

6.4. HR MANAGEMENT (HUMAN CAPITAL)

6.4.1. EMPLOYMENT

Personnel is one of the key priorities in the Division's enterprises development. The Company leads a socially responsible business and is interested in providing equal opportunities for different gender and age groups of employees.

Responsibility for all matters related to personnel management is assigned to the Deputy CEO — Director, Human Resources and Organizational Development, K.A. Sukhotina.

As part of HR management, SAP HR based software is used.



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TOTAL NUMBER OF EMPLOYEES

Company	Indicator	2011	2012	2013	Forecast for 2014
Entire Division	Total	21,626	22,673	21,940	21,881
	Men	13,580	14,463	14,135	14,333 ¹
	Women	8,030	8,210	7,805	7,548
OJSC Afrikantov OKBM	Total	4,365	4,377	4,323	4,250
OJSC ZiO-Podolsk	Total	4,451	3,992	3,607	3,751
CJSC AEM Technologies	Total	129	2,088	2,464	2,558
OJSC Energomashspetsstal	Total	3,065	2,780	2,444	2,392
OJSC OKB Gidropress	Total	1,694	1,700	1,691	1,560
OJSC PZM	Total	1,395	1,561	1,359	1,438
OJSC GSPI	Total	1,430	1,389	1,326	1,321
OJSC TsKBM	Total	1,255	1,207	1,265	1,232
OJSC SverdNIIKhim mash	Total	671	652	656	645
OJSC TsNIITMASH	Total	665	646	625	626
OJSC SNIIP	Total	592	566	487	498
OJSC Venta	Total	556	505	487	420
OJSC ZIOMAR EC	Total	373	365	351	352
OJSC Atomenergomash	Total	288	295	282	261
ARAKO	Total	225	223	214	213
CJSC ATM	Total	90	115	117	133
OJSC OZTMiTS	Total	145	141	133	132
LLC STEP	Total	132	144	168	60
LLC EMKO	Total	30	29	28	30
CJSC REMKO	Total	165	13	9	9

¹ The calculation of the forecast data for the gender breakdown for the entire Division uses SACS data, including data from ARAKO that does do such forecasts; it is assumed that the ratio of employees by gender would remain at the actual level of 2013.





On average, about 4% of employees at the Division's enterprises work on temporary contracts. At that, the number of such workers in the Czech company ARAKO is significantly above the average: 22%. For example, OJSC OZTMiTS and LLC EMCO do not have such personnel.



On average, about 5.5% of employees at the Division's enterprises work on part-time basis. At that, for example, at OJSC SNIIP, OJSC Afrikantov OKBM and ARAKO all employees work on a full-time basis.

6.4.2. EFFICIENCY OF PERSONNEL

The Division has adopted a unified policy for personnel performance management. The goal is to improve the performance efficiency of personnel by establishing common principles and tools for setting and assessing the KPIs of employees, evaluating the skill development level of employees, including ensuring effective remuneration of employees, preparing recommendations for the formation of a skill pool and compiling individual employee development plans for the subsequent planning of training.

Main regulatory documents:

- Personnel Performance Management Policy;
- Performance Management Regulation;
- Internal labor regulations.

The main indicator of personnel performance efficiency is labor productivity. In 2013, the figure has decreased with the decrease in the revenue.

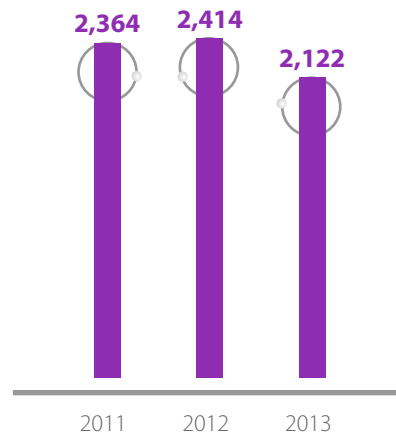


The Division's enterprises annually conduct Record assessment (an evaluation of performance, skills, development and achievements) which is integrated

1 PROPORTION OF EMPLOYEES WORKING ON TEMPORARY CONTACTS, %

2 PROPORTION OF EMPLOYEES WORKING ON PART-TIME BASIS, %

LABOR PRODUCTIVITY, THOUSAND RUBLES/PERSON PER YEAR¹



into the Unified Industry Policy for the Management of the Performance Efficiency of the Employees of Rosatom State Corporation and its Organizations.



Currently, the practice of performance reviews of all personnel applies only at OJSC Atomenergomash and OJSC Afrikantov OKBM, but in 2014 this will also be applicable at the OJSC TskBM. At the rest of the enterprises, performance reviews mainly cover personnel holding senior positions.



At the nuclear industry's annual conference for directors regarding personnel management "People of Rosatom", OJSC Atomenergomash was awarded "People of Rosatom" prizes in three categories: "The most active employer for the best graduates", "Creating career opportunities", "The best practices to increase the involvement".



¹ The data by years cannot be compared because the consolidation profiles were different.

3 PERCENTAGE OF EMPLOYEES RECEIVING PERFORMANCE REVIEWS, %

6.4.3. REMUNERATION

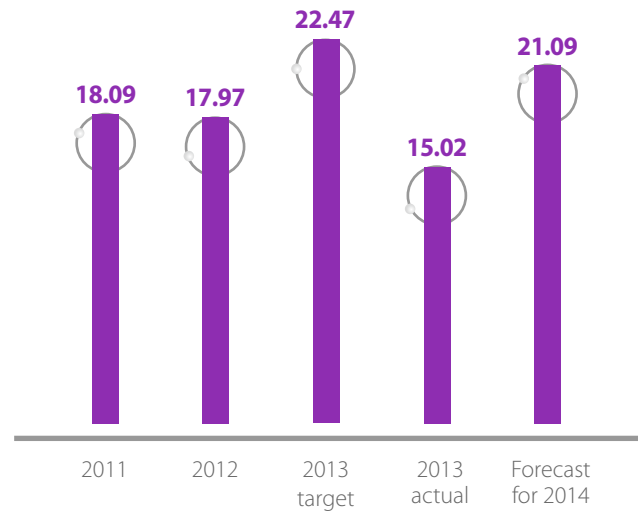
The current wage system is unified, focused on business results. This is achieved through the personnel performance reviews, including KPIs. The main objective of the current system is to guarantee social protection of the employees.

The main regulatory document is the Provision on Remuneration. Besides, there is the current Industry Agreement on the Nuclear Power, Industry and Science for 2012–2014 as well as the Regional 3- and 4-party agreements in the locations of the SASC.

The KPIs of senior officials include the “Utilization of the personnel budget” indicator requiring not to exceed the cost of the respective function. The target value of the indicator for 2013 has been achieved.

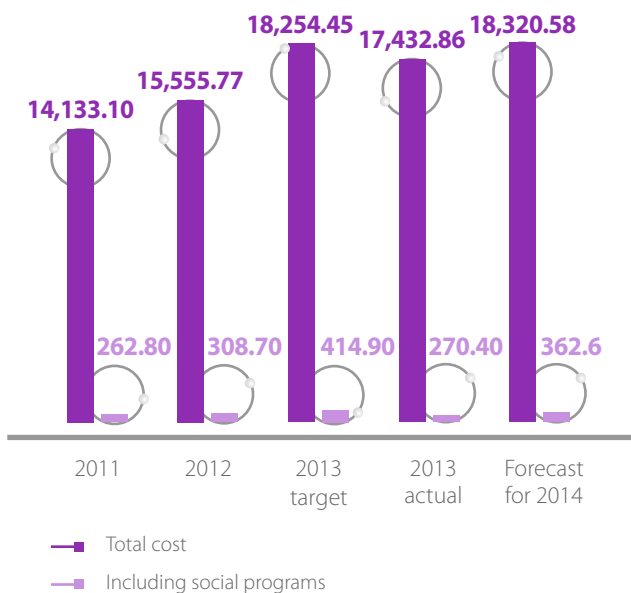
SOCIAL PAYMENTS PER 1 EMPLOYEE PER YEAR, THOUSAND RUBLES

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PERSONNEL COST, MLN RUBLES/YEAR



On average for the Division, the social payments per employee in 2013 have decreased as the target was met only to 66.8%. At that, some enterprises demonstrated a growth. For example, ARAKO, OJSC OKB Gidropress, OJSC PZM, OJSC Energomashspetsstal, etc. The largest value in the Division is at OJSC OKB Gidropress: 31.9 thousand rubles per person per year.

OJSC Atomenergomash implements a private pension program. The program may be participated by all Company employees who have not reached pension age.

Currently, the share of participants in the private pension programs is not significant.



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1 BREAKDOWN BY SACS

2 CONDITIONS OF THE PROGRAM

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Payments and benefits for employees depending on type of employment

The Division’s enterprises provide all their employees (regardless of their status and type of contract) with payments and benefits as mandated by the Labor Code of the Russian Federation. Full-time employees are offered an additional comprehensive package of the following social payments and benefits approved by the applicable regulatory documents:

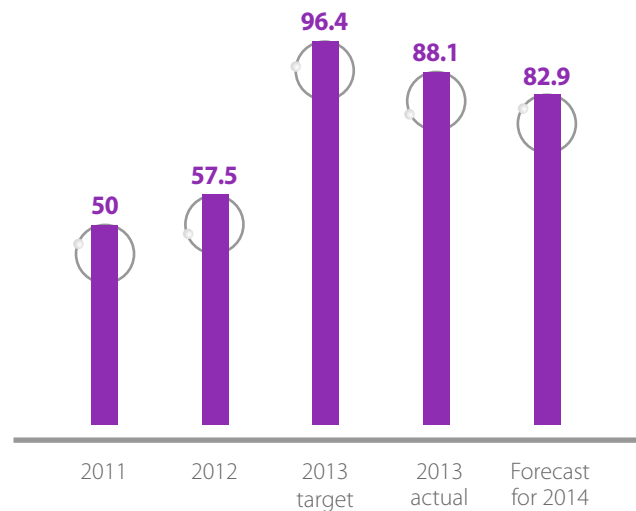
- medical insurance;
- pension programs;
- housing programs;
- health resort treatment and vacation for employees and their children;
- holding sports and cultural events;
- catering for employees;
- financial aid;
- corporate discounts on subscriptions to sports and health facilities;
- support to veterans and retirees of the industry.

6.4.4. TRAINING AND EDUCATION

Professional development of personnel is a prerequisite for ensuring the workflow, competitiveness and dynamic development of the Division. The enterprises, in addition to the compulsory training, required by the Federal Service for Environmental, Technological and Nuclear Supervision, take active part in the programs for development of corporate competencies and management skills. Training under industry programs helps build a unified management system and improve interaction between different departments and enterprises of the Division. Great attention is paid to adaptation of new employees and providing them with the key knowledge from experienced tutors in order to accelerate delivery of results by the employees and to preserve all important and valuable knowledge in the Division.

The main regulatory document is the Provision on employee training.

EMPLOYEE TRAINING COST, MLN RUBLES



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The highest training cost is at OJSC OKB Gidropress, OJSC Afrikantov OKBM and CJSC AEM Technologies.

Employees take active part in drawing up individual development plans, and their desires are also taken into account in choosing seminars and training time. The KPIs of senior officials include the “Satisfaction with training, development and awareness” indicator.

In general, the qualification of personnel is ensured through appropriate education: at production sites, the majority of personnel have secondary vocational education as a minimum, in engineering design and management companies they have higher professional education and academic degrees.



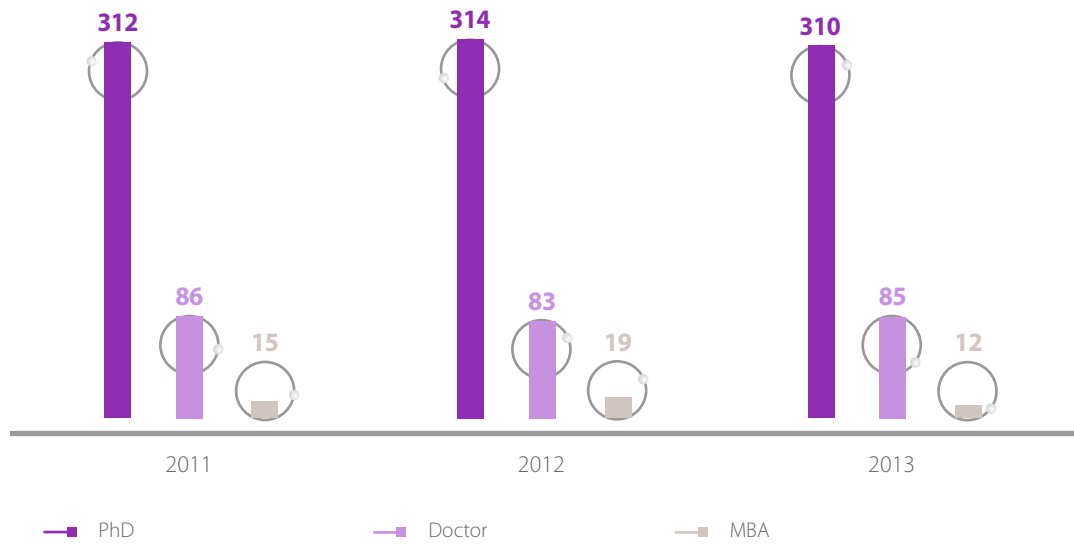
BREAKDOWN BY SACS

SHARE OF EMPLOYEES WITH RESPECTIVE EDUCATION, %

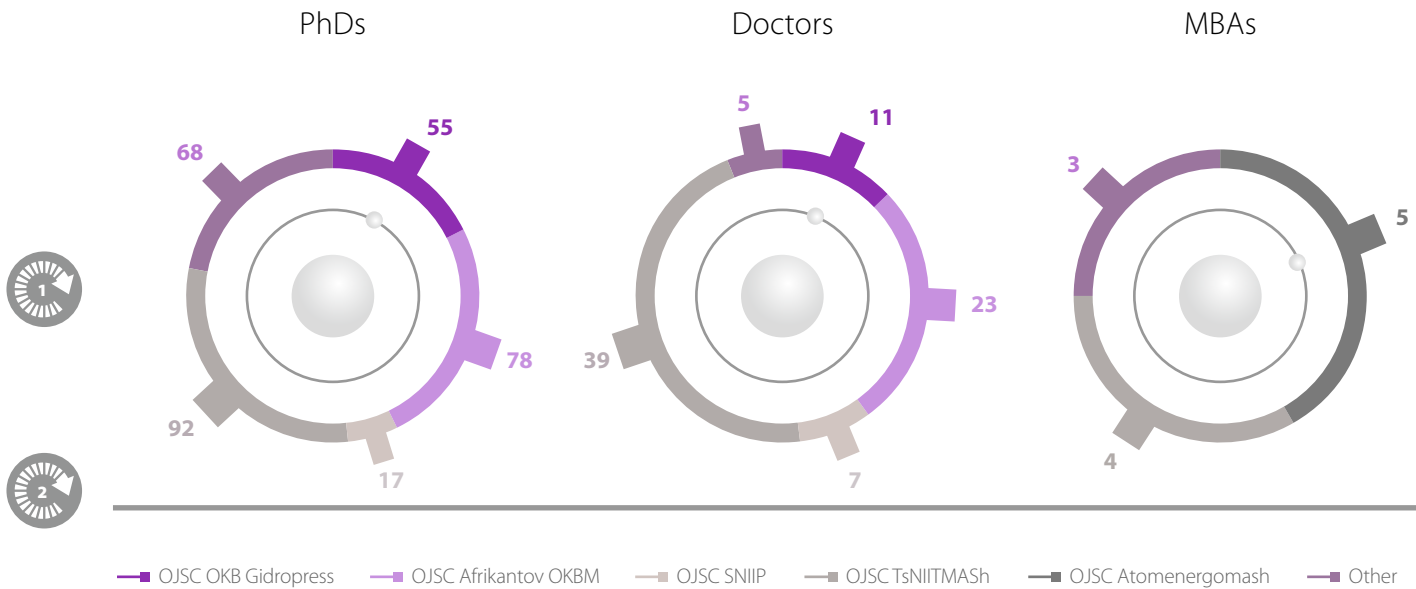
Company	Indicator	2011	2012	2013
ARAKO	Secondary vocational	85.9	96.8	100
	Higher	17.3	18.4	18.7
	2 or more higher	0	0	0
CJSC ATM	Secondary vocational	39	51	59
	Higher	50	56	54
	2 or more higher	5	6	7
OJSC Atomenergomash	Secondary vocational	6.9	3.1	3.9
	Higher	82.3	85.4	81.6
	2 or more higher	3.8	5.1	3.5
CJSC AEM Technologies	Secondary vocational	0.0	52.3	45.7
	Higher	85.3	36.4	27.6
	2 or more higher	7.8	0.6	0.1
OJSC Venta	Secondary vocational	25.5	26.1	26.1
	Higher	26.6	27.1	27.1
	2 or more higher	0.5	0.6	0.6
OJSC OKB Gidropress	Secondary vocational	13.8	13.9	14.1
	Higher	69.0	69.6	70.1
	2 or more higher	1.1	1.1	1.2
OJSC GSPI	Secondary vocational	20	20	7
	Higher	65	68.3	67.7
	2 or more higher	1.1	1.2	1.2
OJSC ZIO-Podolsk	Secondary vocational	19.3	19.7	18.8
	Higher	21.3	24.2	25.8
	2 or more higher	1.1	0.7	0.2
OJSC ZIOMAR EC	Secondary vocational	5	5	05
	Higher	93	93	94
	2 or more higher	2	3	3
OJSC OZTMits	Secondary vocational	33.8	31.9	29.3
	Higher	28.3	29.1	31.6
	2 or more higher	0.7	0.7	0.8
OJSC Afrikantov OKBM	Secondary vocational	14	14	14
	Higher	59	60	61
	2 or more higher	2.6	2.9	3.1
OJSC PZM	Secondary vocational	58	54	57
	Higher	40	41	38
	2 or more higher	1.6	1.7	1.8
CJSC REMKO	Secondary vocational	16.4	15.4	22.2
	Higher	74.6	84.6	66.7
	2 or more higher	3.6	0	11.1
OJSC SNIIP	Secondary vocational	27.5	24.7	19.5
	Higher	71.5	74.2	79.3
	2 or more higher	0.0	0.0	0.0
OJSC SverdNIIKhim mash	Secondary vocational	25.6	24.7	24.5
	Higher	66.3	65.8	64.9
	2 or more higher	0.3	0.5	0.5
LLC STEP	Secondary vocational	25	28	31
	Higher	53	62	63
	2 or more higher			2
OJSC TsKBM	Secondary vocational	17.3	17.0	15.6
	Higher	46.9	50.5	53.0
	2 or more higher	0.4	0.6	0.6
OJSC TsNIITMASH	Secondary vocational	10.2	10.8	10.7
	Higher	78.3	75.7	74.7
	2 or more higher	3.6	4.2	5.0
LLC EMKO	Secondary vocational	1	1	1
	Higher	36	34	34
	2 or more higher	3	4	4
OJSC Energomashspetsstal	Secondary vocational	49.4	47.6	47.1
	Higher	34.3	38.1	39.9
	2 or more higher	11.4	12.6	13.4

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THE NUMBER OF EMPLOYEES THAT ARE CANDIDATES OR DOCTORS OF SCIENCE OR HOLD MBA DIPLOMA, 2011–2013 TRACK RECORD



EMPLOYEES THAT ARE CANDIDATES, DOCTORS OF SCIENCE, HOLD MBA DIPLOMA



1 INFORMATION ON SACSS

2 INDUSTRY TRAINING CENTER IN VOLGODONSK



6.4.5. OCCUPATIONAL HEALTH AND SAFETY

Enterprises of the Division comply with all industrial and occupational safety requirements.

In this area of activity, the Company is governed by the applicable regulatory documents, including the Labor Code of the Russian Federation, Federal Law No.116-FZ "On industrial safety at hazardous production facilities", Resolutions of the Ministry of Labor of the Russian Federation as well as relevant State Standards, Sanitary Code, Safety Rules, Guidelines, Occupational Safety Standards System and OHSAS 18001 requirements.

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OJSC Atomenergomash is a party to the current Industry Agreement on the Nuclear Power, Industry and Science, which was signed by employees and employers with the participation of Rosatom State Corporation in order to create the necessary labor and socioeconomic conditions for employees in the industry while taking into account the

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ENTERPRISES HOLDING OHSAS 18001¹ CERTIFICATES:

SASC	Availability of OHSAS 18001 certificate
OJSC ZIOMAR EC	Certification planned for 2014
OJSC ZiO-Podolsk	Certification planned for 2014
OJSC SNIIP	YES
LLC NGSS	YES
OJSC Venta	Certification planned for 2015
CJSC AEM Technologies	Certification planned for 2015
OJSC VNIIAM	YES
OJSC Energomashs-petsstal	Certification planned for 2014

¹ OHSAS 18000 is a series of standards containing requirements and guidelines for development and implementation of occupational health and safety management systems, the use of which enables organizations to manage the risks in the management system and improve its functioning.

interests of employers and the government. The agreement governs issues concerning the health and safety of employees, occupational health and safety, social protection, sports and fitness and educational activity, among others. Besides, these issues are covered in collective agreements at enterprises of the Division.

Performance efficiency in this area is assessed based on the KPI "Lost Time Injury Frequency Rate (LTIFR)".

TARGETS FOR LOWERING THE LTIFR VS THE REFERENCE FIGURE²

2013	2014	2015	2016	2017
20%	15%	10%	10%	5%

THE 2013 LTIFR TARGET FOR THE DIVISION HAS BEEN ACHIEVED



² Reference figure is an average value of LTIFR for 3 preceding years.



- 1 OBJECTIVES AND MEASURES IN SASC
- 2 MINIMIZATION OF RISKS



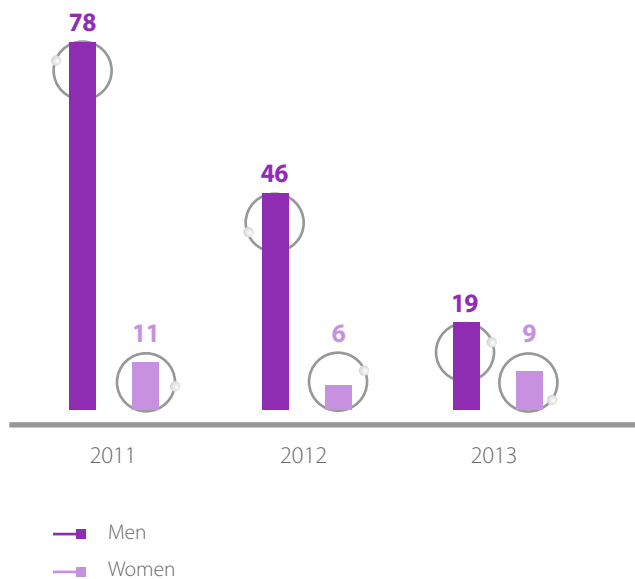
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ACCIDENT FREQUENCY RATE



CASES OF OCCUPATIONAL DISEASES



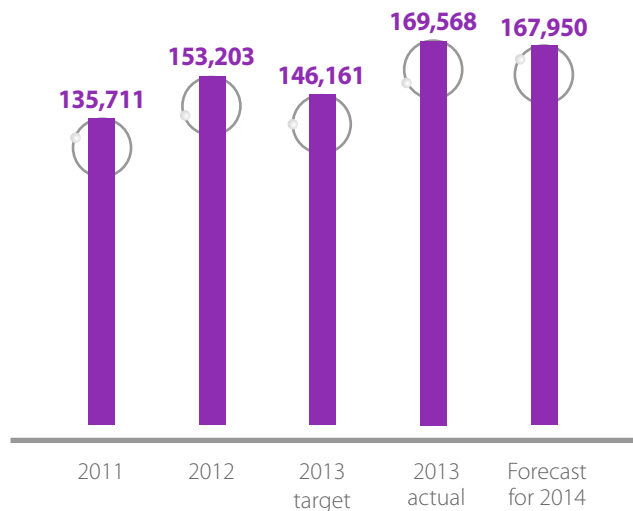
Company	Gender	2011	2012	2013
LLC Casting Plant	Men	6	1	2
	Women	-	-	-
OJSC Energo-mashspetsstal	Men	7	1	1
	Women	1	-	-
OJSC PZM	Men	2	1	0
	Women	1	-	-

WORK-RELATED FATALITIES

Company	Gender	2011	2012	2013
CJSC AEM Technologies	Men	1	1	-
	Women	-	-	-
OJSC Energo-mashspetsstal	Men	-	2	-
	Women	-	-	-

HEALTH AND SAFETY EXPENDITURES, THOUSAND RUBLES

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1 BREAKDOWN BY SACS

2 LOST DAYS DUE TO INJURY



3 DAYS OUT OF WORK (DUE TO ILLNESS)

4 BREAKDOWN BY SACS

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5.3.7

NUMBER OF EMPLOYEES WORKING UNDER HARMFUL CONDITIONS

Company	2011	2012	2013
OJSC ZiO-Podolsk	2,091	1,925	1,725
CJSC AEM Technologies	732	637	789
OJSC Energomashspetsstal	882	838	749
OJSC Afrikantov OKBM	691	637	639
OJSC PZM	490	490	540
LLC Casting Plant	407	292	234
OJSC Venta	126	130	140
OJSC SNIIP	124	192	127
OJSC SverdNIIKhim mash	109	108	103
ARAKO	72	95	81
OJSC TsNIITMASH	51	62	55
OJSC OKB Gidropress	47	47	46
OJSC GSPI	47	48	45
OJSC TsKBM	45	45	42
OJSC OZTMITS	33	30	29
OJSC IFTP	24	26	24
CJSC ATM	0	0	3
OJSC VNIIAM	0	2	2
OJSC ZIOMAR EC	1	1	1

The responsibility for industrial safety is assigned to the Deputy CEO — Business Operations Director, V.P. Razin.

6.4.6. RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT, RESOLUTION OF LABOR DISPUTES

The Company devotes particular attention to compliance with the labor legislation of the Russian Federation, its policy for resolving labor disputes is focused on extra-judicial settlement of disputes with employees through

negotiations, including involvement of representatives of primary trade unions.

The main documents regulating relationships with employees are the Labor Code, collective agreements with trade unions and other industry agreements.

The main purpose pursued in resolving labor disputes is compliance with the legislation of the Russian Federation and Agreements concluded, and improving social protection of employees.

Responsibility for matters of relations of the management with employees is assigned to the Deputy CEO — Director, Human Resources and Organizational Development, K.A. Sukhotina. Responsibility for matters related with resolution of labor disputes is assigned to the Deputy CEO — Corporate Governance Director, S.A. Kuleshov.

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The following enterprises of the Division have collective agreements in place covering all employees: OJSC Venta, OJSC OKB Hidropress, OJSC GSPI, OJSC ZiO-Podolsk, OJSC ZIOMAR EC, OJSC OZTMITs, OJSC Afrikantov OKBM, OJSC PZM, OJSC SNIIP, OJSC SverdNIIKhim mash, OJSC TsKBM, and OJSC Energomashspetsstal.

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The timeframe for notification of employees about organizational changes at all enterprises of the Division meets the Labor Code of the Russian Federation and is 2 months.

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NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES

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Company	2011	2012	2013
OJSC SverdNIIKhim mash	–	–	2
OJSC GSPI	1	3	2
OJSC Atomenergomash	–	2	1
CJSC AEM Technologies	–	1	1
OJSC SNIIP	–	–	1
OJSC OKB Hidropress	–	2	1
OJSC ZiO-Podolsk	6	4	–
OJSC Afrikantov OKBM	2	–	–
LLC STEP	1	–	–
OJSC PZM	1	–	–

The table shows formal complaints about labor practices submitted through the hotline or to external agencies, including labor disputes (claims). Subjects of the

complaints were mainly related to employment issues, awarding annual bonuses, etc. The complaints were addressed and settled (in some cases official responses were issued).

One of the important aspects of the relations between the management and employees is involvement analysis. In 2013, annual analysis of the Division employees' involvement was conducted, including OJSC Atomenergomash, OJSC ZiO-Podolsk, OJSC Afrikantov OKBM, OJSC TsKBM, OJSC SNIIP, OJSC GSPI (about 3000 employees). According to the results of the analysis, the average level of involvement in the Division in 2013 was 68%¹. The Division's results were at the level of the industry's figures and above the average for Russian employers.

6.4.7. AVAILABILITY OF REPLACEMENT PERSONNEL

Personnel turnover is an inherent phenomenon in any company. The Division's enterprises have no cyclic fluctuations in personnel numbers (seasonal, etc.), and changes in those numbers are due to the operational needs as well as the activities covering optimization of the personnel numbers or dismissal of employees on their own initiative.

On average for the Division, personnel turnover in 2013 was 17%. The highest turnover level was at OJSC PZM (39%) and OJSC ATM (37%), while the lowest level was at OJSC OKB Hidropress, OJSC SNIIP and OJSC ZIOMAR EC (4%).

¹ Excluding OJSC GSPI.





PERSONNEL TURNOVER



Company	Personnel turnover, %		
	2011	2012	2013
OJSC Afrikantov OKBM	1	2	2
OJSC OKB Gidropress	3	4	4
OJSC ZIOMAR EC	3	11	4
OJSC SNIIP	31	15	4
OJSC Energomashspetsstal	14	9	5
OJSC SverdNIKhimmash	17	11	9
OJSC TsKBM	7	10	10
CJSC AEM Technologies	43	3	12
OJSC OZTMiTS	18	14	14
ARAKO	14	17	15
OJSC GSPI	11	16	16
OJSC ZiO-Podolsk	23	23	16
OJSC Venta	17	24	16
OJSC TsNIITMASH	20	24	24
OJSC Atomenergomash	34	25	24
LLC EMKO	16	19	28
CJSC ATM	11	42	37
OJSC PZM	40	26	39
LLC STEP	32	25	45

In addition, employees of the enterprises take parental leaves. The Company guarantees realization of all rights related to parental leaves in accordance with the legislation

of the Russian Federation. The result is that the majority of employees return to their workplaces at the end of parental leave.



1 ENROLLMENT INFORMATION

2 BREAKDOWN BY GENDER AND AGE GROUPS

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LA3PARENTAL LEAVES IN THE REPORTING PERIOD¹

Company	Number of employees		Percentage of employees who returned to their previous rate after parental leave
	left on parental leave	returned after parental leave	
CJSC ATM	3	1	100
OJSC Atomenergomash	16	0	–
CJSC AEM Technologies	16	3	40
OJSC Venta	13	4	100
OJSC OKB Hidropress	Men	2	100
	Women	35	100
OJSC GSPI	30	18	100
OJSC ZiO-Podolsk	Men	2	100
	Women	62	94,1
OJSC ZIOMAR EC	11	5	100
OJSC OZTMiTS	1	0	–
OJSC Afrikantov OKBM	144	39	100
OJSC PZM	Men	2	0
	Women	20	70
CJSC REMKO	2	0	–
OJSC SNIIP	4	1	100
OJSC SverdNIIKhim mash	6	3	100
LLC STEP	3	0	–
OJSC TsKBM	3	0	100
OJSC TsNIITMASH	10	3	100
LLC EMKO	1	1	100
OJSC Energomashspetsstal	26	41	100

¹ Women, except where otherwise noted.



1 ADDITIONAL INFORMATION



АТОМЭНЕРГОМАШ
ГРУППА КОМПАНИЙ РОСАТОМ

Currently, among the main strategic objectives aimed at ensuring availability of replacement personnel, the greatest priority is given to lowering the average age of employees and increasing the share of specialists under 35 years old.

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AVERAGE EMPLOYEE AGE, YEARS

Company	Employee category	2011	2012	2013
ARAKO	Senior managers	43	40	41
	Middle managers	41	42	43
	Specialists and operating personnel	41	41	41
CJSC ATM	Senior managers	47	45	46
	Middle managers	40	42	42
	Specialists and operating personnel	40	42	42
OJSC Atomenergomash	Senior managers	46	46	45
	Middle managers	36	34	33
	Specialists and operating personnel	36	39	38
CJSC AEM Technologies	Senior managers	43	44	46
	Middle managers	44	47	44
	Specialists and operating personnel	39	43	45
OJSC Venta	Senior managers	43	44	45
	Middle managers	47	48	48
	Specialists and operating personnel	44	46	45
OJSC OKB Gidropress	Senior managers	47	46	47
	Middle managers	42	43	43
	Specialists and operating personnel	49	48	48
OJSC GSPI	Senior managers	53	54	55
	Middle managers	55	56	53
	Specialists and operating personnel	47	47	46
OJSC ZiO-Podolsk	Senior managers	43	43	45
	Middle managers	46	46	46
	Specialists and operating personnel	44	44	46
OJSC ZIOMAR EC	Senior managers	51	45	41
	Middle managers	54	50	51
	Specialists and operating personnel	44	45	45

Company	Employee category	2011	2012	2013
OJSC OZTMiTS	Senior managers	58	52	50
	Middle managers	52	53	54
	Specialists and operating personnel	50	50	52
OJSC Afrikantov OKBM	Senior managers	58	58	58
	Middle managers	45	45	45
	Specialists and operating personnel	42	42	42
OJSC PZM	Senior managers	47	46	43
	Middle managers	43	42	41
	Specialists and operating personnel	43	41	41
CJSC REMKO	Senior managers	39	0	0
	Middle managers	41	0	0
	Specialists and operating personnel	40	38	37
OJSC SNIIP	Senior managers	53	51	50
	Middle managers	55	52	51
	Specialists and operating personnel	52	51	50
OJSC SverdNIiKhim mash	Senior managers	48	48	48
	Middle managers	50	50	50
	Specialists and operating personnel	50	50	50
LLC STEP	Senior managers	41	39	39
	Middle managers	42	44	43
	Specialists and operating personnel	47	48	46
OJSC TsKBM	Senior managers	50	52	52
	Middle managers	52	47	45
	Specialists and operating personnel	49	47	47
OJSC TsNIITMASH	Senior managers	55	56	55
	Middle managers	48	50	50
	Specialists and operating personnel	48	50	50
LLC EMKO	Senior managers	40	40	43
	Middle managers	35	36	37
	Specialists and operating personnel	33	34	35
OJSC Energomashspetsstal	Senior managers	47	49	48
	Middle managers	42	44	43
	Specialists and operating personnel	40	42	41

One of the most important tasks in ensuring availability of replacement personnel is to attract young specialists for training and further work at the Division's enterprises. This became necessary primarily due to the ambitious strategic objectives of development of innovative designs and the need to transfer the accumulated knowledge in the field of advanced technologies owned by the Division's enterprise.

In 2013, the Bridge Between Generations project (the project to prevent loss of critical knowledge that was recognized and supported by the IAEA) was implemented at 7 key enterprises of the Division: OJSC ZiO-Podolsk, OJSC ZIOMAR EC, OJSC OKB Gidropress, OJSC SverdNIKhim-mash, OJSC TsNIITMASH, OJSC Afrikantov OKBM, and OJSC TskBM. The assessment and selection identified about 45 people as sources of critical knowledge. To participate in the project, more than 80 young professionals were specially selected as recipients of the knowledge.

Also, since 2013, the Division on implementing a project of engineering and scientific personnel development at its enterprises — "I AM AN ENGINEER OF AEM". This is a strategic project of the Company aimed at providing the Division with the best engineering personnel. 38 people from 9 key enterprises of the Division participate in the project to undergo a two-year training program based on the priority issues of skill pool development.



“ The main objective of the project of engineering and scientific personnel development is to achieve compliance of the technical solutions implemented at the Division's enterprises with the global technological level and requirements of foreign markets ”

Ksenia Sukhotina,
Deputy CEO — Director, Human Resources
and Organizational Development

In 2013, it has been the third time another 2 shifts completed in the children's science and educational camp named NRJ-Camp on the Black Sea shore, 17 km away from the town of Gelendzhik. A shift in the NRJ-Camp takes place in the format of the "NRJ Corporation" business game. "NRJ Corporation" is an exciting role game, a business projection of the modern world on the children's community. Participating in the educational business game, children get scientific knowledge, legal and economic experience, develop their communication and teamwork skills.

TeMP-2013 tournament for the students and graduates of domestic specialized technical universities interested in working in the nuclear industry was held. During two months, the teams, under the auspices of Rosatom State Corporation enterprises, were developing a unique project covering a selected topic, aimed at achieving by the State Corporation the global technological leadership in the 21st century. The purpose of the Tournament was to attract young specialists motivated to work in the nuclear industry as well as to select and appraise prospective students of the target universities of the nuclear industry. A team of young professionals under the leadership of experts from OJSC TskBM presented to the Tournament's jury of experts a case of the "System for remotely controlled equipment for locating and extracting the elements of reactors in the liquid metal coolant medium" that was eventually recognized as the best project of the competition in the technical unit.

In 2013, the Division for the first time formed a skill pool for all levels of employees of the enterprises. All nominees have undergone a two-stage selection procedure based on the criteria developed by Rosatom State Corporation. For all participants, development and training programs were drawn up and are being implemented. The approved share of the Division in the skill pool::

- Major asset of Rosatom (top-manager level) — 13 people
- Asset of Rosatom (line manager level) — 43 people

AEM
5.11.3



1 DESCRIPTION OF THE PROJECT



2 SKILL POOL AT SASC IN 2013

- Talents (specialist and small group manager level) – 34 people.

In 2013, 35.71% of TOP1000 appointments at OJSC Atomenergomash were effected from the skill pool. Seven lead vacancies in the Company were filled from the skill pool; another three persons from the

reserve were appointed to managerial positions in other divisions.

In 2014, after approval of the updated Corporate Strategy of OJSC Atomenergomash, the HR Strategy will be updated, including the updates of the information regarding the future personnel requirement by specializations.

AEM
5.11.4

6.4.8. DESCRIPTION OF KEY STRATEGIC RISKS AND OPPORTUNITIES

No. ¹	Risk	Risk factors	Control measures/opportunities
8	Deficiency of workers with sufficient skills	<ul style="list-style-type: none"> • Increasing competition from South Korean and Chinese manufacturers • Entering the Russian market by non-sectoral (including foreign) companies • Increasing intra-industry competition • Affiliation of competing companies with customers 	<ul style="list-style-type: none"> • Cooperation with universities and schools (including direct agreements for the training of specialists, participation in open days, employment fairs, arrangement of internships, production training, preparation for graduation projects at enterprises, implementation of educational programs, seminars and special courses for students and pupils, participation in the financing and arrangement of educational laboratories and classes • Awareness work with population, publications in regional media and maintaining an Internet portal