PAR preparation with the requirements of the current legislation, standards of ROSATOM State Corporation, internal regulatory documents of TVEL JSC applicable to public reporting.

We conducted the audit in compliance with “The Procedure for planning and conducting internal audits of business processes, carried out by TVEL JSC and companies, included in the control scheme of Fuel Company”, approved by the President’s Order of TVEL JSC dated December 14, 2011 No.271.

### The audit comprised executing of the following procedures:

- Review of compliance of the order of PAR preparation with the requirements of the current legislation, standards of ROSATOM State Corporation, internal regulatory documents of TVEL JSC applicable to public reporting;
- Evaluation of efficiency of risk management system, typical for the process;
- Evaluation of quality of formalization and regulation of PAR preparation;
- Analysis of design of key control procedures and testing their operational efficiency.

Furthermore, based on the audit results we have elaborated recommendations, focused on development and enhancement of efficiency of internal controls system of PAR preparation process.

We have not noted any facts of constrains on the audit from the management and personnel of structural units of TVEL JSC.

We believe that the conducted audit provides reasonable basis to express opinion on efficiency of the internal control system.

In our opinion the internal control system of the process is effective and the process of preparation of TVEL JSC annual report complies with the current legislation, Policy of ROSATOM State Corporation applicable to public reporting and requirements of internal regulatory acts of TVEL JSC, specifying the process of PAR preparation.

Internal Control and  
Audit Director, CIA

G.I. Bobrova

## Independent audit report on assurance of non-financial data of the annual report of TVEL JSC for 2013

### Introduction

The subject of assurance is the annual report of Joint Stock Company TVEL (hereinafter referred to as the Report) for 2013.

Our statement is addressed to the working group on the preparation of a public annual report and the management of TVEL JSC.

### Responsibilities of the parties

The management of TVEL JSC bears full responsibility for preparation and accuracy of the Report.

We are responsible for the results of independent assurance of the Report only to TVEL JSC within the engagement and do not assume any responsibility to any third party.

### Scope, criteria and level of assurance

The subject of assurance is the Report, including information on TVEL JSC and key enterprises of TVEL Fuel Company within the declared consolidation perimeter.

The Report was evaluated according to the following criteria:

- Nature and level of compliance with the principles of the standard AA1000 Accountability Principle Standard 2008 – inclusivity, materiality, responsiveness.
- Compliance of the Report with application level A+ (self-assessment) according to GRI G3.1 Sustainability Reporting Guidelines.
- Compliance of the Report with the Policy of ROSATOM State Corporation in the sphere of public reporting and Uniform Standard of Public Annual Reporting of the key organizations of ROSATOM State Corporation

The engagement was planned and performed in accordance with AA1000 Assurance Standard 2008 and International Standard on Assurance Engagement ISAE 3000 “Assurance engagements other than audits or reviews of historical financial information”.

The statement corresponds to type 2, as defined by AA1000AS 2008, in accordance with the limitations specified in section “Limitations of the engagement” of the present statement.

In our statement, we have fulfilled the following requirements on the level of assurance:

- Moderate – in accordance with standard AA1000AS 2008;
- Limited – in accordance with International Standard on Assurance Engagements ISAE 3000 “Assurance engagements other than audits or reviews of historical financial information”.

The selective verification of information in the Report can not pretend to provide a high level of assurance. The work was based on the supporting materials provided by the management of the entity and its employees, publicly available information and analytical methods of confirmation. In relation to the quantitative information contained in the Report the work performed cannot be considered sufficient for identification of all possible deficiencies and misstatements. However, the collected evidence is sufficient for expressing our opinion in accordance with the above levels of assurance.

### Methodology of assurance

In our engagement, we have performed the following procedures:

- Study and selective testing of systems and processes implemented by TVEL JSC to ensure and analyze the compliance of the activities with AA1000APS 2008 principles and efficiency management in the field of sustainable development.
- Questionnaires and interviews with the management of TVEL JSC, VPA Tochmash JSC, MZP JSC.
- Collection of evidence confirming practical implementation of system processes in accordance with the principles of AA1000APS 2008.
- Interviews with the personnel of TVEL JSC, VPA Tochmash JSC, MZP JSC, study of documents and statements of the management in order to obtain evidence regarding the compliance of the activities with the principles of AA1000APS 2008.
- Participation in the dialogues and public consultations of TVEL JSC, study of minutes of public dialogues and consultations with stakeholders.
- Study of records on activities of TVEL JSC Stakeholders Commission.
- Study of information on the website of TVEL JSC and its subsidiaries relating to its activities in the context of sustainable development.
- Study of public statements of third parties related to economic, environmental and social aspects of the TVEL JSC operations, in order to check validity of the declarations made in the Report.
- Analysis of non-financial reports of foreign companies working in the similar market segment for benchmarking purposes.
- Analysis of the current system of internal control and audit of TVEL JSC for the verification of compliance of procedures for establishing a public annual report with the current legal requirements, standards of ROSATOM State Corporation, internal regulations of TVEL JSC in the field of public accounting.
- Selective review of documents and data on the efficiency of the management systems of economic, environmental and social aspects of sustainable development in TVEL JSC.
- Study of the existing processes of collection, processing, documenting, verification, analysis and selection of data to be included into the Report.
- Examination of adequacy of the statements and data included into the Report.
- Analysis of information in the Report for compliance with Standard AA1000APS 2008 and GRI G3.1 Sustainability Reporting Guidelines (level A+), the Policy of ROSATOM State Corporation in the field of public reporting and Typical Standard of public annual reporting of the major organizations of ROSATOM State Corporation.

### Limitations of the engagement

The assurance is limited to the period from January 01, 2013 to December 31, 2013.

The evaluation of reliability of the information in the Report on performance was conducted only in relation to the compliance with recommendations of GRI G3.1 Sustainability Reporting Guidelines for level A+.

In respect to the quantitative performance indicators the conformity assessment to the audited financial statements and the external and internal reporting documents provided to us in terms of other economic, environmental and social aspects is performed.

Assurance does not apply to forward-looking statements, as well as statements expressing the opinions, beliefs and intentions of TVEL JSC to take any action relating to the future.

The assurance on the statements which are based on expert opinion is not performed.

The statement refers only to the English version of the Report in the MS Word format which includes information to be published in a hard-copy form as well as in electronic form.

We had no chance to verify publication of the Report on the corporate website of TVEL JSC due to the fact that the date of signing this statement preceded the planned date of the Report publication on the Company's website.

### Conclusions

The following conclusions are based on the assurance work performed within the engagement indicated above.

- In general, the Report adequately reflects management tools and performance indicators of TVEL JSC concerning economic, social and environmental aspects of sustainable development.
- As a result and within the scope of our work, we did not identify material misstatements in the Report information which discloses the TVEL JSC activity in the field of sustainable development and its results.

### Nature and extent of compliance with AA1000APS 2008 principles

As a result and within the scope of our work, we did not identify material non-compliance with criteria of AA1000APS 2008 in respect to adherence to the principles (inclusivity, materiality, and responsiveness).

### Compliance of the Report with the level A+ in accordance with GRI G3.1 Guidelines

In order to form an opinion on this issue, we analyzed implementation of GRI G3.1 Guidelines concerning principles and standard elements of the reporting for declared level of application in the process of the Report preparation.

### Principles for Defining Report Content

#### Materiality

- Information included into the Report encompasses the topics and performance indicators that reflect material impact of TVEL JSC on the economy, environment and society and can materially influence the assessments and solutions of stakeholders.
- Priority themes of the report are defined and discussed with stakeholders – Innovative Potential as Development Basis of TVEL FC and Social Capital Management of TVEL FC.
- Report touches on the main issues brought up in the reports of foreign companies working in the similar market segment.

#### Stakeholder inclusiveness

- TVEL JSC presented in the Report information on stakeholders and mechanisms of incorporation of their interests, when determining the contents of the Report.

#### Sustainability context

- The Report presents the results of TVEL JSC operations in a wide range of sustainable development issues, including various aspects of economic, social and environmental activities.

#### Completeness

- Within the claimed boundaries the Report with a sufficient degree of completeness covers information on the activities of TVEL JSC.
- Report boundaries include TVEL FC and its subsidiaries and conform to management accounting profile.



- Some performance indicators are reported partially according to GRI Indicator Protocols (section Standard disclosures, Performance indicators).

### Principles for Ensuring Report Quality

#### Balance

- The Report has a balanced nature, reflecting both the results and the issues that require solution.

#### Comparability

- The comparability of the Report and non-financial reports of other organizations is achieved by using GRI G3.1 Guidelines as the basis for disclosure of performance indicators for sustainable development.
- The comparability of financial information in relation to the reports of other companies is not fully achieved in connection with the application of the rules of the Federal legislation in Russia and the Regulations of the Russian accounting (not International Financial Reporting Standards) for its disclosure.
- Most of quantitative indicators presented in a three-year dynamics, that allows to analyze development trends in the Company's activities.

#### Accuracy

- The level of accuracy of actual information in the Report is sufficient for stakeholders to estimate the performance of TVEL JSC in the field of sustainable development.
- The calculations of performance indicators are based on the methods approved in the protocols of the GRI G3.1 indicators, the Standard of public annual reporting of TVEL JSC and the Policy of ROSATOM State Corporation in the field of public reporting.

#### Timeliness

- The Report is prepared with a view to be submitted to the Annual meeting of shareholders.

#### Clarity

- In general, the information in the Report is shown clearly and understandably for the key groups of stakeholders.
- The Report has an Annex "Glossary and abbreviations" that facilitates understanding of the information for the users of the Report.

#### Reliability

- The information in the Report about the performance is based on the internal reporting documents of TVEL JSC and ROSATOM State Corporation and the statements submitted to regulatory authorities.
- Issues of auditing efficiency of the control and order of preparation of non-financial reports are within competence of the Direction of internal control and audit. Based on the results of audit of the public report preparation process the Statement of the Direction of internal control and audit was prepared.
- We have not identified any facts that would call into question reliability of the information contained in the Report.

### Standard disclosures

#### Strategy and profile

- The Report in general provides information on sustainable development that must be disclosed in accordance with the GRI G3.1 Guidelines to determine the content of the Report.

#### Management approaches

- The Report contains the approaches in management on material aspects in economic, social and environmental field.

### Performance indicators

- All the main performance indicators are disclosed in the Report in accordance with the protocols of the GRI G 3.1 indicators, except performance indicators EN1, EN2, EN4, EN16, EN18, EN21 (are reported partially with the specified reasons for the partial disclosure), EC2, PR3, PR4, PR8 (are not applicable to TVEL JSC).

### Overall assessment of the Report

- Our work allows to conclude that the structure and quantity of disclosures required for level A+ are reflected in the Report and are reasonably recorded in GRI content index.

### Compliance of the Report with the Policy of ROSATOM State Corporation in the sphere of public reporting and Uniform Standard of Public Annual Reporting of the key organizations of ROSATOM State Corporation

The process of public reporting, structure and content of the Report are broadly consistent with the requirements of the Policy of ROSATOM State Corporation in the sphere of public reporting and the Uniform Standard of Public Annual Reporting of the key organizations of ROSATOM State Corporation. The following indicators are not included in the Report: 3.1.1, 12.1.9. The following indicators are reported partially 2.2.3, 4.4.3, 5.2.1, 5.2.3, 7.2.1, 11.1.12, 11.2.1, 11.2.3, 11.3.9.

### Recommendations

- It is expedient to disclose GRI indicators in relation to target values.
- Increase the extent of disclosure of indicators in relation to which GRI Indicator protocols are not fully taken into account (partial disclosure) or provide in the next report information on the planned period of their full disclosure.
- Ensure stricter adherence to GRI guidance relating to GRI content index (Standard disclosure 3.12).
- In case of significant divergences of quantitative indicators from trends and/or mean values it is advisable to provide explanation of divergences in the text of the report.
- Take into account remarks in the foregoing sections of the statement.

### Statement of competence and independence

NP Consult CJSC is an independent audit firm, professionally rendering assurance services. NP Consult CJSC is a member of self-regulated organization Nonprofit Partnership "Institute of Professional Auditors" and acts in accordance with the IFAC Code of Ethics. The Company has a system of quality control of audit services, including control of compliance with ethical norms.

NP Consult CJSC states that the present statement is an independent auditor's assessment. NP Consult CJSC and its staff have no relations with TVEL JSC, its subsidiaries and affiliates, that could result in the conflict of interest related to the assurance of the Report.

NP Consult CJSC is an organizational stakeholder of GRI, licensed provider of assurance services in accordance with AA1000 AS.

The team involved in the assurance of annual report included the employees of NP Consult CJSC with necessary experience in auditing and reporting under GRI G3/3.1, as well as with certificates in this area. The head of the assurance team completed trainings in the assurance of sustainability reports in Accountability training center and has CSAP certificate.

CEO  
NP Consult CJSC



V.Yu. Skobarev

Moscow, May 19, 2014

## Appendix No. 10. Glossary and Abbreviations

This 2013 TVEL JSC Report uses the following terms and definitions:

<i>Term</i>	<i>Definition</i>
Nuclear power engineering	A sector of power engineering that uses nuclear energy for electrification and heat supply
Becquerel (Bq)	A unit of activity of a nuclide in radioactive source that is equal to activity of the nucleus at the rate of one decay per second
Business model	According to International Integrated Reporting Standard, a business model means a system that describes activity of a company with conversion of capital for achievement of strategic goals and value creation over a short-, mid- and long-term period
Fast neutrons	Neutrons, the kinetic energy of which is higher than a certain definite value. In nuclear reactor physics, neutrons are commonly referred to as fast if their energy is more than 0.1 MeV
PWR	Pressurized water reactor where water is used as both decelerator and heat carrier. The most common types of reactors in Russia: VVER-440 and VVER-1000
Radioactivity discharge	Radionuclide emission into the atmosphere resulting from operation of a nuclear facility
Decommissioning	Decommissioning of a reactor facility and subsequent operations to ensure its safe dismantling, disposal of equipment and further use of the site
Depletion of nuclear fuel	Impoverishment of any nuclide in nuclear fuel due to nuclear transformations of this nuclide during the reactor operation
Highly-enriched uranium	Uranium containing uranium-235 isotope with a mass of 20% or more
Gas centrifuge	Equipment designed for obtaining enriched uranium necessary for ensuring the operation of nuclear reactors of nuclear power plants
Gas diffusion technology	Gas diffusion technology of separation of uranium isotopes based on molecular diffusion through the micropores of membranes (partitions)
Gate approach to investment	Planning and investment approach, in which the investment processes are broken down into phases; the achieved results, plans and risks of the further implementation of the project are reviewed in an integrated manner before each phase, and then the decision to move to the next phase of the project is made
Uranium hexafluoride	Chemical compound of uranium and fluorine (UF <sub>6</sub> ). It is the only highly volatile uranium-fluorine compound (when heated to 53°C uranium hexafluoride goes over from solid to gas); it is used as a raw material for the separation of isotopes of uranium-238 and uranium-235 by gas diffusion technology or gas centrifuge technology and the production of enriched uranium (chemical combination of uranium and fluorine (UF <sub>6</sub> ))
Global Reporting Initiative (GRI)	Internationally accepted system of reporting on economic, environmental and social performance based on Sustainability Reporting Guidelines, technical protocols and industry-specific applications

<i>Term</i>	<i>Definition</i>
Burnup fraction	Percentage of the initial quantity of number of nuclei of a certain type which have gone through nuclear transformation in the reactor at the neutron influence
Division	A business entity with which ROSATOM State Corporation set the rules for interaction determining this company as a Division, managing business entities covered by the control loop of the Division
Radiation dose	A sum of individual radiation doses received or planned during the work on operation, maintenance, repair, replacement, or disassembly of a nuclear facility
Background radiation	Ionizing radiation composed of space radiation and ionizing radiation of naturally distributed natural radionuclides (on Earth surface, in the air, foodstuffs, water, human organism, etc.)
Closed nuclear fuel cycle	A nuclear fuel cycle in which nuclear fuel, used and discharged from the reactor, is recycled for extraction of uranium and plutonium for reproduction of nuclear fuel
Ash-slag	Waste generated by burning of solid fuel.
Integrated report	Brief overview of how the strategy, management, performance and prospects of a company in the context of the environment lead to value creation over the short, medium and long-term periods
Intellectual capital	The International Integrated Reporting Standard defines intellectual capital as intangible assets of intellectual nature
Research reactor	A nuclear reactor used as a research object to obtain data on the physics and technology of reactors required for the design and development of this type of reactors or components thereof
Capital	The International Integrated Reporting Standard defines it as resources and relations that serve as the source and the results of value (integrated value) creation processes
Uranium conversion	A chemical technology process of converting uranium-bearing materials into uranium hexafluoride
Radiation control	Acquisition of information on the radiation situation in the organization and environment and on the levels of radiation of humans (including dosimetric control and radiometric surveillance)
Indirect energy use	Use of energy produced outside the organizational limits of the organization preparing the report
Production localization	Organization of production outside the Russian Federation
Neutron	An elementary particle that has no electrical charge and is present in the nucleus of each atom except hydrogen. Single mobile neutrons moving at different speeds arise because of the fission reaction. Slow (heat) neutrons, in their turn, can easily cause fission of nuclei of "fissionable" isotopes, e.g., U-235, Pu-239, U-233; fast neutrons can cause fission of nuclei of a "fertile" isotope, e.g. U-238. Sometimes atomic nuclei just capture neutrons
Low-enriched uranium	Uranium containing U-235 isotope with a mass of fewer than 20%
Nuclide	Type of atom with a definite number of protons and neutrons in the nucleus characterized by an atomic mass and atomic (order) number
Depleted uranium	Uranium in which the content of U-235 isotope is lower than in natural uranium

<i>Term</i>	<i>Definition</i>
Enrichment (by isotope)	a) particular isotope atom content in the mixture of isotopes of the same element, if it exceeds the proportion of the isotope in a mixture of naturally occurring (in %); b) a process resulting in increased content of a particular isotope in a mixture of isotopes
Uranium ore enrichment	Totality of processes of treatment of mineral uranium-containing raw material for the purpose of separation of uranium from other minerals contained in the ore. Meanwhile, there is no change in the composition of minerals, just a mechanical separation of ore concentrate
Enriched nuclear fuel	Nuclear fuel in which the content of fissionable nuclides is higher than in natural raw material
Enriched uranium	Uranium in which the content of U-235 isotope is higher than in natural uranium
Fuel element cans	Reactor quality uranium is usually enriched approximately to 3.5% U-235, and the content of U-235 in weapon-grade uranium is over 90% Metal tubes in the active zone of the reactor containing oxide fuel pellets
Circulating water	Water that has been used in the processing cycle and that is to be used for the same purposes after cooling or purification
Radioactive waste treatment	General term that covers all activities related to the processing, conditioning, transportation, storage and burial of radioactive waste
Ozone-depleting substances	Any substance with an ozone-depleting potential higher than 0, able to deplete the stratospheric ozone layer. Most of ozone-depleting substances, including CFC, halons and methylbromide, fall under the Montreal protocol as amended
Trial performance	Stage of PP commissioning from the beginning of the power launch till the PP acceptance for industrial operation
Depleted uranium	Uranium depleted through extraction of U-235, which is economically unfeasible to use; stored at a disposal site (dump)
Primary energy sources	Source energy form used for satisfying the energy needs of the organization preparing the report. Examples of primary sources include irreplaceable energy sources, e.g. coal, natural gas, oil and nuclear energy. They also include such replaceable sources as biomass, sun and wind energy, geothermal and hydraulic energy
First nuclear project	The USSR's nuclear project aimed at creating weapons of mass destruction with the use of nuclear energy
Fuel recharging	Operation performed by material-handling machines for replacement of the used fuel; the fuel radiation degree at which the recharging is done depends on the fuel composition after radiation, on the allowable work duration and on the reactivity change
Fuel reprocessing	A complex of chemical processes designed to remove fission products from spent nuclear fuel and fissile material recovery for reuse

<i>Term</i>	<i>Definition</i>
Radioactive waste processing	Technological operations aimed at altering the aggregative state and/or physic-chemical properties of radioactive waste and transforming them into forms suitable for transportation, storage and/or disposal
Maximum permissible dose	The maximum value of the individual equivalent radiation dose per year, which does not cause unfavorable changes in the personnel's health after 50 years of uniform exposure
Manufactured capital	The International Integrated Reporting Standard defines it as man-made physical facilities (as opposed to natural objects) which the Company uses to manufacture products and services: - buildings and structures; - equipment; - infrastructure objects
Natural capital	The International Integrated Reporting Standard defines it as renewable and non-renewable natural resources and processes, including air, water, soil, mineral resources and forests; - biological diversity and environmental balance
Fuel production	Nuclear fuel production, generally in the form of ceramic pellets enclosed in metal tubes (fuel elements), which are subsequently assembled in fuel assemblies (TVS)
Radioactive isotopes	Isotopes with unstable nuclei undergoing radioactive decay
Radioactive waste	Nuclear materials and radioactive substances that no longer can be used
Radiation safety	System of measures aimed at limiting the exposure of employees and public to the lowest values of the radiation dose achieved by means acceptable to the society, and preventing the occurrence of early radiation effects and limiting manifestations of the long-term effects of radiation to an acceptable level
Radionuclides	General name for radioactive atoms that pose a great danger to environment
Regenerated uranium	Uranium separated from used nuclear fuel in the process of chemical processing for reuse in nuclear fuel (regenerated fuel)
Rehabilitation of contaminated areas	Reduction of the extent of radioactive contamination to the level ensuring the maximum protection of population and recovery of all elements of the ecosystem (water, soil, air) to the current normative level
Discharge of radioactive substances	Controlled discharge of radionuclides into the water with liquid effluents of a nuclear facility
Social capital	The International Integrated Reporting Standard defines it as a system of relationship established within the Company and between the Company, various groups of stakeholders and other communities that serves to enhance prosperity of all stakeholders
Social partnership	A system of institutes and mechanisms of coordination of the interests of the production process participants (workers, employers, state authorities, local self-government) based on equal cooperation
International Standard on Assurance Engagements (ISAE 3000)	International Standard that regulates audit of non-financial reports

<i>Term</i>	<i>Definition</i>
Sublimation production	Uranium hexafluoride production
Fuel pellet	A pellet made of compacted uranium dioxide that serves as the base of nuclear fuel and is placed inside fuel elements
Fuel assembly	Assembly of fuel elements (rods, bars, plates, etc.), held together by support plates and other structural components all-in-one during transportation and exposure in the reactor. Assemblies are loaded into the core of a nuclear reactor
Heat carrier	Liquid or gas used for heat transfer from the active zone of the reactor to steam generators or directly to the turbines
Production placement topology	Plan of territorial location of production facilities
Uranium-233	Artificial uranium isotope with half-life period of $1.6 \times 10^5$ years obtained by transmutation of thorium-232 after neutron capturing; a fissionable nuclide
Uranium-235	Natural uranium isotope with atomic mass 235 and half-life of $7.1 \times 10^8$ years; the only fissionable material existing in nature
Uranium-238	Natural uranium isotope with atomic mass 238 and half-life of $4.5 \times 10^9$ years; can be used as fertile material to obtain plutonium-239
Financial capital	The International Integrated Reporting Standard defines it as financial resources that are: <ul style="list-style-type: none"> <li>– available to the Company in the course of products manufacturing and provision of services;</li> <li>– received by way of loans, investment made by owners and uncompensated receipts from operating activities and in the form of investments</li> </ul>
Backend	An element (part) of fuel assembly
Tail storage	Complex of special structures and equipment designed for storage or burial of radioactive, toxic and other non-utilizable wastes of minerals enrichment called tails
Human capital	The International Integrated Reporting Standard defines it as competencies, abilities, expertise and motivation of the people, including: <ul style="list-style-type: none"> <li>– involvement in corporate management technologies, risk management methods and ethics;</li> <li>– understanding and support of corporate strategy;</li> <li>– loyalty to and motivation for reforms, including the ability to control, manage and cooperate</li> </ul>
Power unit	One of the NPP reactors with necessary additional equipment
Nuclear facility	Any installation that generates, processes or handles radioactive or fissionable materials
Nuclear energy	Internal energy of atomic nuclei released by nuclear fission or nuclear reactions
Nuclear fuel	Material containing fissile nuclides capable of starting chain reaction when placed in a nuclear reactor
Nuclear waste	Radioactive materials generated on various stages of the nuclear fuel cycle, including development of uranium deposits, enrichment, fuel production, reactor operation, fuel processing, etc.

<i>Term</i>	<i>Definition</i>
Nuclear reactor	A unit wherein a controlled chain nuclear reaction with energy release takes place. Reactors are classified by purpose, carrier type, design and other characteristics
Nuclear fuel cycle	Sequence of manufacturing processes for nuclear reactor functioning, from uranium mining to the disposal of radioactive waste

#### Abbreviations

<i>Term</i>	<i>Definition</i>
ASKRO	Automated radiation monitoring system
LNPS	Low-capacity nuclear power station
ACS DEP	Automated Control System for Design Engineering Pre-production
NPP	Nuclear power station, an industrial facility that generates electric power
BN	Fast neutron reactor where sodium is the carrier in the first and second loop and water and vapor in the third loop. In Russia, operated at Beloyarsk NPP
VVER	Water – water energy reactor
HEU	Highly enriched uranium
GC	Gas centrifuge
SA	Subsidiaries and affiliates
DPKR	Department of Legal and Corporate Operations of ROSATOM State Corporation
UIPS	Uniform Industrial Procurement Standard of ROSATOM State Corporation
SWU	Separation work unit
USLR	Unified System of Labor Remuneration
LC	Life cycle
CATU	Closed Administrative Territorial Unit
RR	Research reactor
IMS	Integrated Management System for Quality, Environment and Safety
ITER	International Thermonuclear Experimental Reactor built on basis of a tokamak by an international group of scientists under the aegis of IAEA. It is supposed to be a type of the world's first DEMO thermonuclear power plant

<i>Term</i>	<i>Definition</i>
I&C	Instrumentation and controls
KPI	Key performance indicators
CRMS	Corporate Risk Management System
KETVS	Combined experimental fuel assembly
IAEA	International Atomic Energy Agency (IAEA), international controlling body monitoring the observance of nuclear safety and non-proliferation of nuclear weapons in the world
MW	Megawatt – unit of power equaling to 10 <sup>6</sup> Watts. MW(e) relates to electric power of a generator; MW(t) relates to thermal power of a reactor or heat source (e.g., the full thermal power of the reactor itself is generally three times higher than the electric power)
MOX-fuel	Mixed Oxide Nuclear Fuel (generally on basis of uranium and plutonium)
CU	Conversion unit
IIRS	International Integrated Reporting Standard
MFR	Fabrication-refabrication module
R&D	Research & Development
LEU	Low-enriched uranium
FE NFC	Front end of nuclear fuel cycle
STC	Scientific and Technical Council
EIAS	Environmental impact assessment study
DUHF	Depleted uranium hexafluoride
EDEC	Experimental demonstration energy complex
EP	Environment protection
SNF	Spent nuclear fuel
FNPP	Floating nuclear power plant
PTC	Permanent technical commission
SFI	Suggestion for Improvement
RPS	ROSATOM Production System
FCC	Fabrication and Refabrication of Close-Packed Fuel Cycle Center

<i>Term</i>	<i>Definition</i>
RAW	Radioactive Waste
RBMK	High-power pressure-tube reactor – a type of single-loop power reactor where water is the heat carrier and graphite is the decelerator
RN	Radionuclides
RPRAEP	Trade Union of Nuclear Energy and Industry of Russia
SSC	Separation-Sublimation Complex
MSE	Managers, specialists, employees
RU	Reactor facility
ICS	Internal Control System
dpa (displacement per atom)	A unit of irradiation that serves as a physical basis for matching the levels of damage within reactors with varying neutron spectra and irradiation by various particles
SDIC	Special Department of Internal Control
JV	Joint Venture
EPLS	Emergency Prevention and Liquidation System (Facility Level)
TVS	Fuel assembly
TVS-KVADRAT	Name of a FA for PWR reactors developed in Russia
TVEL	Fuel element
TVEL FC Fuel Company	TVEL JSC and enterprises controlled by the Company and included in consolidated reports.
HPP	Heat and power plant
CFHC	Chlorofluorohydrocarbons
FMBA	Federal Medical and Biological Agency
FSFM	Federal Service for Financial Markets
FTP	Federal target program
GPR	Superheat pressure tube graphite power reactor (Bilibino NPP)
ETVS	Experimental fuel assembly
NRS	Nuclear and Radiation Safety

Term	Definition
NF	Nuclear fuel
NRHS	Nuclear and radiation hazardous sites
NFC	Nuclear fuel cycle – a complex of measures for ensuring the functioning of nuclear energy engineering including extraction and processing of uranium ore, fuel fabrication, transportation to the NPP, storage and treatment of UNF. In the event of UNF burial, the NFC is called open; if fuel processing and reuse is provided, the cycle is closed
BWR	Boiling water reactor – a reactor that uses boiling water as heat carrier
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization – an analytical indicator that means the amount of profit before income tax expense, interest and accumulated depreciation
INES	International Nuclear Event Scale
PR, GR	Public relations, Government relations
PWR	Pressurized water reactor – foreign design reactors that use pressurized water – analogue of VVER

## Feedback Form

### Your opinion is important!

Please fill out the form and mail it to the Public Relations Department, No. 49, Kashirskoe Shosse, Moscow, 115409, Russian Federation.

#### 1. Have you found the important information you were looking for about the problems?

Yes  No  Just scanned the Report

#### Please explain what was of particular importance and what is missing in the Report?

.....

.....

#### 2. Have you learned anything new about the Company from this report?

Yes  No

#### If yes, please explain

.....

.....

#### 3. How would you rate this report in terms of:

Credibility of the provided information  5  4  3  2

Convenient search for the needed information  5  4  3  2

Understandability of terms and facts  5  4  3  2

Design and structure  5  4  3  2

Presentation  5  4  3  2

5 – excellent, 4 – good, 3 – satisfactory, 2 – unsatisfactory

**4. Did the fact of certification by an independent audit company help you rate credibility of this report?**

Yes  No

**5. Please specify the section you find the most and the least interesting?**

.....  
 .....

**6. Are you looking forward to reading the next annual report?**

Yes  No

**If no, explain**

.....  
 .....

**7. If you have any questions to the management of tvel jsc, state it in the box below. we will try to give you an answer in our next annual report.**

.....  
 .....

**8. Please specify the group whose interests you shared while rating?**

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Employees                       | <input type="checkbox"/> Foreign partners                                     | <input type="checkbox"/> Suppliers and contractors     |
| <input type="checkbox"/> Representatives of trade unions | <input type="checkbox"/> Representatives of federal authorities               | <input type="checkbox"/> Representatives of mass media |
| <input type="checkbox"/> Customers                       | <input type="checkbox"/> Representatives of regional authorities              | <input type="checkbox"/> NPO representative            |
| <input type="checkbox"/> Shareholders                    | <input type="checkbox"/> Representatives of local self-government authorities | <input type="checkbox"/> Other (please specify)        |

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