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UNIFIED INDUSTRY POLICY ON SUSTAINABLE DEVELOPMENT
OF ROSATOM STATE CORPORATION AND ITS ORGANIZATIONS

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1. Purpose and Scope

1.1. The Unified Industry Policy on Sustainable Development of Rosatom State Corporation and its Organizations (hereinafter – the Policy) is a fundamental document developed to express the position of Rosatom State Corporation (hereinafter – the Corporation) and its organizations on sustainable development issues including goals, objectives and the main principles for the activities of the Corporation and its organizations in this area.

1.2. The subject of regulation of the Policy is the approach to sustainable development of the Corporation and its organizations in the Russian Federation and abroad.

1.3. The Policy has been developed within the group of processes “International Marketing and Sales”.

1.4. The Policy is aimed at structuring and setting the common approach to sustainable development of the Corporation and its organizations.

1.5. The Policy is implemented along with the principles and approaches established by other industry regulatory documents in particular areas of sustainable development.

1.6. The Policy can be revised to ensure its relevance and to adapt to changes in the internal and external requirements for the activities of the Corporation and its organizations in the field of sustainable development.

1.7. Compliance with the Policy is mandatory for employees of the Corporation and its organizations.

1.8. The Policy is a public document and can be used during stakeholder engagement.

1.9. The person responsible for updating the Policy and monitoring its implementation in accordance with the requirements of the Regulation on the System of Regulatory Documents of Rosatom State Corporation [8.8] is First Deputy Director General for Corporate Development and International Business.

2. Terms, Acronyms and Abbreviations

2.1. The terms are not used in this document.

2.2. Acronyms used in this document and their definitions.

Acronym	Definition
The Ten Principles of the UNGC	The Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption ¹ [8.1]
Stakeholders	Russian and foreign individuals and legal entities or groups of persons (partners, customers, financial institutions, population in the regions of presence, employees of the organization, representatives of business, public organizations, civil society, government authorities, local communities, trade unions, etc.), involved to one extend or the other in the organization’s

¹ Read more about the Ten Principles of the UNGC: <http://www.globalcompact.ru/en/about/ten-principles/>.

	activities, and who affect the results of the organization's activities and/or influenced by it
Sustainable development indicators	Environmental, social, financial, economic and other indicators measuring the contribution of the Corporation, its organizations and individual projects to the realization of the UN Sustainable Development Goals
Corporation	Rosatom State Corporation
Sustainable development areas	Environmental, social and governance aspects, both in the context of the organization's operations and in the context of the impact of organization's activities on these aspects from the point of view of society as a whole. Abbreviation: ESG (Environmental, Social and Governance)
Policy	Unified Industry Policy on Sustainable Development of Rosatom State Corporation and its organizations
Material topics	Topics that reflect an organization's significant economic, environmental and social impacts, or may substantially influence the assessments and decisions of stakeholders ²
Sustainable supply chain	Managing the ecological, social and economic impact on the environment and the organization, encouraging best practices in the supply chain management throughout the life cycle of a product or service
Sustainable development	Development of society that meets the needs of the present without compromising the ability of future generations to meet their own needs
UN Sustainable Development Goals	17 goals ³ adopted as part of the 2030 Agenda for Sustainable Development by the UN General Assembly in 2015 ⁴

2.3. Abbreviations and their interpretations.

Abbreviation	Interpretation
SDGs	UN Sustainable Development Goals

3. Purposes of activities of the Corporation in the Field of Sustainable Development

3.1. The Corporation holds a leading position in the global nuclear technology market and strives for global technological leadership. Given the scale significance of its operations in Russia and abroad, the Corporation recognizes its responsibility to a wide range of stakeholders for ensuring environmental protection, radiation and industrial safety, labor protection, health of workers of nuclear industry organizations, health of personnel of contractors and population and responsibility for carrying out its activities

² Definition of "Material topics" is given according to the Global Reporting Initiative standards (<https://www.globalreporting.org/Pages/default.aspx>) and used in the context of preparation of non-financial statements of the Corporation and its organizations in accordance with these standards.

³ Read more about the UN Sustainable Development Goals: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

⁴ Adopted under UN General Assembly Resolution 70/1 on 25 September 2015 (<https://undocs.org/en/A/RES/70/1>).

in general in a way that it contributes to long-term sustainable development in the regions of its presence.

3.2. The sustainable development of the Corporation implies the interdependence of economic, ecological and social systems and contributes to the promotion of equality and justice through the expansion of human rights and possibilities.

3.3. Contributing to the achievement of the SDGs is one of the significant conditions for the delivery of Corporation's strategic goals.

3.4. In its activities, the Corporation focuses on contributing to the implementation of the global sustainable development agenda, namely:

the Corporation adheres to the Ten Principles of the UNGC in the field of human rights, labor relations, environment and anti-corruption, the implementation of which is reflected, among other things, in this Policy;

the Corporation is constantly working to increase its contribution to the achievement of the SDGs both through the development of its product line and the improvement of internal processes and production technologies in order to increase the level of business maturity in the areas of environmental safety, the development of the social sphere and the quality of governance.

4. Objectives of the Corporation in the Field of Sustainable Development

4.1. The Corporation focuses in its activities on contributing to the achievement of SDGs including SDG 7 "Affordable and clean energy", SDG 8 "Decent work and economic growth", SDG 9 "Industrialization, innovation and infrastructure", SDG 12 "Responsible consumption and production", SDG 13 "Combat climate change" and SDG 17 "Partnership for sustainable development".

4.2. The main objectives of the Corporation and its organizations in the field of sustainable development are:

implementation of their activities on a condition of not causing significant harm to the environment;

efficient and rational use of natural resources including water resources;

minimization of emissions of pollutants into the atmosphere, discharges into water bodies and volumes of waste generation, increase of energy efficiency as well as expanding the use of closed production cycle technologies;

ensuring the safety of production processes, labor conditions, the priority of life, health and well-being of employees of industry organizations, personnel of contractors, local residents in operations;

contribution in combating climate change at the national and global levels including through the endeavor to use the best Russian and international environmental practices in operations;

ensuring disturbed lands and vegetation rehabilitation and implementation of measures to preserve biodiversity in the regions of presence both in the Russian Federation and abroad;

assistance to professional, career and personal growth of employees of industry organizations, maximum development of the professional potential of employees; development of vocational education systems at all levels, vocational guidance of schoolchildren and students;

formation of systemic positive changes for the quality of human life by contributing to the social and economic development in the regions of presence in the Russian Federation and abroad;

creation of an effective and transparent system of interaction with stakeholders; ensuring the principles of inclusiveness and equal opportunity regardless of gender, age, values and other conditions;

striving to ensure the UNGC Ten Principles throughout the entire product lifecycle including the sustainability of the supply chain;

observing and respecting human rights in the production chain of the Corporation and its organizations including the adherence to the United Nations Guiding Principles on Business and Human Rights and the commitment to promoting human rights as set out in the International Bill of Human Rights;

assistance in increasing the competence and level of awareness in the field of sustainable development of employees of industry organizations, personnel of suppliers and contractors, representatives of stakeholders in general;

implementation of anti-corruption measures and implementation of the principles of business ethics.

5. Basic Principles and Approaches to the Implementation of Activities of the Corporation and Its Organizations in the Field of Sustainable Development

Basic principles and approaches of the Corporation and its organizations in the field of sustainable development are:

5.1. Precautionary Principle

All injuries, accidents, incidents and occupational diseases can be prevented. The safety of people and the environment is the highest priority of the Corporation and its organizations in all areas of activities.

When planning and carrying out its activities, the Corporation and its organizations take into account and assess risks in the field of environmental safety, labor protection and safety, and also regularly inform stakeholders about their actions to prevent these risks.

The approaches of the Corporation and its organizations to the implementation of this principle are set out in the Regulations on the Safety Management System in the Field of the Use of Atomic Energy in Rosatom State Corporation and in the Organizations of Rosatom State Corporation [8.13], the Unified Industry Ecological Policy of Rosatom State Corporation and its Organizations [8.11], the Unified Industry Policy of Rosatom State Corporation and its Organizations in the Field of Occupational Safety and Health [8.3] and the Regulation on the Risk Management System of Rosatom State Corporation [8.7].

5.2. Compliance Principle

Ensuring that the activities of the Corporation and its organizations comply with legislative and other regulatory requirements, standards, international and other obligations adopted by the Corporation and its organizations in the regions of presence in the Russian Federation and abroad.

Compliance with high ethical standards of open and sound business conduct to advance corporate culture based on the best international practices.

Approaches to the implementation of this principle are set out in the Unified Industry Anti-Corruption Policy of State Atomic Energy Corporation Rosatom and its Organizations [8.5], the Code of Ethics and Professional Conduct of the Employees of Rosatom State Corporation [8.9], Codes of Ethics and Professional Conduct of the Employees of the Corporation's Organizations, industry regulatory documents on ensuring anti-corruption work in organizations conducting foreign economic activity [8.4], Regulations on the Safety Management System in the Field of the Use of Atomic Energy in Rosatom State Corporation and in the Organizations of Rosatom State Corporation [8.13], Unified Industry Ecological Policy of Rosatom State Corporation and its Organizations [8.11] and Unified Industry Policy of Rosatom State Corporation and its Organizations in the Field of Occupational Safety and Health [8.3].

5.3. Principle of Open Dialogue and Transparency of Activities

Building a constructive and open dialogue, respecting the interests and rights of stakeholders, striving to maintain a balance of interests of stakeholders when making decisions.

Ensuring high standards of client-centricity through the formation of a complex integrated offer aimed at meeting the unique needs of the client and creating targeted value, building a regular dialogue with the client for long-term cooperation.

When planning and carrying out its activities, the Corporation and its organizations:

- analyze the impact of their activities on environmental and social aspects;
- take into account the social and economic, indigenous and cultural characteristics of the regions of presence as well as the needs of business and the prospects for the development of the Corporation and its organizations in the regions of presence;
- regularly disclose information on material aspects and, in general, on sustainable development issues in accordance with the best international practices, in order to ensure the transparency of the activities in the field of sustainable development and increase the level of awareness of stakeholders.

Approaches to the implementation of this principle are set out in the Uniform Industry-Wide Policy of State Atomic Energy Corporation Rosatom on Public Reporting [8.2], the Code of Ethics and Professional Conduct of the Employees of Rosatom State Corporation [8.9] as well as in the Codes of Ethics and Professional Conduct of the Employees of the Corporation's Organizations.

5.4. Continuous Improvement Principle

Continuous improvement of internal processes to increase the level of maturity of the Corporation and its organizations in the field of sustainable development as well as the development of a product line to contribute to the achievement of the SDGs.

This principle is implemented through:

- setting, controlling and monitoring of indicators in the field of sustainable development;
- obtaining an independent rating to assess the level of maturity in the field of sustainable development;
- developing a portfolio of sustainable products;
- technological development, the use of advanced science-intensive technologies, mainly of the Russian design;

development of partnerships with Russian and foreign companies with the purpose of joint initiatives development, knowledge and best practices sharing in the field of sustainable development, among others.

5.5. Human-Centricity Principle

Activities of the Corporation and its organizations in the field of sustainable development are developed on the basis of ensuring systemic positive changes for the human well-being: employees of the Corporation and its organizations, personnel of the suppliers and contractors, local residents, and in general, representatives of stakeholders.

This principle is implemented in accordance with the following approaches:

for the employees of the Corporation and its organizations – maximum development of professional potential including through the continuous development of employees, creating conditions for career and professional growth, creating a digital environment and new formats of work; support for a healthy lifestyle, psychological and emotional well-being; facilitation of a stable financial standing;

for the population - the delivery of long-term and sustainable development goals in the regions of operations, humanitarian cooperation and social projects, volunteer programs, ensuring the public acceptability of nuclear technologies in the regions of presence;

for the personnel of suppliers and contractors - development of sustainable supply chain including the observance and respect of human rights throughout the entire production chain of the Corporation and its organizations.

With regard to employees of the Corporation and its organizations, the Unified Industry Social Policy of Rosatom State Corporation and its Organizations [8.12], Unified Industry Methodological Recommendations for the Formation of Remuneration Systems in the Organizations of Rosatom State Corporation on the basis of the Unified Standardized Remuneration System [8.6], Uniform Industry Procedure for Career and Succession Management in Rosatom State Corporation and its Organizations [8.10] are applied.

6. Key Participants of the Activities Management in the Field of Sustainable Development

6.1. General Director of the Corporation – within the framework of ensuring the implementation of the strategic goals of the Corporation including through contribution to the SDGs.

6.2. Strategic Council of Rosatom State Corporation:

within the framework of determining the purposes of the Corporation and assigning the responsibilities for the goals as set by the General Director of the Corporation, including in the field of sustainable development;

within the framework of making key decisions when launching programs or revising them during implementation stage including taking into account the impact on the SDGs and sustainable development areas.

6.3. First Deputy Director General for Corporate Development and International Business – within the framework of ensuring the growth of the consolidated order backlog and revenue of the Corporation’s organizations in the foreign markets and in the new areas of business taking into account the principles of sustainable development.

6.4. The Expert Council on Sustainable Development of Rosatom State Corporation [8.14] is an advisory body on application of principles and requirements in the field of sustainable development in the activities of the Corporation and its organizations, assessment of financial and non-financial effects as well as customization of the business areas of the Corporation and its organizations for the compliance with these principles and requirements.

6.5. The project office on sustainable development of the Corporation – within the framework of developing framework for the sustainable development of the Corporation's business including the development of sustainable development methodologies and ensuring the implementation of sustainable development initiatives in the Corporation and its organizations.

6.6. Owners of industry process groups responsible for the implementation of activities in the field of environment, safety and labor protection, personnel management and social issues, anti-corruption activities and ethics, information transparency and interaction with stakeholders in the regions of presence and other areas of sustainable development.

7. Implementation of Policy

In the Corporation and its organizations, the Policy is implemented through:

performance of functions in the field of environment, safety and labor protection, personnel management and social issues, anti-corruption activities and ethics, information transparency and interaction with stakeholders in the regions of presence and other areas of sustainable development;

determination of sustainable development indicators for setting strategic and operational goals and regularly monitoring the activities of the Corporation and its organizations;

assessment of the effects from the activities of the Corporation and its organizations on the SDGs including in certain areas of business and projects;

development and implementation of unified industry methodological and regulatory documents as well as bylaws of the Corporation's organizations in certain areas of sustainable development;

development and implementation of the industry Action Plan to increase the level of maturity in the field of sustainable development as well as through the implementation of projects (if necessary).

8. Normative References

8.1. UN Global Compact⁵.

8.2. Uniform Industry-Wide Policy of State Atomic Energy Corporation Rosatom on Public Reporting approved by order of Rosatom State Corporation dated May 13, 2011 No. 1/403-P.

8.3. Unified Industry Policy of Rosatom State Corporation and its Organizations in the Field of Occupational Safety and Health approved by order of Rosatom State Corporation dated November 29, 2013 No. 1/1309-P.

⁵ Read more about UN Global Compact: <http://www.globalcompact.ru/about/>.

8.4. Order of the Rosatom State Corporation dated January 20, 2015 No. 1/24-P “On Ensuring Anti-Corruption Work in Organizations Conducting Foreign Economic Activity”.

8.5. Unified Industry Anti-Corruption Policy of State Atomic Energy Corporation Rosatom and its Organizations approved by order of Rosatom State Corporation dated April 14, 2015 No. 1/364-P.

8.6. Unified Industry Methodological Recommendations for the Formation of Remuneration Systems in the Organizations of Rosatom State Corporation on the basis of the Unified Standardized Remuneration System approved by order of Rosatom State Corporation dated April 30, 2015 No. 1/439-P.

8.7. Regulation on the Risk Management System of Rosatom State Corporation approved by Order of Rosatom State Corporation dated November 11, 2015 No. 1/1067-P.

8.8. Regulation on the System of Regulatory Documents of Rosatom State Corporation approved by order of Rosatom State Corporation dated December 04, 2015 No. 1/1176-P.

8.9. Code of Ethics and Professional Conduct of the Employees of Rosatom State Corporation approved by Order of Rosatom State Corporation dated February 18, 2016 No. 1/129-P.

8.10. Uniform Industry Procedure for Career and Succession Management in Rosatom State Corporation and its Organizations approved by order of Rosatom State Corporation dated July 18, 2017 No. 1/668-P.

8.11. Unified Industry Ecological Policy of Rosatom State Corporation and its Organizations approved by order of Rosatom State Corporation dated December 05, 2017 No. 1/1232-P.

8.12. Unified Industry Social Policy of Rosatom State Corporation and its Organizations approved by order of Rosatom State Corporation dated May 18, 2018 No. 1/504-P.

8.13. Regulations on the Safety Management System in the Field of the Use of Atomic Energy in Rosatom State Corporation and in the Organizations of Rosatom State Corporation approved by Order of Rosatom State Corporation No. 1/167-P dated February 19, 2019.

8.14. Order of Rosatom State Corporation dated February 26, 2019 No. 1/190-P “On the Establishment of the Expert Council on Sustainable Development of Rosatom State Corporation”.