

2. INFORMATION ABOUT THE REPORT

2.1. OBJECTIVES, CONTENT AND BASIC PARAMETERS OF THE REPORT

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GRI
4.28

Open Joint-Stock Company Nuclear and Power Engineering has issued this Integrated Annual Report (hereinafter referred to as the Report) to disclose information regarding performance of the Engineering Division of Rosatom State Corporation (hereinafter referred to as the Division) for the period from January 1, 2013 to December 31, 2013 as well as regarding its development outlooks.

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OJSC Atomenergomash traditionally follows its annual reporting cycle; the previous Report was released in 2013 and covered the results for the 2012 reporting year.

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This report is prepared in Russian and English and released in the following formats:

1. Fully printed version (70 printed copies in Russian);
2. Brief printed version¹ (250 printed copies in Russian and 150 printed copies in English);

¹ Our first experience of preparing a brief version of the Report in the form of a booklet obtained during the previous reporting campaign showed interest in this format among many stakeholders, in particular, among the participants in industry and specialized conferences and exhibitions.



1 OBJECTIVES AND GOALS OF THE REPORT

3. Interactive (extended) version published on the Company website and flash disks (500 copies).

2.1.2. REGULATORY FRAMEWORK FOR REPORT PREPARATION

The Report for 2013 was prepared taking into account the requirements of the following regulatory documents (current versions):

- Federal Law "On Joint Stock Companies" No.208-FZ dated 26/12/1995;
- Federal Law "On Accounting" No.402-FZ dated 06/12/2011;
- Order of the Federal Commission for Securities Market of the Russian Federation "On approval of the Regulation for disclosure of information by security issuers" No.11-46/pz-n dated October 4, 2011;
- Decree of the Federal Securities Commission of the Russian Federation "Concerning recommendations on application of the Code of Corporate Conduct" No.421/r dated 04/04/2002;
- Decree of the Federal Securities Commission of the Russian Federation "Concerning Recommended practice for composition and format of presenting information regarding compliance with the Code of Corporate Conduct in annual reports of Companies" No.03-849/r dated 30/04/2003;
- Public Reporting Policy of Rosatom State Corporation approved by Order of Rosatom State Corporation No.1/403-P, 13/05/2011;
- Code of Ethics of Rosatom State Corporation approved by the Decision of the Corporate Board No.39 dated 26/10/2009;
- AA1000 series Accountability standards;



2 A COMMENT ON TRANSITION TO GRI G4

- Guidelines on sustainable development reporting of the international organization Global Reporting Initiative (Global Reporting Initiative, GRI version G4);
- International Integrated Reporting Framework (IIRC);
- ISO 26000:2010 Guidance on social responsibility, etc.

The Company has approved internal documents: Standard and Regulation for the Annual Public Reporting



2.1.3. A PROCESS FOR DEFINITION OF CONTENT AND PREPARATION OF THE REPORT

The Strategic Development Department is the initiator and organizer of the Report preparation process in the Company.

The first stage is preparation of the Report Concept, including:

- analysis of stakeholder proposals and comments made during the previous reporting campaign;
- updating the methodological framework based on the applicable requirements;
- analysis of the world's best public reporting practices.



The second stage is the analysis of a list of aspects of the activities approved in the Atomenergomash Performance Indicators System in respect of the key events of the reporting year as well as potential or existing impacts on the key stakeholder groups. .

The third stage is a survey of members of the Public Reporting Committee that includes representatives of all Departments of the Company covering respective areas of activity.

The survey results are applied to a map of significant aspects which is included in the Report Concept. A prepared draft Report Concept is presented at a meeting of the Atomenergomash Public Reporting Committee,

and, after approval by the Committee, is presented to the stakeholders in a public dialogue.

As part of the dialogue, stakeholders undergo a survey. The questionnaire provides for selecting from a full list, the aspects which should be first of all shown in the Report according to the stakeholders' opinion. The survey results refine every aspect's position on the horizontal axis (influence on stakeholder assessment). This not only makes it possible to take into account but also illustrate the opinions and requirements of stakeholders.

In addition, the Concept represents the central topics with a focus on their characterization. In this Report, the two central topics selected based on the key events of 2013 are associated with each other:

In accordance with GRI G4, the boundaries for information disclosure were defined separately for each aspect. To this end, for some of the indicators, the scope of the key SASC was changed:

1. Due to changes in the OJSC Atomenergomash management profile, OJSC DEZ was excluded from the perimeter.
2. For some of the aspects, the perimeter was enlarged. For data comparability in relation to disclosure of the indicators for such aspects, data for previous years are presented in a comparable format and in the form of a SASC breakdown.
3. For some aspects, the perimeter was reduced due to the companies, for which these aspects are not material and their data have little impact on the total performance figures.

The consolidated financial reporting profile is presented in Appendix 2 (aspect No.1). Based on the results of the material aspects analysis performed by the Company, the information disclosure boundaries will not cover companies outside the Division¹.



1 UPDATES

2 PERFORMANCE INDICATORS SYSTEM

3 MATERIALITY CRITERIA

¹ Suppliers providing more than 5% of the purchases or which have major impact on the Company in terms of significant aspects were not identified.

MAP OF MATERIAL ASPECTS



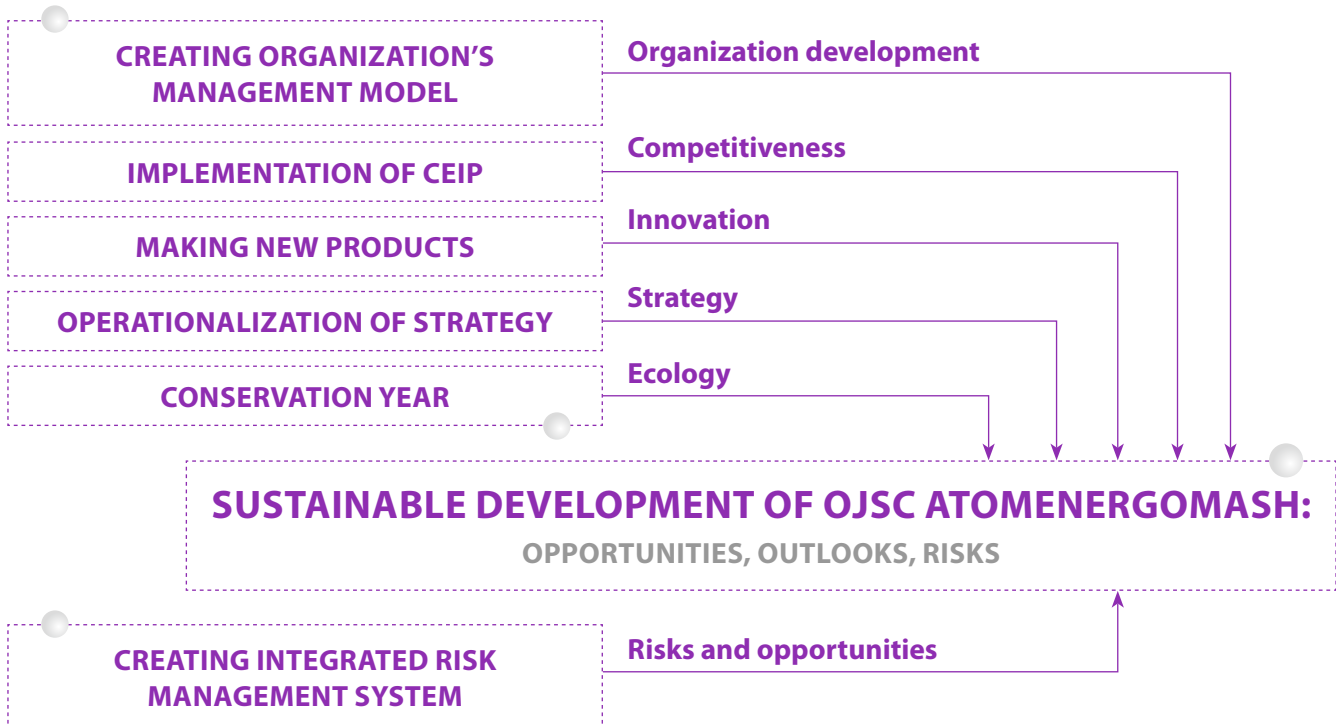
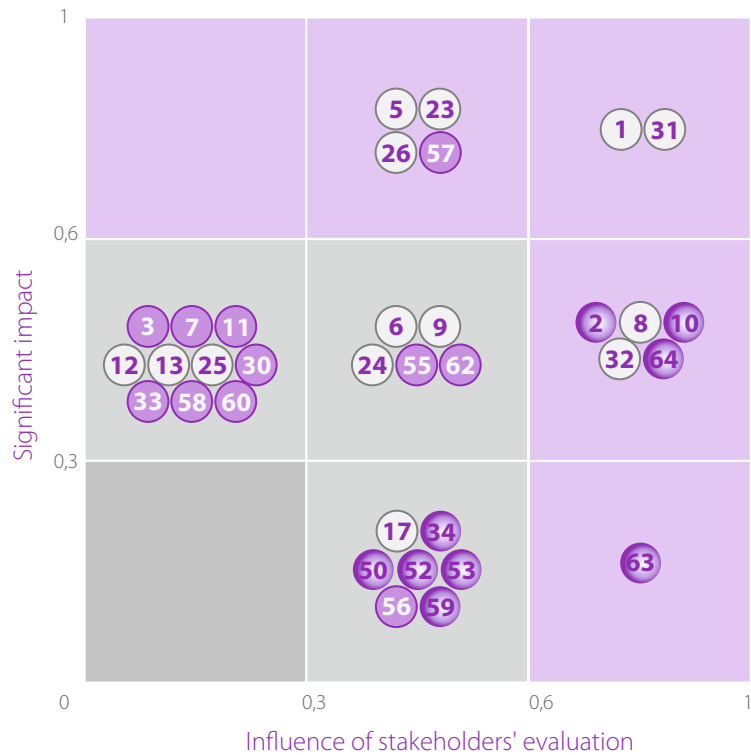
- Priority raised based on the public dialogue results
- Priority confirmed based on the public dialogue results
- Priority lowered based on the public dialogue results



- Detailed disclosure
- Sufficient disclosure (GRI, core level)
- Brief comment

Aspects included in the "green" zone

- 4 14 15 16 18 19 20 21 22 27
 28 29 35 36 37 38 39 40 41 42
 43 44 45 46 47 48 49 51 54 61





There were no other restatements of information.



The final version of the Report is approved by the Board of Directors and the General meeting of shareholders.

