

SUSTAINABILITY REPORT

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INFORMATION ABOUT THE REPORT

GRI 101, 102-46, 103-1, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54

Public Joint Stock Company "Territorial Generating Company No. 1" (hereinafter also referred to as "the Company") presents its Sustainability Report for 2021 ("the Report"), which is the Company's first individual Sustainability Report. Previously, the Company regularly disclosed the full scope of similar information as part of a joint Sustainability Report of Gazprom Energoholding Group's production companies, the latest of which was published in October 2021.

In this Report, Public Joint Stock Company "Territorial Generating Company No. 1" is referred to as TGC-1. Gazprom Energoholding LLC, TGC-1, OGK-2 JSC, MOEK PJSC, Mosenergo are jointly referred to as the production companies of Gazprom Energoholding Group, Gazprom Energoholding Group or the production companies of the Group.

PREPARATION PROCESS, SCOPE AND BOUNDARIES OF THE REPORT

Standards for pre- paring and compiling content of the Report	 GRI Standards; The UN Sustainable Development Goals to which the Gazprom Energoholding Group's companies is committed
Disclosure level	The Core option, the Compliance Table is given in Appendix No. 2. GRI content index
Reporting cycle	1 year
Coverage of informa- tion disclosure	TGC-1, JSC "Murmanskaya CHPP" (unless otherwise specified) ¹
Information disclosure period	Calendar year 2021;The most significant events of 2022 up to the date of the Report publication
Information sources	 Management and audited financial statements under IFRS; Data obtained within the framework of interaction with the Company's core units
Changes in disclosure compared to previous Reports	 Transition from joint disclosure of sustainability-related information in a Sustainability Report of Gazprom Energoholding Group's production companies to publication of an individual Sustainability Report of TGC-1; Updating the list of significant topics disclosed in the text of the Report² (as part of the Report preparation, an additional questionnaire of stakeholders was conducted)

All data, except for financial results, are given without subsidiaries and affiliates (S&A), unless otherwise stated. All financial indicators are based on consolidated financial statements prepared as per IFRS. In the future, the disclosure of non-financial reports is planned to be gradually expanded to include all subsidiaries and affiliates whose data are included in consolidated financial statements of TGC-1³.

The Report contains plans for the medium and long term. Their implementation involves inherent risk and uncertainty, including factors outside the Company's area of influence.

¹ Names, forms of incorporation and addresses of the companies covered in the Report are given in Appendix No. 3.

 $^{^2 \}quad \text{A detailed description of the process of identifying significant topics, their full list and significance assessment are given in Appendix No. 1.} \\$

 $^{^{3}}$ A complete list of organizations included in the accounts of the consolidated financial statements is given in Appendix 4.



KEY OUTCOMES OF THE YEAR

27.895

28.257

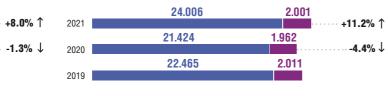
Operational performance

Electricity generation of TGC-1,



* Data excluding JSC "Murmanskaya CHPP". A physical calculation method was used.

Net supply of thermal energy of TGC-1 Group, min Gcal



■ Net supply of thermal energy of TGC-1 (to their consumers) ■ Net supply of thermal energy of JSC "Murmanskaya CHPP"

SRFC for electricity supply, g/kWh*



* Data excluding JSC "Murmanskaya CHPP". A physical calculation method was used.

SRFC for thermal energy supply, kg/Gcal



Revenue under IFRS, million rubles



Profit under IFRS, million rubles



EBITDA profitability, %



EBITDA under IFRS, million rubles



EBITDA *

■ EBITDA, adjusted*

- * EBITDA indicator is calculated as the sum of operating income and depreciation and amortization.
- ** EBITDA adjusted indicator is calculated as the sum of operating income and depreciation and amortization, impairment losses on non-financial assets less gains on the recovery of impairment losses on non-financial assets.

Sustainable development

Costs for environmental protection, million rubles

The total value of assets under IFRS, million rubles



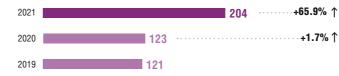
182.504

Headcount, persons*

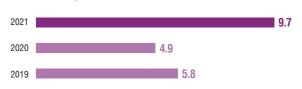


* Including employees who work under civil law contracts and part-time employees as of

Costs for occupational health & safety, million rubles



Staff turnover, %*



* Data excluding JSC "Murmanskava CHPP"



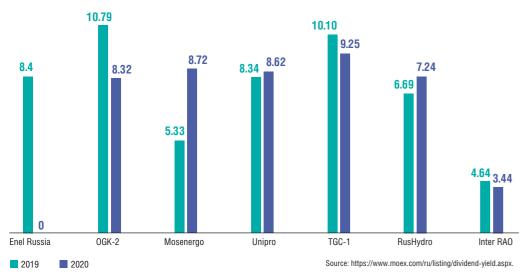
Greenhouse gas emission in CO, equivalent, million tons



1. TGC-1 TODAY 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. **Sustainability Report of TGC-1 for 2021**

INVESTMENT ATTRACTIVENESS

Dividend yield, 2019-2020, %



38.3 billion rubles

Capitalization as of 31.12.2021 Source: https://www.moex.com/a8067.

Dividends: retrospective / debt burden*

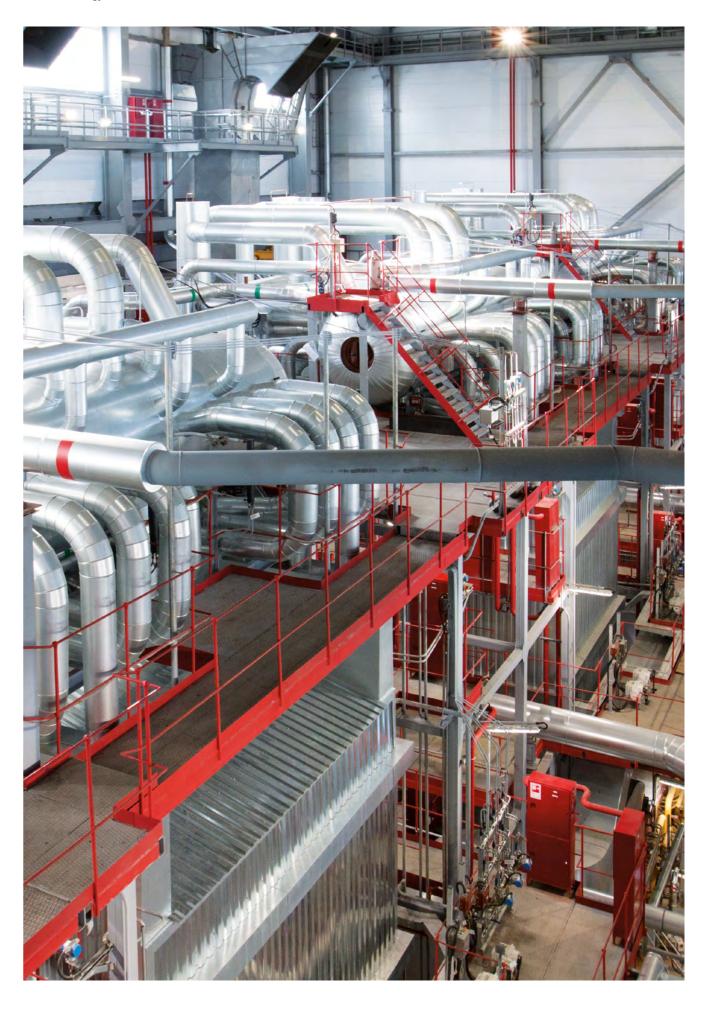
DIVIDEND POLICY IS BASED ON

a balance – repayment of debt, investment, maximization of dividends.

Since 2019, the Company has switched to paying dividends in the amount of

50% of net income





7 8 -

ABOUT THE COMPANY

Public Joint Stock Company "Territorial Generating Company No. 1" is a leading producer of electric and thermal energy in the North-Western Region of Russia.

TGC-1 was established in 2005 during the reform of the Russian electric power industry, and on August 1, 2016, in order to bring the name in line with the provisions of the Civil Code of the Russian Federation, TGC-1 OJSC was renamed TGC-1. However, the Company's history began much earlier – the power plant, which is now part of TGC-1, gave the first kilowatts as recently as in 1897. At that time in St. Petersburg, on Novgorodskaya Street, the Helios Cologne company launched the first stationary power plant in Russia.

Today, the Company unites generating enterprises from the Baltic to the Barents Sea.

THE COMPANY'S **GENERATING ASSETS INCLUDE**



power plants of various types



constituent entities of the Russian Federation

St. Petersburg, the Republic of Karelia, Leningrad and Murmansk Oblast.

The generated electricity is supplied to the domestic wholesale electricity and capacity market, and is also exported to Finland and Norway.

TGC-1 is a strategic supplier of thermal energy in St. Petersburg, Petrozavodsk, Murmansk, the cities of Apatity and Kirovsk of the Murmansk Oblast.

In 1898, two more power plants started operating in the capital of the Russian Empire: of the Electric Lighting Company 1886 on the Obvodny Canal and of the Belgian Anonymous Company on the Fontanka River embankment. Today, the first power plants of our country, which have been repeatedly reconstructed over the past years, are united by the Centralnaya CHPP of TGC-1.

1898

In the 1920s, the implementation of the legendary GOELRO plan (the Soviet plan for national economic recovery and development) started in the country. Today, the first hydroelectric power plant built under the plan. the Volkhovskaya HPP in the Leningrad Oblast, is operating as part of TGC-1. And the first thermal power plant in the North-West under GOELRO. the Krasny Oktyabr CHPP, which was also part of the Company's structure, was decommissioned in 2010, having operated for almost 88 years. It was replaced by a new station - Pravoberezhnaya CHPP, which gave the first kilowatts and gigacalories in 2006. GOELRO "first-born" in Karelia (Kondopozhskaya HPP) and in the Arctic Circle (Nizhne-Tulomskaya HPP and Niva HPP-2) also continue to operate as part of the production complex of TGC-1.

During the Great Patriotic War. the Leningrad power engineers made a unique operation that went down in history as a breakthrough in the energy blockade of Leningrad. Almost all thermal power plants of the blockaded city were stopped in the first months of the war due to lack of fuel. In 1942, an underwater cable was laid across Lake Ladoga to supply electricity to the city, and the Volkhovskaya HPP became the main source of energy supply to blockaded Leningrad.

At the beginning of the war, enemy troops repeatedly attacked strategically important objects of the Arctic Circle: Murmanskaya CHPP, Nizhne-Tulomskaya HPP, and Niva HPP-2.

1941-1945

In the post-war years, the energy sector of the North-West of the country continued to develop actively. New stations were built in Leningrad, Petrozavodsk, and Murmansk. At the end of the 20th century, they were organized into independent companies.

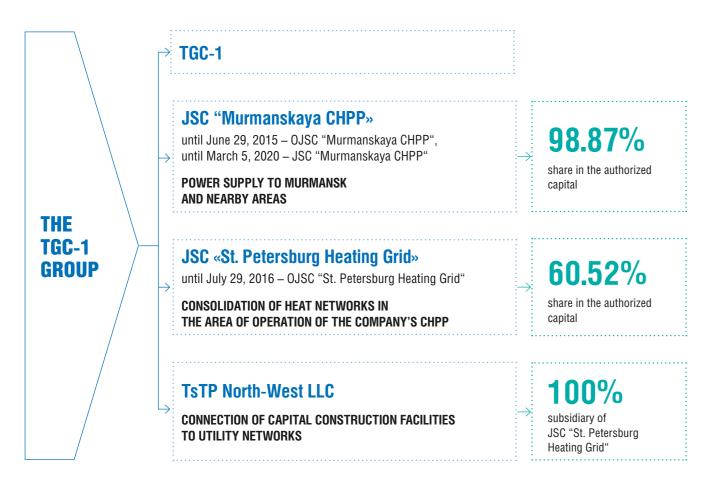
1945-2000

In 2005, as part of the reform of the Russian energy sector, TGC-1 OJSC was established on the basis of the generating assets of Lenenergo OJSC. Kolenergo OJSC and Karelenergo OJSC.

On August 1, 2016 Open Join Stock Company "Territorial Generating Company No. 1" was renamed into Public Joint Stock Company "Territorial Generating Company No. 1" to bring it into compliance with the current legislation. The change of the Company's organizational and legal form is reflected in the new version of the Charter approved on June 20, 2016 by the Annual General Meeting of Shareholders and registered on August 1, 2016.

1920s

TGC-1 AND ITS SUBSIDIARIES FORM THE TGC-1 GROUP



In turn, TGC-1 is part of the Gazprom Group. Controlling stakes in Gazprom Group's generating companies are consolidated to the balance sheet of Gazprom PJSC's subsidiary Gazprom Energoholding LLC, which ensures effective management according to uniform corporate standards.

MAIN SHAREHOLDERS OF TGC-1 ARE:

51.79%

Gazprom Energoholding LLC

29.45%

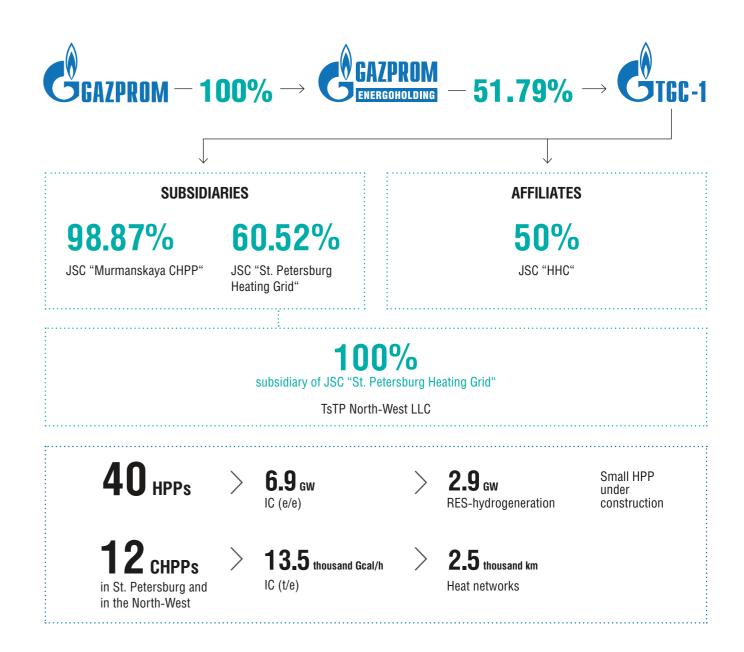
Fortum Power and Heat Oy4

Shares of TGC-1 are traded on the stock exchange of Moscow Exchange PJSC and are included in the First level of the quotation list.

Fortum Power and Heat Oy, the second largest shareholder, is a leading Scandinavian energy concern with the highest business standards, making a valuable contribution to improving the efficiency of the Company's management.

Thus, focusing on international business standards, operating power with environmental responsibility and implementing innovative social policy, TGC-1 strives to take a leading position in the energy market, be a reliable partner for investors. take care of the shareholder's interests and meet the highest customer's requirements.

MAIN ASSETS



COMPETITIVE ADVANTAGES



HEAT AND ELECTRICITY GENERATION and supply in industrially developed regions of the country

the CSA-RES and CCTMod programmes



HIGHLY EFFICIENT GENERATION





THE POSSIBILITY OF SUPPLYING carbon-free electricity (40% of the installed capacity is accounted for by hydrogeneration and is about 3 thousand MW)

The share of Fortum Power and Heat Ov is 29,99% (1,155,868,750,193 pcs) as of 24,05,2021 – the date of drawing up the list of persons entitled to participate in the Annual General Meeting of Shareholders of TGC-1, taking into account the disclosure of data about nominee holders

Oblast

1. TGC-1 TODAY 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. Where the energy is born Sustainability Report of TGC-1 for 2021

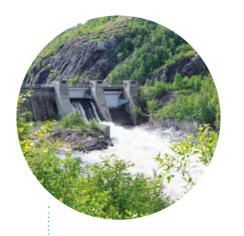
HIGHLIGHTS OF THE YEAR

GRI 102-10, GRI 203-1













* FEBRUARY

 The authorized persons from Russia, Norway and Finland signed a Protocol on the Finnish Lake Inari Water Regulation. For the first time, the trilateral meeting was held online.

MARCH

- Top managers of TGC-1 took part in the meeting of the energy club of Peter the Great St. Petersburg Polytechnic University.
- Competitions in cross-country skiing for the Cup of the Kolsky branch of TGC-1 were held in Murmansk.

APRIL

- Vedeneev VNIIG JSC started the design and survey work on the construction of a small HPP of TGC-1 in the Murmansk Oblast. The new plant will use the water resources of the Paz River to generate electricity.
- TGC-1 conducted the largest transaction for the sale of I-REC Renewable
 Energy Certificates on the Sber
 blockchain platform. Certificates are
 issued in the interests of industrial
 enterprises and confirm the energy
 renewable sources.

MAY

• TGC-1 supplied "green" energy for the plants of AB InBev Efes company.

♯ JUNE

- TGC-1 power engineers provided assistance to the young wards of the charity organization "Perspektivy".
- On the St. Petersburg International Economic Forum 2021, TGC-1 and PhosAgro PJSC signed an agreement on cooperation for confirmation of course of generated and consumed electricity.
- TGC-1 took part in the All-Russian campaign Water of Russia, focused at maintaining the cleanliness of the reservoir banks.
- TGC-1 and Peter the Great St. Petersburg Polytechnic University implemented a joint educational project "School of Communications in the Energy Industry".

♯ JULY

- The Charitable Activities Policy of TGC-1 has been approved.
- TGC-1 supplied "green" energy for the Shchekinoazot Chemical Company.

I. TGC-1 TODAY 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. Where the energy is born Sustainability Report of TGC-1 for 2021









*** AUGUST**

TGC-1 launched a mobile application for customers. Using it, you can pay for heat and hot water without commission, transmit meter readings, receive receipts and monitor accruals.

- TGC-1, TEK SPb SUE (state unitary enterprise) and JSC "St. Petersburg Heating Grid" have agreed on the optimization of heat supply zones.
- TGC-1 signed a deal to issue Renewable Energy Certificates for Beko company.

↑ OCTOBER

 The power engineers of TGC-1 have completed the first stage of work to reduce the noise level at the Petrozavodskaya CHPP.

↑ NOVEMBER

- TGC-1 and the Institute of Research and Expertise of VEB of the Russian Federation have agreed on the joint development of an ecological financial market.
- TGC-1 starts selling Renewable Energy Certificates under the international standard I-REC.
- TGC-1 supplied "green" energy to Sber offices.
- The Sustainability Report of Gazprom Energoholding Group was honored with the platinum MarCom Awards.

* DECEMBER

- TGC-1 and the Dutch company STX Commodities B.V. signed a sales agreement for Renewable Energy Certificates under the international standard I-REC. This is the first such transaction of TGC-1 with a foreign company.
- TGC-1 specialists conducted career guidance classes for students of the children's technopark "Quantorium".
- TGC-1 and the St. Petersburg International Commodity Exchange signed an agreement on cooperation. The agreement provides for cooperation in the development and organization of sale of electric energy generated from renewable energy sources and Renewable Energy Certificates confirming the energy renewable sources of TGC-1.
- According to 2021 results, TGC-1 took the second place in the rating of environmental information transparency of fuel electric and heat generating companies of the Russian Federation, rising by six points compared to last year's results. The rating methodology was created on the initiative of WWF Russia.

EVENTS AFTER THE REPORTING DATE

2022

- TGC-1 and Teplocom completed a full-cycle transaction regarding the transition to renewable energy sources.
- TGC-1 has been certified for compliance with the requirements of the international standard ISO 9001-2015.
- TGC-1 organized the ice court operation in the Governor's Park of Petrozavodsk.

 \cdot 17 \cdot 18 \cdot

1. TGC-1 TODAY 2. 3. 4. 5. 6. 7. 8. 9. 10. 11.

Sustainability Report of TGC-1 for 2021

ADDRESS BY THE MANAGING DIRECTOR OF TGC-1

GRI 102-14

DEAR FRIENDS!

Sustainable development activities are one of the key factors of successful long-term growth for TGC-1.

Guided by the principles of reliability, safety and stable development, for many years, power engineers have been working to ensure that enterprises and social infrastructure facilities operate continuously, so that people's homes are bright, warm and cozy. More than 20 million residents of the North-West felt every day the results of our Company's operation.

TGC-1 confidently fulfills all its obligations to the state and the regions of its operating, employees, shareholders, partners and customers. In 2021, sustainable development activities were recognized by the Board of Directors as a priority area of the Company's development; there in Gazprom Energoholding LLC (with the active participation of TGC-1), a Managing Committee on Sustainable Development started its work aimed at developing and implementing the best ESG practices by subsidiaries.

The principle of environmentally responsible behavior is key one in TGC-1 operation. The Company has adopted an Environmental Policy; we consistently implement environmental protection measures, monitor compliance with sanitary protection zones at facilities and take care of biodiversity in the territory of our operating. According to 2021 results, TGC-1 took the second place in the rating of environmental information transparency of fuel electric and heat generating companies of Russia, rising by six points compared to last year's results.

The status of the largest supplier of "green" energy in the North-West with electricity generation at the level of 13 billion kWh per year allows us to make a significant contribution to the common cause of climate risk management, as we help companies to follow sustainable development strategies and reduce the carbon footprint in the production of products. In 2021, we took the flagship position in the Russian ecological market. The opportunity to purchase environmentally friendly energy from TGC-1 was used by leading Russian companies —

Sber, PhosAgro, Sibur, AB InBev Efes, Polyus, Beko, Shchekinoazot and others. We plan to direct all additional revenues due to the energy renewable source to the implementation of ESG initiatives.

In 2021, TGC-1, implementing its development strategy until 2027, continued to transform and modernize its asset portfolio. In April 2021, the design of a new small HPP in the Murmansk Oblast, which will use the hydropower resources of the Paz River, was started. The planned start date for the power supply to the wholesale electricity and capacity market is December 2024.

In July 2021, we completed the modernization of the second of the four hydroelectric units of the Verkhne-Tulomskaya HPP, the largest HPP in the Murmansk Oblast, increasing the installed capacity of the Company's renewable energy sources.

Adhering to the principle of high social responsibility, TGC-1 pays special attention to the creation of a favorable working environment at enterprises and the socio-cultural development of the regions of its operating.

In the context of the ongoing coronavirus epidemic, the Company has made significant efforts to protect personnel. Employees are provided with protective equipment, conditions for remote work are created, and vaccination is organized right at the plant. These measures made it possible to preserve the personnel health, the continuity of energy and heat supply and contribute to the "victory" over the pandemic.

TGC-1 charitable activities include such areas as health care, promotion of a healthy lifestyle, support of education and culture, care for the environment, development of corporate volunteering.

So, in 2021, the Company continued to support adult and children's medical institutions in the regions of its operation, financing the purchase of necessary equipment and consumables. When implementing social projects, we focused on solving specific tasks in small and medium-sized cities, on targeted funding of social initiatives of local communities and support for socially vulnerable categories of the population.

Environmental protection and biodiversity conservation projects remained a priority. Among the charity recipients are nature reserves in the Leningrad Oblast and Murmansk Oblast, which got the funding for environmental protection measures and modernization of their own energy infrastructure.

In 2021, more than 400 employees of the Company became corporate volunteers, taking part in projects to help disabled children, elderly single pensioners in nursing homes and shelters for homeless animals.

The implemented quality management system contributes to improving the efficiency of corporate governance in TGC-1, which last year successfully passed certification for compliance with the requirements of STO Gazprom 9001-2018 and ISO 9001:2015 standards (GOST R ISO 9001-2015). We have proved the high level of production culture aimed at continuous improvement of technological processes and high quality of products and services in electricity and heat supply.

All strategic investment projects of TGC-1 are accompanied by the construction of digital information models. This allows to save resources and time when implementing projects. Digital transformation and the introduction of new information and control systems streamline the work of personnel and form an intelligent predictive analytics system for the operation of complex and responsible technological systems in the energy industry.

Dear friends!

Where the energy is born

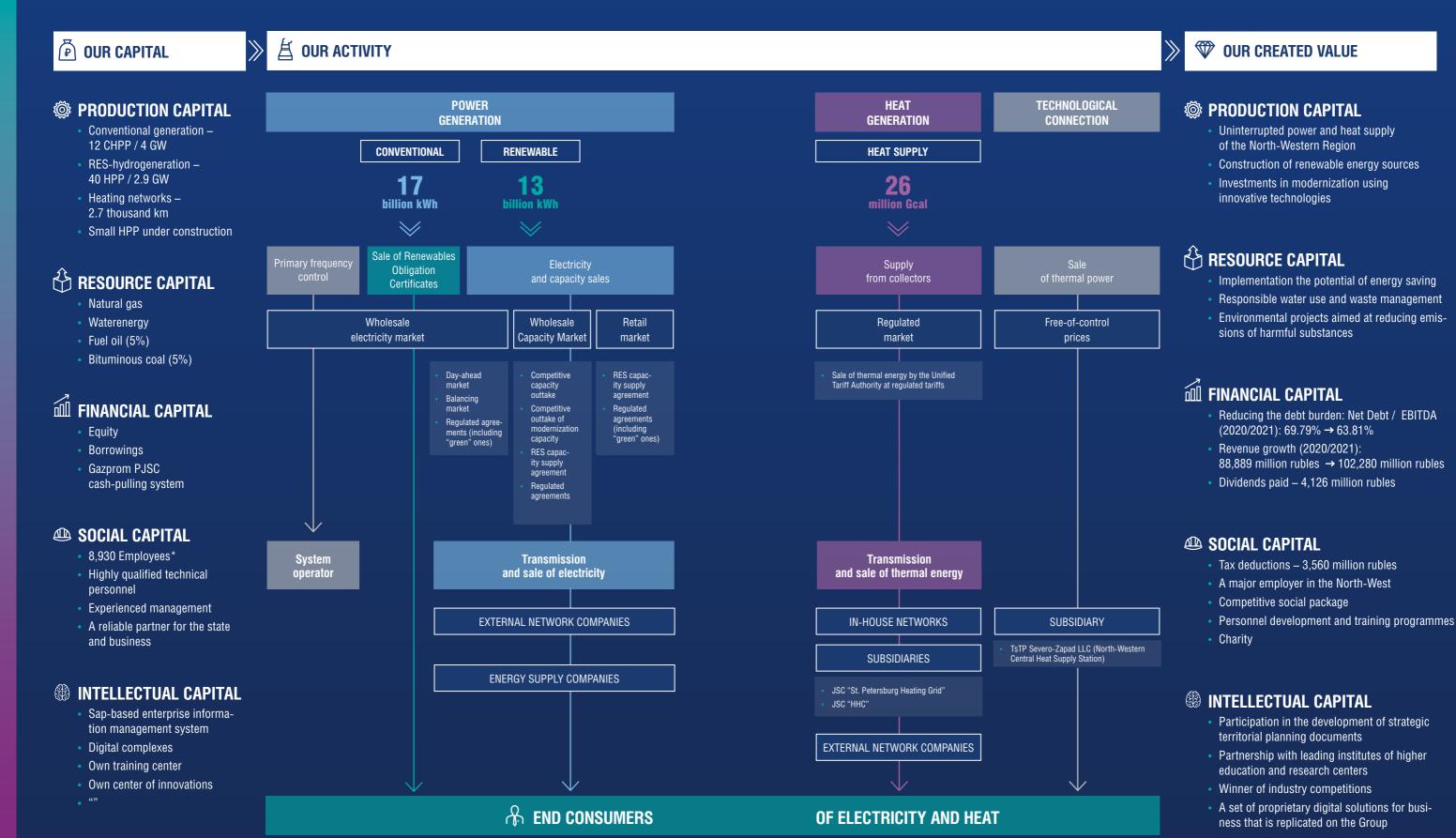
TGC-1 has been committed to sustainable development since the first day of its operation, because without reliability and stability, high quality of services, it is impossible to imagine the very existence of the energy system. Confirming our commitment to the principles of responsible business, we will develop renewable energy sources, introduce innovations in digitalization and increase business transparency, pay close attention to environmental aspects and promote social initiatives.

Managing Director of TGC-1

 ~ 19

1. TGC-1 TODAY 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. Where the energy is born Sustainability Report of TGC-1 for 2021

BUSINESS MODEL



^{*} TGC-1 Group: TGC-1, JSC "St. Petersburg Heating Grid", JSC "Murmanskaya CHPP", TsTP Severo-Zapad LLC

- 21

FORMATION OF VALUE FOR STAKEHOLDERS AND CONTRIBUTING TO THE IMPLEMENTATION OF THE UN SUSTAINABLE DEVELOPMENT GOALS

STAKEHOLDERS	FORMATION OF VALUE IN 2021		CONTRIBUTION TO THE ACHIEVEMENT OF UN GOALS
SHAREHOLDERS,	Growth of economic value	✓ ROCE > WACC	8 DECENT WORK AND ECONOMIC GROWTH
INVESTORS AND CREDITORS	Stable high dividends	Dividends – 4,126 thousand rubles(50% of net income under IFRS)	
	Fulfillment of loan obligations	Paid % against loans – 1,215 thousand rubles	
	Maintaining a credit rating	Fitch (BBB), S&P (BBB-), ACRA (AA+), the forecast is "Stable"	
BUYERS OF	Uninterrupted energy supply	○ 0 accidents	7 AFFORDABLE AND 9 INDUSTRY INNOVATION 13 ACTION
ELECTRICITY AND HEAT	Low emissions of pollutants	CO ₂ emission intensity – 0.211 t/thousand MWh	
AND CAPACITY	Supply of renewable electricity	HPP electricity generation – 13,130 million kWh	
EMPLOYEES OF	Timely and decent wages		3 GOOD HEATTH 4 QUALITY 8 DECENT WORK AND AND WELL-BRING SKOWTH
THE ORGANIZATION*	Health service	→ 140 million rubles	
* TGC-1 only	Training and development	→ 22 million rubles	
	Social support	→ 24 million rubles	
GOVERNMENT	Tax payments		9 INDUSTRY, INNOVATION 11 SUSTAINABLE CITIES AND COMMUNITIES
OF THE RUSSIAN FEDERATION AND EXECUTIVE AUTHORITIES	Execution of agreements on cooperation	The updating of the St. Petersburg heat supply scheme has been funded	
	Strategic investments in infrastructure	 > 40 km of heat networks have been reconstructed Investments in infrastructure > 7 billion rubles 	
LOCAL COMMUNITIES,	Charity, social investments, and corporate volunteering	14 million rubles for charitable and social initiatives	4 QUALITY 6 CLEAN WATER AND SANTIATION 9 AND INFRASTRUCTURE
POPULATION, AND EDUCATIONAL INSTITUTIONS	 Industrial safety, environmental protection and energy efficiency 	> 100 million rubles for environmental projects	
	Partnership with higher educational institutions	 > 12 thousand tons of standard fuel are savings by the implementation of the Company's energy saving programme Transition to closed water supply systems 	11 SUSTAINABLE CITIES 12 CONSUMPTION AND PRODUCTION AND PRODUCTION AND PRODUCTION THE PROPERTY OF THE PROPERTY



SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM



OUR POLICY

The Company is guided by
the Gazprom Group's Sustainable Development Policy⁵,
according to which



THE CORPORATE MISSION

Is to make a positive contribution to the social and economic development of the Russian Federation and other regions where the Company operates, following the principles of environmental and social responsibility



KEY OBJECTI

Socio-economic development of the regions of operation

Environmental protection, resource and energy saving

Respecting the rights and interests of stakeholders, including the Company's own employees and residents in the areas of operation

Improving the quality of corporate governance and combating corruption

OUR VALUES

GRI 102-16

···· Taking care of people's lives and health ···

Zero injury level and adherence to the safety rules is the key to a long and healthy life for all of us, with no exceptions

Teamwork and development

Solidarity, support, open cooperation, joint development as a team, complementing each other and achieving more in a common cause

Respect for people -

Trust, goodwill and respect for the individuality of each employee, regardless of their position

Goal commitment

Responsibility for the future, clear guidelines, initiative, leadership and openness to finding new solutions

Professionalism

Deep knowledge of one's area of specialization, timely and high-quality fulfillment of assigned tasks, continuous improvement of professional knowledge and skills

The corporate values of the Company are defined by the Code of Corporate Ethics of TGC-1 that regulates issues of conflict of interests, co-work of relatives, receiving gifts, relations with competitors and counterparties, anti-corruption and other rules of business conduct.

The Business Integrity Committee monitors compliance with the requirements and provisions of the Code. The persons concerned may send applications to the Committee to the following e-mail address: kodeks-info@tgc1.ru or notify by telephone hotline: 8 (812) 688-33-38.

The Committee consists of heads of functional units specializing, in particular, in personnel management, corporate governance, legal support, and corporate protection.

Diligence and non-reliance of employees in such matters as production process optimization

Lean approach

Responsible and lean approach to the use of assets of the Group's companies, to own work time and the work time of other employees

Openness to dialoque

Open and honest exchange of information, willingness to jointly develop an optimal solution

Succession

Respect for the work and experience of older generations, communication between beginners and labour veterans, vocational training and coaching

· Imag

Use of techniques and strategies aimed at creating a positive opinion about the Group's companies

The personnel of the organization studies the Code of Corporate Ethics upon hiring or when making amendments to this document. Information sharing of the principles, standards and norms of behavior is included in the adaptation programmes for young employees. Since 2020, once every three years in the corporate Unified Distance Learning System operating at TGC-1, as well as in other companies of the Gazprom Energoholding Group, targeted training of all employees of the Company, including the Board of Directors members, is conducted on the basis of the electronic course "Code of Corporate Ethics".

THE STRATEGY OF GAZPROM PJSC IN ELECTRIC POWER INDUSTRY FOR 2018-2027

In 2021, the implementation of Gazprom PJSC Electric Power Industry Strategy for 2018–2027 continued, providing for the creation of new generating capacities and modernization of existing ones, as well as for decommissioning

of facilities whose operation is not economically feasible, further improvement of operational efficiency, application of import substitution equipment, and diversification of activities by entering promising markets in Russia and abroad.

⁵ Approved by Decision No. 3576 of Gazprom PJSC Board of Directors dated 30.04.2021.

THE SUSTAINABLE DEVELOPMENT STRATEGY OF TGC-1

EU10

The main tool for planning activities for the long term is the Development Strategy of TGC-1 for 2018–2027, approved by the Company's Management Board, and 9 roadmaps for key areas of its implementation that are taken into account at the level of medium- and short-term planning when forming the budget and investment programme of TGC-1.

The key strategic goal of TGC-1 for 2018–2027 is to ensure stable profit growth while maintaining a high-level reliability of energy supply to consumers.

The strategy provides for the creation of new and deep modernization of existing generating capacity, as well as the decommissioning of facilities whose operation is economically impractical, further improvement of operational efficiency, development of the thermal business and customer orientation, import substitution, diversification of activities by entering adjacent segments that have synergy with the current business.

The strategy is presented in two scenarios of development – conservative and optimistic ones. In any scenario, TGC-1 has a stable financial and economic situation. The choice of the scenario depends on the guarantees of return on investment from the electricity and capacity market.

The strategic goals can be achieved through the main mechanisms for the Strategy implementation that are grouped by following areas:

DOMESTIC MARKET STRATEGY

- Participation in the generating capacity modernization programme (CCTMod)
- Investments in the heat network complex
- Proactivity of the heating business





TECHNOLOGY DEVELOPMENT

- > Improving production efficiency
- Innovation and digitalization
- Physical safety and information security





DIVERSIFICATION OF ACTIVITIES

- Entry into RES generation segment, sale of "green" energy
- Business clusters and public spaces on the territory of the CHPP
- » New business directions







A group of key management performance indicators (KPIs) "Implementation of Development Projects" is being formed on the basis of roadmaps by the strategy line. The indicator includes measures selected by the core units of the management company that are aimed at improving energy efficiency, introducing innovations and rationalization initiatives, reducing the carbon footprint, diversifying activities, and interacting

with stakeholders. Among the most significant measures in 2021 is the development of a digital BIM model for the Avtovskaya CHPP reconstruction project, implemented as part of the first selection stage of CCTMod programme, the switching of inefficient boiler plants in St. Petersburg to the CHPP of TGC-1.

Participation of TGC-1 in a new capacity construction and modernization programmes

74.5
billion rubles

CSA. Results (2007–2019)

CCTMod. Prospects (2018–2027)

17.8
billion rubles

+1.7
GW

Capacity input under the programme

Capacity input under the programme

Power extraction during the programme effective period

GW

CCTMod. Prospects (2018–2027)

-17.8
billion rubles

-10.5
GW

* VAT exclusive



Significant solutions, results and achievements as a contribution of the Company to the achievement of the UN Sustainable Development Goals

The Company's key priorities in the field of sustainable development are to ensure efficient and safe production of electricity and heat, environmental protection, resource and energy conservation, respect for the rights and interests of stakeholders, to promote of socio-economic development of the regions of its presence, personnel development and improving the quality of corporate governance.

GOALS







The first stage of modernization of Verkhne-Tulomskaya HPP has been completed; the installed capacity of RES generation has increased by **16 MW to 284 MW**.

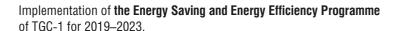
Design work continues on the first project for the construction of a small HPP on the Paz River in the Murmansk Oblast with a capacity of **16.5 MW**.

The volume of environmentally friendly generation on 31.12.21 amounted to **2.9 GW**.

The first stage of modernization of the Avtovskaya CHPP has been completed as part of the 22-24 CCTMod programme.

As a result of the project implementation, we expect a cumulative fuel effect of \$\psi\$ 10%.



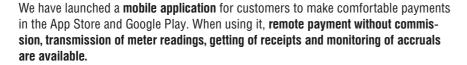


Effect in 2021: 10,133 tons of standard fuel, 13,006 thousand kWh and 493 Gcal; 59.2 million rubles.

Implementation of the Action Plan to increase operating efficiency and optimize costs, Effect in 2021: **830.7 million rubles.**

The quality management system has been implemented and certified according to the requirements of STO Gazprom 9001-2018 and **ISO 9001:2015 standards**.









The useful supply of "green" energy in 2021 is 10.7 billion kWh.



Since March 2021, we are I-REC members – an international non-profit organization that has developed and implemented a reliable mechanism for tracking the origin of electricity in 35 countries around the world.

I-REC Renewable Energy Certificates comply with the main **international standards** of sustainable development (GHGP, CDP, RE100).

In addition, we sell our "green" energy through direct bilateral sales contracts in the wholesale and retail markets.

During this time, the following companies became our partners:



















Management's approach to ensuring the sustainable development of the Company in the economic, environmental and social spheres

Gazprom PJSC, the Company's key shareholder, is focused on sustainable development in the long term and implements these approaches at all levels of corporate governance.

This is defined in the Gazprom Group's Sustainable Development Policy approved by the Board of Directors' decision dated April 30, 2021 (Minutes No. 3576), and the most relevant business goals in sustainable development are integrated into the system of strategic targets. TGC-1 shares the initiative of Gazprom PJSC and plans to contribute to the achievement of the selected sustainable development goals (SDGs).

In June 2021, the Managing Committee for Sustainable Development was established on the basis of the parent company Gazprom Energoholding LLC that is aimed at accelerating activities, developing and implementing ESG practices in the business processes of subsidiaries. Working groups by activity area are formed under the Committee, and they included senior and leading managers of TGC-1 and other companies from the Group.

In December 2021, the Board of Directors of TGC-1 identified sustainable development activities as a priority area for the Company (Minutes No. 22 dated December 31, 2021). Therefore, we are currently focused on the building of an effective sustainable development management system and have assumed corresponding obligations to shareholders. By the end of the 2 Q of 2022, a roadmap for the development of ESG practices in TGC-1 will be approved and its phased implementation will start.

Responsibility for control arrangement, methodological support and legal regulation of TGC-1 activities in ESG is currently not assigned to one person in charge. The core blocks of the Company in the area of their functional responsibility conduct activities in sustainable development.

We are constantly improving our remuneration system for Company's leading and senior managers, including expanding the list of indicators of sustainable development:

Chief Engineer	\rightarrow	Environmental responsibility, energy efficiency and resource saving, energy and heat production
HR Director	\rightarrow	Corporate social responsibility
Head of the Training Center	\rightarrow	Staff training
Head of the Corporate Affairs Department	\rightarrow	Corporate governance
Deputy Managing Director for Economics and Finance	\rightarrow	Economic prosperity
Head of the Public Relations Department	\rightarrow	Charity
Branch Directors, Deputy Managing Director for Development and Property Management, Head of the Public Relations Department	\rightarrow	Interaction with the state authorities in the regions of operating and creation of a favorable social climate for the company's effective development

KEY RESULTS OF THE STRATEGY IMPLEMENTATION IN 2021

IMPLEMENTATION OF THE ACTION PLAN TO INCREASE OPERATING EFFICIENCY AND OPTIMIZE COSTS

TGC-1 is working to improve operational efficiency and implementing cost optimization plans aimed at improving financial performance. The Company draws up and implements plans for a number of areas (measures) on an annual basis.

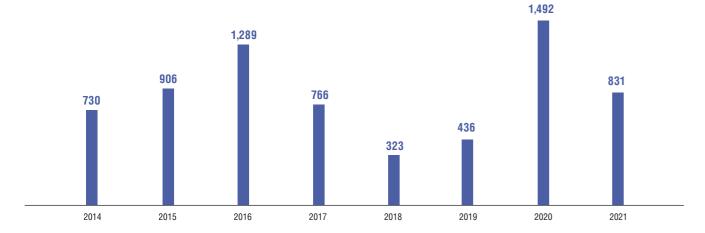
In 2021, the Company implemented the following measures to improve the operational efficiency:

- the organizational and technical measures to improve the production system aimed at increasing the efficiency of fuel use, water use and reduction of electricity consumption for own needs of power plants were implemented;
- the cost of supplying fuel, goods, works and services through the use of competitive procurement methods was reduced;
- · non-core assets were sold;

- fuel costs have been optimized by the Company's participation in the bidding of the Saint Petersburg International Mercantile Exchange (SPIMEX);
- measures to optimize warehousing were carried out: stock unclaimed in production and decommissioned equipment were sold:
- · costs for purchasing power were optimized, etc.

The overall effect from the implementation of the Action Plan to increase operating efficiency and optimize costs of TGC-1 following the results of 2021 is expected at the level of to 830.7 million rubles

Effect of TGC-1 from optimization, million rubles



Further implementation of measures is planned in 2022 to increase operating efficiency and optimize costs of TGC-1.

TGC-1 is considering the possibility of implementing investment projects for the construction of generating facilities operating on the basis of renewable energy sources (RES), as part of the state programme to RES support in the wholesale and retail electricity (capacity) markets.

In 2021, based on the results of the competitive selection of projects for the construction of generating facilities operating on the basis of RES, in respect of which the sale of electric energy (capacity) is planned in the retail electricity markets, there was selected the application of VIE Invest LLC (part of the Gazprom Energoholding Group of Companies) prepared by TGC-1 for the construction project regarding the wind power plant (WPP) in the Leningrad Oblast with an installed capacity

of 24.9 MW and the date of putting into commercial operation on 01.12.2024. TGC-1 manages the project implementation.

In accordance with the decisions of the Government of the Russian Federation, the second stage of the RES support programme for the period 2025–2035 is currently being implemented. TGC-1 is interested in developing a RES project portfolio and diversifying its core business and is considering participating in future competitive selections of projects for the construction of WPPs and SHPPs (small hydroelectric power plants) in the wholesale and retail electricity (capacity) markets. In preparation for participation in these selections, measures are taken to evaluate promising sites and determine the most effective mechanism for project implementation.

TGC-1 also takes an active part in the development of market tools for voluntary demand for RES energy, using the unique structure of the Company's production assets, 40% of which are HPPs with an installed capacity of about 3,000 MW:

- Renewable Energy Certificates (certificates of energy source):
- in 2021, TGC-1 joined the international renewable energy accounting standard The I-REC Standard Foundation as a producer of renewable energy and received the right to issue I-REC Certificates in relation to the volumes of electricity produced at HPPs, certified and registered with the Association of Energy Market Participants "Goal Number Seven". Following the results of 2021, TGC-1 concluded transactions in the amount of more than 250 thousand I-REC Certificates (equivalent to 250 thousand MWh of RES electricity) with major companies, including Sberbank PJSC, Polyus PJSC, Shchekinoazot JSC. TGC-1 is also considering the possibility of participating in the national system of source electricity certificates circulation in accordance with the amendments to the Federal Law "On Electric Power Industry" (adoption of the amendments is expected in autumn 2022).
- Bilateral Electricity Sales Contracts at Freely Negotiated Prices (BCF): TGC-1 concluded BCFs with Apatit JSC, AB InBev Efes.
- Investment (physical) BCFs:

the issue of conditions and possibilities of launching a mechanism for facilities with an installed capacity of more than 25 MW is being worked out with infrastructure organizations (the Market Council Non-Profit Partnership) and core federal executive authorities (Ministry of Energy, Ministry of Economic Development).

WORKING UNDER COVID-19 CONDITIONS

In 2020, the Group carried out serious work in a short time to adapt its activities to new epidemiological conditions.

The daily business practice includes measures aimed at preserving the health of operational personnel and reducing the risk of spreading coronavirus infection.

Due to restrictive measures, most of the planned ceremonial, sports and training events were switched to a remote format using computer technology.



CORPORATE GOVERNANCE AND REMUNERATION POLICY

CORPORATE GOVERNANCE CODE⁶



TGC-1 is constantly improving and developing its corporate governance practices, taking into account and complying with the principles and advanced Russian standards outlined in the Corporate Governance Code recommended for application by the Bank of Russia's letter No. 06-582/2463 dated April 10, 2014.

CORPORATE GOVERNANCE BODIES

GRI 102-18

Protecting shareholders' and investors' rights, transparency and openness in all areas of activities are key priorities for the Company's Board of Directors.

Detailed information about the governing bodies, their powers and composition, as well as about their activities can be found in the Annual Report of TGC-1 for 2021 – p. 102.

Within the corporate structure, there is a partial delegation of functions and a redistribution of responsibility on issues related to the solving of current economic, environmental and social issues.

Diagram of the corporate governance structure

Management Functions Board of Directors' Decision Support Functions General Meeting Board Reliability **Budget Planning** Audit of Shareholders of Directors and Investment and Efficiency Committee Committees under the Board of Directors External Corporate Auditor Executive Body Secretary Managing Organization Gazprom Energoholding Managing LLC Director **Audit Unit**

Control and Audit Functions

Detailed information about the structural units responsible for environmental, social and economic issues within the Company is provided in Appendix No. 6.

6 Detailed information on compliance with the Corporate Governance Code can be found in the Annual Report of TGC-1 for 2021 – p. 155.

In June 2021, the Managing Committee for Sustainable Development of Gazprom Energoholding Group's companies was created at the platform of Gazprom Energoholding LLC. The Committee included representatives of the top management of Gazprom PJSC, Gazprom Energoholding LLC and managing directors of Mosenergo, TGC-1, OGK-2 and MOEK.

THE CREATED COMMITTEE HAS THE FOLLOWING MAIN TASKS:

1.

Defining the principles and key activities in the area of sustainable development in Gazprom Energoholding Group's companies and procedure for their implementation.

2.

Ensuring a unified policy and general coordination of the activities of Gazprom Energoholding Group's companies in sustainable development.

KEY PERFORMANCE INDICATORS

In order to achieve long-term and short-term business objectives, the TGC Group's companies have introduced a unified motivation and incentive system for managers aimed at meeting Key Performance Indicators (KPIs).

SUSTAINABLE DEVELOPMENT KPIS INCLUDE:



Implementation of measures for development projects



Industrial safety



Staff training and development



Consumer satisfaction

The Implementation of Measures for Development Projects KPI includes measures selected by experts of Gazprom Energoholding LLC for implementation in the Group's companies that are aimed at improving energy efficiency, introducing innovations and rationalization initiatives, reducing the carbon footprint, diversifying activities, and interacting with stakeholders.

The measures being implemented to reduce injury frequency rates and improve the safety culture are reflected in the Industrial Safety KPI: there are no cases of fatal injuries in 2021, the actual Lost Time Injury Frequency Rate does not exceed the permissible one.

The goals set for 2021 under Staff Training and Development KPI have been fulfilled.

The quality of relations with heat consumers is taken into account when assessing the fulfillment of the Heat Consumer Satisfaction Index KPI. The target value for this indicator was achieved by the end of 2021 and further work is underway to improve a customer-oriented approach.

In 2022, TGC-1 started the process of creating and implementing an electronic system for continuous monitoring of KPIs fulfillment.

REMUNERATION POLICY

GRI 102-35

The criteria for determining the amount of remuneration and compensation of expenses to the Board of Directors' members are fixed in the Regulation on the Procedure for Determining Remuneration and Compensation to the Board of Directors' Members. In accordance with the Federal Law "On Joint Stock Companies" and the said Regulations, remuneration to the Board of Directors' members shall be paid by decision of the General Meeting of Shareholders and depends on the Company's performance and individual work of the Board of Directors' members for the relevant period.

Detailed information on the remuneration and compensation policy for the Board of Directors' members of the Company can be found in the TGC-1 Annual Report for 2021 - p. 103.

Remuneration paid to the Board of Directors' members, thousand rubles



Remuneration paid to the management company, thousand rubles, VAT included



By the decision of the Extraordinary General Meeting of Shareholders of TGC-1, held on September 27, 2019. the powers of the General Director of TGC-1 have been transferred to the management company since September 30, 2019.



RISK MANAGEMENT

Where the energy is born

RISK MANAGEMENT APPROACH

In accordance with clause 1 of Article 87.1 of Federal Law No. 208-FZ dated December 26, 1995 "On Joint Stock Companies", the Company has organized a Risk Management and Internal Control System (hereinafter referred to as the RMICS).

The Company's RMICS is based on the recommendations of international professional organizations, international and Russian standards, Gazprom Group methodological documents on risk management and internal control (hereinafter, the RM&IC), as well as on the recommendations of the Bank of Russia on organizing risk management, internal control, internal audit, the work of the Audit Committee under the Board of Directors at public joint stock companies, and the principles of the Corporate Governance Code.

TGC-1 has the RMICS as a set of interrelated organizational measures and processes, organizational structure, local regulations of the Company, other documents, methods and procedures (regulations, rules, standards and guidelines), norms of corporate culture and actions taken by employees of the Company's structural units aimed at providing sufficient guarantees for achieving goals and solving tasks, as well as supporting employees of the Company's structural units when making decisions in conditions of uncertainty.



TGC-1 approved the main internal regulatory documents governing the principles and approaches to the building and operation of an effective RMICS:

The Risk Management and Internal Control Policy (hereinafter referred to as the RM&IC Policy) of the Company approved by the decision of the Company's Board of Directors (Minutes No. 5 dated November 12, 2020), which defines the main principles and approaches to organization, components, tasks and objectives of the RMICS, as well as the main functions and distribution of powers of RMICS participants;

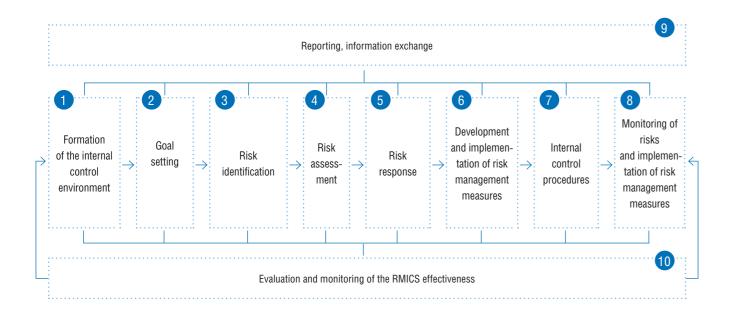
Regulations on the Operational Risk Management System, which define the principles of organization of the Company's operational risk management system, its tasks and objectives, distribution of functions between the participants, main approaches to identification, assessment, response, monitoring, reporting and information on operational risk management;

Methodological documents and instructions defining approaches to the identification and conduct of risk assessment, risk classification and monitoring, key risk indicators, the procedure for conducting self-assessment of the RMICS effectiveness, as well as setting values that assess the level of the Company's RMICS development.

^{*} Remuneration of the General Director and the Management Board members before the transfer of the sole executive body powers to the management company

Where the energy is born

Main components of TGC-1 corporate Risk Management and Internal Control System (RMICS)



In 2021, TGC-1 implemented a project to switch of TGC-1 to tax control in the form of tax monitoring. For the purposes of the Company's transition to tax control in the form of horizontal monitoring in accordance with the Order of the Federal Tax Service of Russia No. ED-7-23/518@ dated May 25, 2021 "On Approval of the Requirements for Organizing the Internal Control System", the Company approved by orders No. 51-b dated March 31, 2021 and No. 232 dated December 30, 2021 regulatory documents on risk management and internal control in taxation that take into account RM&IC Policy requirements:

- Regulations on Risk Management and Internal Control in Taxation of TGC-1;
- Methodological Recommendations on Tax Risk Management at TGC-1;

- Strategy to develop and improve the risk management and internal control process in taxation of TGC-1;
- Methodological Recommendations on Arrangement of the Risk Management and Internal Control Processes in Taxation of TGC-1;
- Methodology for evaluating the effectiveness of internal control procedures in taxation of TGC-1;
- Rules for interaction of participants in the risk management and internal control processes in taxation of TGC-1;
- Methodological Recommendations on Self-Assessment of the Effectiveness of the Risk Management and Internal Control Process in Taxation of TGC-1.

The Company adheres to the principles of the organization and functioning of RMICS that are defined in the RM&IC Policy and necessary for RMICS formation and that ensure the maintenance and functioning of an effective RMICS.

RMICS applies to all activities of the Company, includes all levels of management and activities, all risks of the Company.

GRI 102-29

The RM&IC Policy of TGC-1 defines the participants of the RMICS and their main functions.

The main functionality of the key participants of RMICS is shown in the table below:

BOARD shall approve the general Policy in risk management and internal control (RM&IC), including principles and approaches to the system organization, functioning and development; **OF DIRECTORS** shall establish the maximum permissible and threshold levels of risks; • shall consider issues associated with organization, functioning and efficiency of the RMICS, including the results of assessment and self-assessment and, if necessary, give recommendations on improvement of the system. **AUDIT COMMITTEE** shall monitor the reliability and efficiency of the system operation; **UNDER THE BOARD** • shall review previously and make recommendations for decision-making by the Board of Directors on RMICS issues. **OF DIRECTORS** SOLE · shall ensure the RMICS operation; **EXECUTIVE BODY** shall review information on critical risks of the Company and risk management measures and make recommendations to improve risk management and monitoring measures. (Management company) **MANAGING** · shall ensure the maintenance of the effective RMICS operation and the implementation of decisions of the Board of Directors in its arrangement, approve the Company's LNA (local **DIRECTOR** normative act) regarding RM&IC: shall approve reporting on key risks and risk management measures. **COLLEGIAL BODY** • shall review and approve the RMICS documents: annual reporting on the RMICS operation, maximum permissible risk levels and risk thresholds, limits and stress testing scenarios for (Operating Committee) individual risks to the Company. **CENTER OF RESPON-**• shall ensure arrangement and methodological support for the implementation of the Company's unified Policy concerning RMICS; SIBILITY FOR RISK coordinate the activities of structural units for RMICS; MANAGEMENT AND form consolidated reports on risks and internal control; INTERNAL CONTROL (RM&IC CR) define methodological approaches to risk management processes and internal control procedures: (Risk Management and Internal form proposals for the establishment of maximum permissible risk levels, risk thresholds, **Control Department)** limits and stress testing scenarios for individual risks of the Company. **BUSINESS PROCESS** • shall ensure that the RMICS operation as part of the business process.

OWNERS

RISK OWNERS (CO-OWNERS)

- shall make decisions on RMICS issues, monitor the reliability and performance of the RMICS operation within the scope of their competence;
- shall monitor risk management measures and implementation the stages of the risk management cycle in the area of their responsibility.

(the RM&IC CR functions).

The Risk Management and Internal Control Department is administratively subordinate to the Deputy Managing Director for Economics and Finance, which makes it possible to distinguish structurally the activities of this unit from the activities of structural units that manage risks within their operational activities. Also, the activities of the Risk Management and Internal Control Department are functionally separated from the activities related to the functions of internal audit and control and audit units, and the unit performing the economic security functions.

The Company constantly carries out work aimed at developing and improving the regulatory and methodological framework in RMICS, developing the skills and knowledge of employees in risk management, improving the RMICS organizational structure and implementing the stages of the risk management process. To ensure the effective operation of RMICS, the Company shall monitor risks on a quarterly basis, including disclosing the necessary information in accordance with the requirements of the legislation on disclosure of information by joint-stock companies.

In accordance with the RM&IC Policy of TGC-1, the RMICS efficiency is assessed and monitored through selfassessments, internal and external assessments. A selfassessment of the RMICS efficiency is made by the Risk Owners and is included in an annual report on the RMICS operation for the reporting period. The internal assessment of the RMICS efficiency is made on a periodic basis by the Company's structural unit, whose functions include organizing and carrying out internal audits in accordance with the established procedure.

Information on the risks adherent with the Company's activities

The effective functioning of the RM&IC is obligatory for achieving strategic goals of TGC-1. The Company continues to develop and improve its RM&IC, which makes it possible to timely identify external and internal risks, analyze them and develop effective risk mitigation measures.

The Company, considering that its activities are vulnerable to uncertainties in the form of risks, takes measures to manage risks in order to provide sufficient guarantees for achieving the goals set for the Company by its management bodies. The Company identifies risks associated with all significant aspects of its activities (business processes), consolidates the identified risks into the risk register and forms a risk passport for each identified risk in the Company. Based on the reporting period results, reports are generated on key risks Key risks are risks that combine critical and significant risks⁷ and measures to manage them.

> In accordance with the Company's approved Methodological Recommendations on Risk Management Using Qualitative Assessments, at least twice a year an expert assessment of risks probability and effects is carried out (in scores) in the following areas:

For non-financial indicators (people's health and life, environment, and reputation)

For financial indicators of the Company's business plan

Financial loss is assessed using a scale that is a two-dimensional matrix of absolute and relative deviations of the actual values from the planned ones.

The Company cannot guarantee that, as a result of the implementation of risk management measures, it will be able to completely eliminate the likelihood of risk occurrence, since some of the risks belong to the category of risks with a low level of manageability (weakly depends on the actions of management). The goal of TGC-1 is to keep the risk level within acceptable limits, develop and implement measures aimed at reducing the likelihood of risk occurrence and minimizing negative effects in the event of risk occurrence.

The Company's risk management is based on continuous monitoring of the external and internal environment, a comprehensive analysis of threats and opportunities affecting the achievement of the Company's goals.

7 Key risks are risks that combine critical and significant risks.

Sustainable development risks

The Risk Management and Internal Control System of TGC-1 includes, among other things, identification, monitoring and management of sustainable development risks.

The identified risks of the Company include environmental, social, reputational and other sustainable development risks.

TGC-1 is committed to the UN Sustainable Development Goals and contributes to their achievement, including through timely identification, assessment and response to sustainable development risks.

Environmental risk

Environmental risks include the risks of the Company's production activities, including those related to environmental protection.

In order to minimize environmental risks, the Company:

- · timely designs environmental documentation and obtains permits;
- implements environmental protection measures to reduce the adverse impact;
- replaces technically obsolete equipment;
- · complies with the limits of water use, the volume of emissions of pollutants into the atmosphere and discharges into water bodies, as well as the limits of waste disposal;
- monitors changes in legislation, performs prescribed measures and monitors the implementation of regulations issued by supervisory authorities based on the results of inspections for compliance with environmental legislation.

Climate change risk

Climate change can potentially have an impact on the productivity, efficiency and cost of electricity and heat production.

As a result of the increase in outdoor air temperature, the following risks are theoretically possible for TGC-1:

- an increase in cooling water temperature leads to a decrease in turbine efficiency and consequently to a decrease in cycle
- · a decrease in CCGT efficiency:
- when the cooling water temperature rises in summer, capacity limitations occur;
- when the annual average temperature rises, there is a redistribution of electricity and thermal heat production there may be an increase in electricity production in the summer for air conditioning and a decrease in heat consumption in winter;
- the thermal impact on reservoirs increases with increasing outdoor air temperature.

The risk analysis conducted by the expert group included TGC-1 representatives, showed:

- increases in average air and water temperatures will not result in a noticeable decrease in the efficiency of electricity production of the Company. At that there may be risks of reducing the margin profit from the sale of electricity and heat due to an increase in outdoor air temperature during the heating period;
- where climate change leads to a reduction in the availability of cooling water, the Company's power plants can be retrofitted to reduce water intake or use a closed cycle. At that most of the Company's power plants mainly use a closed cooling cycle, so the degree of exposure to this risk is also low;
- in cases of warm winters, there is less chance of switching to fuel oil as a reserve fuel, which has the additional positive effect of reducing emissions.

Based on the analysis made, it is concluded that the development of special measures for climate risk management is currently inappropriate due to the lack of effective proven technologies for carbon dioxide capture and storage.

In order to exclude other risks of climate change and their further study, the Company takes measures to reduce greenhouse gas emissions. The main areas of the measures are:

- considering environmental aspects (including the reduction of greenhouse gas emissions) and assessing the consequences of activities in the planning, development and implementation of investment projects;
- carrying out industrial environmental control and monitoring, and assessing the environmental impact of the Group's economic activities;
- participation of the Group in environmental programmes and projects aimed at achieving sustainable development in the regions where it operates;
- stimulating research and implementation of innovative projects aimed at improving energy efficiency, using renewable energy sources and unconventional energy resources;
- applying the best available technology to the various stages of production activities, including the procurement of technology, materials and equipment.

According to the conducted estimates, the Company's facilities located in the north (HPP, Apatitskaya CHPP, JSC "Murmanskaya CHPP") are not located in multiyear frozen ground zones and have low risks of changes in geocryological conditions.

Biodiversity-related risks

One of the environmental aspects involved in power plant operations is the impact on aquatic biological resources from the natural water intake from surface water bodies and in the operation of hydroelectric power plants.

Fish protection structures were installed at the water intakes of the power plants in order to reduce the adverse impact on the aquatic biological resources (ABR). Hydroelectric power plants are equipped with fish-passing facilities.

AN EXAMPLE FROM PRACTICE

At the sites where the potential damage is highest, an independent assessment of the state of biodiversity is conducted. In order to determine the impact on fish stocks and prepare recommendations for preventing damage to fish stocks, TGC-1 is studying on an ongoing basis the status of fish stocks, biology features and dynamics of the number of water resources in the area of the reconstructed spillway of the Nizhne-Tulomskaya HPP of the Kolsky branch. The global scientific research is conducted jointly with the Federal State Budgetary Institution of Science Federal Research Center Kola Science Center of the Russian Academy of Sciences. In the reports for 2018–2020, it was concluded that the work on the spillway reconstruction does not have an additional impact on the aquatic biological resources and their habitat. However, in the future, during the implementation of the Nizhne-Tulomskaya HPP spillway reconstruction stages, until work completion, it is necessary to monitor on an annual basis the status of fish fauna, hydrobiological communities and their habitat.

Information security risk

In order to ensure the effectiveness of the integrated information security system and optimize the functioning of information security mechanisms, TGC-1 approved an Information Security Policy (Order No. 167 dated September 14, 2020), which defines a set of requirements, rules, organizational and engineering solutions and practical techniques aimed at protecting the Company's information resources.

The integrated information security system of TGC-1 is being developed in conjunction with the introduction of new information and communication technologies.

The goal of ensuring information security at TGC-1 is achieved in accordance with the current law of the Russian Federation, Gazprom Energoholding Group standards, local regulations, and import substitution programmes, by implementing planned measures aimed at solving the following tasks:

- creating a secure environment for the circulation of reliable information, increasing the security of information infrastructure of TGC-1;
- developing a system for forecasting, identifying and preventing threats to information security, determining their sources, and promptly eliminating the consequences of the implementation of such threats;
- preventing destructive information and engineering impact on information resources of TGC-1, including critical information infrastructure facilities:
- preventing leaks of restricted access information and personal data, as well as suppressing breaches of the requirements established by Russian law to protect such information;
- improving information security means and methods based on the application of domestic advanced technologies;
- ensuring the priority use of Russian information technologies and equipment that meet information security requirements in TGC-1 information infrastructure;
- raising the awareness of TGC-1 employees in information technology and information security, and enhancing the qualifications of employees of the information security and information technology units.

Assessment of the reliability and effectiveness of the risk management and internal control system

Self-assessment of the effectiveness of the risk management and internal control system

In 2021, in accordance with the Methodological Recommendations for conducting a self-assessment of the TGC-1 RMICS efficiency, as part of providing methodological support for the risk management process implemented in the Company, a self-assessment of the RMICS efficiency was carried out, including to determine the RMICS development areas by business processes.

A self-assessment of the RMICS efficiency directly consists of a self-assessment of the risk management system (RMS) efficiency and a self-assessment of the internal control system (ICS) efficiency. According to the results of the self-assessment of the RMICS efficiency for 2021, it was found that the level of RMICS development as a whole ensures the effective operation of the system (the score is "Good") and requires further development.

The results of the RMICS self-assessment were consolidated by the Risk Management and Internal Control Department into the Report on the Operation of the Company's RMICS for 2021, which includes areas for development of the Company's RMICS for 2022.

The Internal Audit Department audited the reliability and efficiency of the risk management and internal control system at TGC-1 for 2020. The opinion following the results of the internal audit, confirming the reliability and efficiency of the risk management and internal control system in place at TGC-1, was reviewed by the Company's Board of Directors (Minutes No. 13 dated May 14, 2021).



 ~ 43



STAKEHOLDER MAP

GRI 102-40, GRI 102-42

TGC-1 activities involve constant interaction with a wide range of stakeholders. When interacting with them, the Company is guided by the following principles:



Timely informing



Respect for

the opinion and

consideration of

the interests of





Interactions on

a regular basis



cooperation

Open productive



Mutual fulfillment of the obligations assumed

all participants

Maintaining an open and constructive dialogue with each of them and responsibly considering their interests when making strategic decisions are important components of sustainable development and building a positive image of the Company.

STAKEHOLDERS, WHICH MOST CLOSELY RELATED TO THE COMPANY'S ACTIVITIES



Shareholders. investors and analysts



Lenders and rating agencies



Local communities, including population, civil society organizations and local governments, as well as mass media



The government of the Russian Federation and sectoral regulatory authorities and organizations, ministries and departments, regional executive authorities



Consumers of heat and electricity and capacity, including last resort providers and large industrial consumers



Environmental organizations



Suppliers of goods and services



Employees, trade union organizations and specialized higher educational institutions

····· The main principles for uniting stakeholders in groups: ·····



Solidarity in interests and expectations for the Company

Nature of their influence on achievement of the Company's strategic objectives

Tools used by the Company to interact with them

Sustainability Report of TGC-1 for 2021 Where the energy is born

ENGAGEMENT WITH STAKEHOLDERS ON A REGULAR BASIS

GRI 102-43, 102-44



Shareholders. investors and analysts

TOPICS OF INTEREST:

- financial and production indicators:
- · investment programme;
- · dividend policy;
- shareholder value increase:

- · increase in production efficiency and reduction of costs;
- · business development strategy;
- · potential merger and acquisition deals

ENGAGEMENT FORMATS AND FREQUENCY

- > General Meeting of Shareholders of TGC-1, during which all the most important issues of the Company's activities are brought up for
 - · annual General Meetings of Shareholders are held once a year;
 - · extraordinary General Meetings of Shareholders.
- The Board of Directors and Committees under the Board of Directors of TGC-1 are used as platforms for continuous interaction between representatives of major shareholders – consultations, search for compromises and reaching agreements on the most pressing issues.

In the course of preparation for the meetings of the Board of Directors and its committees, discussion and submission of proposals by the major shareholders on the meeting agenda and the nominees to corporate bodies take place. Meetings are held regularly in accordance with established corporate procedures.

- Regular IR measures, including meetings of the Company's management with representatives of shareholders, investors and analysts:
- Gazprom Energoholding Group's Analyst and Investor Day (not held in 2021–2022 due to the COVID-19 pandemic).
- > Regular conference calls to discuss IFRS financial results (in 2021–2022 held on a semi-annual and annual basis based on the performance results under IFRS).
- Ad hoc conference calls and meetings with shareholders, analysts and investors in the face-to-face format and in small groups as part of measures held by investment funds and banks.
- > Timely publication of information on the Company's website in accordance with the provisions of the Russian law, as well as the transfer of all information required by the law of foreign countries.
- > Placement on the Company's website and individual mailing to shareholders, analysts and investors of presentation and information materials, which are not mandatory for publication in accordance with the law, but are provided for explanatory and information purposes.
- > Telephone calls and provision of information at the request of shareholders, analysts and investors.



Lenders and rating agencies

TOPICS OF INTEREST:

- financial and production indicators;
- · investment programmes;

- · credit policy:
- · business development strategy

debt indicators and debt portfolio structure;

ENGAGEMENT FORMATS AND FREQUENCY

- > Holding meetings of TGC-1 management with representatives of rating agencies (ACRA, Fitch Ratings, S&P Ratings) and providing all information requested by them to change or confirm rating scores.
- > Holding negotiations when placing bond issues and obtaining bank loans.
- > Publication of reports on the Company's activities at the end of each year and each quarter, containing information on the financial position, and liabilities.

3. STAKEHOLDER ENGAGEMENT 4. 5. 6. 7. 8. 9. 10. 11. Where the energy is born



Local communities, including population, civil society organizations and local governments, as well as mass media

TOPICS OF INTEREST:

- · uninterrupted heat and power supply;
- · compliance with environmental regulations and standards;
- energy saving and energy efficiency;
- · environmental safety and protection;
- · compliance with safety standards and regulations;
- job creation and wage levels;

- taxes:
- · charity;
- · joint measures with public organizations and local authorities;
- · participation in the development of local infrastructure;
- · business development

ENGAGEMENT FORMATS AND FREQUENCY

- > Regular participation in expert consultations, meetings and working groups on regional development issues under the municipal government.
- > Conducting regular information meetings with responsible executives of the regions where the Company operates.
- > Conducting public hearings every time the construction of new industrial facilities begins.
- > Publication of reports on the Company's activities at the end of each year and each quarter containing information on ongoing investment and social projects, including those aimed at developing the regions where the Company's production capacity is located.
- > At least once a month, holding cultural and educational measures in the regions of operation to raise awareness among the local population on the following issues:
 - heat and power generation;
 - · the activities of our companies in these regions;
- · ways to improve the economy and safety of energy use;
- · correct behavior in case of emergencies related to the operation of our production facilities.
- > Participation of the Company's employees in measures organized by local authorities and public organizations.
- > Regular provision to local authorities and upon request from the public of information on the Company's environmental protection activities, key environmental indicators, including information on emissions and measures to reduce emissions in the event of unfavorable meteorological conditions.
- > Regular provision of information on hot water quality to local authorities and upon customers' requests.
- > Posting on the Company's website and disseminating via mass media of information that affects the interests of the population, other enterprises, as well as local authorities in the regions where the Company operates as soon as newsworthy events appear.



The government of the Russian Federation and sectoral regulatory authorities, ministries, departments and regional executive authorities

TOPICS OF INTEREST:

- · compliance with the law requirements;
- · compliance with environmental requirements;
- · uninterrupted heat and power supply;
- payment of taxes;

- · production and financial indicators;
- · investment programmes;
- increase in efficiency:
- standard setting initiatives

ENGAGEMENT FORMATS AND FREQUENCY

- > On a regular basis, in accordance with the law requirements:
- statistical, financial and environmental reporting provided by the Company;
- state information systems for automation of data collection (SIS of FES (Fuel and Energy Sector), etc.);
- · participation in meetings and working groups.
- > The work is carried out on an ongoing basis and is aimed at optimizing the existing regulation and developing the heat power and electricity market.



Consumers of thermal energy and capacity under heat supply contracts and services for maintaining reserve thermal power (including heating grid and heat supply organizations)

The applicants (including heating grid and heat supply organizations), which plan to connect (technological connection) to the heat supply system of TGC-1

TOPICS OF INTEREST:

- uninterrupted heat and power supply;
- production indicators;
- · investment programmes;

- · connection conditions;
- increase in efficiency;
- · business development strategy

Sustainability Report of TGC-1 for 2021

ENGAGEMENT FORMATS AND FREQUENCY

- Interaction with the main consumer groups (budget organizations, industrial and equivalent organizations, wholesale buyers-resellers (including heat supply organizations), housing and utility services, and the population):
- direct contracts with end users: heat supply contracts with legal entities and individuals, service contracts for maintaining reserve thermal capacity;
- connection agreements: agreements with applicants regarding connection (technological connection) to the heat supply system
 of TGC-1.



TOPICS OF INTEREST:

protection:

- · compliance with environmental regulations and standards;
- reduction/increase of all types of environmental impact of production;

· carrying out programmes and measures relating to environmental

- investment programmes;
- energy efficiency improvement;
- business development strategy

ENGAGEMENT FORMATS AND FREQUENCY

- > The Company is working on the development of the energy management system, follows the ISO 50001:2018 standard and conduct an external audit on a regular basis.
- > Participation in dedicated competitions and rankings:
- The World Wildlife Fund (WWF) of Russia and National Rating Agency's rating of environmental information transparency of energy generating companies (TGC-1 2nd place);
- · All-Russian environmental dictation
- > The company enters into direct supply contracts for "green" (carbon-free) energy and issues Renewable Energy Certificates that allow interested companies to demonstrate a reduction in their carbon footprint, thereby contributing to an increase in the ESG rating and the achievement of sustainable development goals.
- > When planning construction at the Company's industrial sites, in the cases prescribed by law, we carry out a set of measures aimed at advising the public of the planned economic activity and its possible environmental impact, in order to identify public preferences and take them into account in the impact assessment process.

- 49 50

Suppliers of goods and services

TOPICS OF INTEREST:

- creditworthiness;
- · procurement rules and transparency;
- environmental, engineering and other regulations and standards in the selection of suppliers;
- · investment programmes;
- · business development strategy

ENGAGEMENT FORMATS AND FREQUENCY

Every time a competitive tendering for procurement is announced, a complete set of information on procurement and the procedure for selecting suppliers is posted simultaneously and in the equal amount for all potential suppliers – on the website http://zakupki.gov.ru/, in GazNeftetorg.ru trading system (http://www.gazneftetorg.ru/) and on the Company's website.

.....

- > When conducting competitive procurement, the procurement commission made the decision on selection of suppliers of goods, works, and services
- All information about previously held transactions for the procurement of goods, including the quantity and total cost of purchased goods and services, is kept in the public domain on the Company's website.



Employees, trade union organizations and specialized higher educational institutions

TOPICS OF INTEREST:

- uninterrupted heat and power supply;
- · compliance with environmental regulations and standards;
- · compliance with safety standards and regulations;
- · job creation and wage levels;
- social and medical care;

- · opportunity for professional growth and development;
- · corporate culture;
- · business development

ENGAGEMENT FORMATS AND FREQUENCY

- > The Company has developed and implemented:
 - · Collective Agreement;
 - · personnel incentive system;
 - · professional training and staff development;
- occupational health and safety activities: compulsory medical examinations, certification of workplaces, briefings on safety at the workplace;
- · sports and cultural activities;
- employee social security: voluntary medical insurance (VMI), accident insurance, organization of recreation for employees and their family members, non-governmental pension schemes.
- There is interaction on an ongoing basis with trade union organizations, the Young Professionals Board functions.

MEMBERSHIP IN ASSOCIATIONS AND ORGANIZATIONS

GRI 102-12, GRI 102-13

Where the energy is born

ASSOCIATIONS AND THEIR ROLE

Association

"Market Council for Organizing an Efficient System of Wholesale and Retail Electricity and Capacity Trade Non-Profit Partnership" Association*

Year of entry

2008

Role

Regulation of work in the electricity market

Association

Chamber of Commerce and Industry of the Leningrad Oblast

Year of entry

2008

Role

Promoting business in the regions of operation

Association

All-Russian Industry Association of Employers of Energy Suppliers (RaPE Union)

Year of entry

2013

Role

Protecting employers' interests

Association

Russian Public
Relations Association**

Year of entry

2005

Role

Consolidation of efforts in the PR market

Association

Renewable Energy Development Association

Year of entry

2019

Role

Protecting the interests of participants in the renewable energy sector

Association

St. Petersburg Chamber of Commerce and Industry

Year of entry

2008

Role

Promoting business in the regions of operation

Association

Union of Industrialists and Entrepreneurs, Regional Association of Employers

Year of entry

2008

ole

Protecting employers' interests

- 51 $\,$ 52

^{*} TGC-1 is a member of List B of the Chamber of Electricity Sellers of the Market Council Non-Profit Partnership Association in accordance with the requirement of clause 1 of Article 35 of the Federal Law Concerning the Electric Power Industry.

^{**} North-West Branch.



RELIABLE ENERGY SUPPLY AND CONSUMER SAFETY IN A PANDEMIC CONDITIONS

G4-DMA (formerly, EU6

A reliable energy supply is one of the most important factors for the sustainability of the social area in the regions where the Company's power plants are located.

To ensure the smooth operation of the equipment, repairs and preventive maintenance are carried out on a regular basis.

Under the conditions of a new coronavirus infection (COVID-19) spread, the Company implemented a set of measures to ensure reliable power supply to consumers. Actions are aimed primarily at reducing the likelihood of mass illnesses among personnel.



In the spring of 2020, an Emergency Operations Center for preventing the viral infection from spreading was established at the Company's facilities, and appropriate administrative documents were issued. The Standard of Safe Activity, developed to ensure the sanitary and hygienic safety of employees in the conditions of COVID-19 spread, has been approved. This Standard includes requirements for the sanitary schedule and facility access mode, personal hygiene of employees, catering of employees, sanitary treatment of premises, provision of workers with protective equipment, as well as a list of other countermeasures against the spread of coronavirus infection.



100% thermometric control of employees at the entrance to administrative and industrial premises has been organized.

The personal protective equipment, such as masks, gloves and decontamination agents have been provided to staff. Information regarding disease prevention and the obligation to strictly comply with the requirements of public authorities, local government on measures to counter the spread of COVID-19 is provided to personnel.

The headcount of staff involved in work at stationary workplaces was minimized.



The facilities of electric generation that are critical for the production process have been identified, as well as key personnel – a special category of employees who directly ensure the continuity and uninterrupted operation of critical facilities. Reserve shifts have been formed; the readiness of generating capacities has been ensured for the transition to work in autonomous mode – with isolation of operational personnel at the facilities.

Contacts between personnel from different Company facilities, units and shifts were minimized, and mass events were cancelled. Working meetings are held via videoconferencing. Restrictions were imposed on business travel for employees and they were advised to refrain from private cross-border travel.



Enhanced disinfection of premises, vehicles and equipment has been organized at the Company's facilities.

The Company has established contact centers for daily monitoring of the well-being of employees with confirmed COVID-19 disease and/or who have contacted with COVID-19 patients and monitoring their compliance with the "stay-at-home" restrictions.

These measures were effective in constraining the incidence rate among employees. No cases of production process disruption caused by the spread of coronavirus infection were identified at the Company.

EMERGENCY PREVENTION

G4-DMA (formerly, EU21)

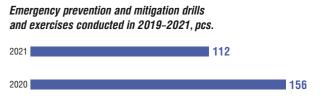
In 2021, measures to protect the Company's employees and property portfolio from natural and man-made emergencies were planned and implemented taking into account the requirements, instructions and recommendations of the Russian Ministry of Emergency Situations, the Russian Ministry of Energy, Gazprom PJSC and Gazprom Energoholding LLC.

During this period, focused work continued to improve the civil protection system of TGC-1. Normative and regulatory documents were enacted defining measures to protect workers and production facilities from the hazards of emergencies.

In 2021, the Management bodies, units of the Nevsky branch located on the territory of St. Petersburg, the Karelsky branch were inspected regarding civil defense and protection of the population and territory from emergency situations. No penalties were applied to the units and the Company based on the inspection results.

The Company developed civil defence and emergency response training programmes for employees, and briefings are held for newly hired employees. The main efforts of the Company in organizing training are aimed at improving the readiness of employees to act skillfully and appropriately in case of the threat and emergence of hazards inherent in accidents and characteristic for the area where energy facilities are located.

Exercises and drills are conducted with employees to improve their practical skills. Employees of the TGC-1, non-staff emergency rescue teams, representatives of emergency services, as well as forces and means of territorial bodies of the Russian Ministry for Emergency Situations are involved in the exercises and drills. In the course of the exercises and drills, the management bodies of the Company's emergency prevention and control systems demonstrated the ability to make quick, weighted decisions, employees acted in an organized manner and showed good practical skills.



There were no emergencies in the Company in 2021, 2 man-made fires were recorded at generation facilities:

- at Palakorgskaya HPP-7 of the Vyg Cascade of the Karelsky branch, a technological malfunction occurred in the operation of the measuring current transformer (CT) due to the effects of atmospheric phenomena (thunderstorm).
 As a result of the fire, a 110 kV current transformer of type TFM-110-II-U1 was damaged. There are no dead, injured or material damage from the fire;
- spontaneous combustion of coal dust deposits occurred at the Apatitskaya CHPP of the Kolsky branch. As a result of the fire, coal dust burned out on an area of 0.8 sq. m. There are no dead, injured or material damage from the fire.

The civil protection system of the Company is ready to perform tasks as intended.

2. 3. **4. RESPONSIBLE ENERGY SUPPLY** 5. 6. 7. 8. 9. 10. 11.

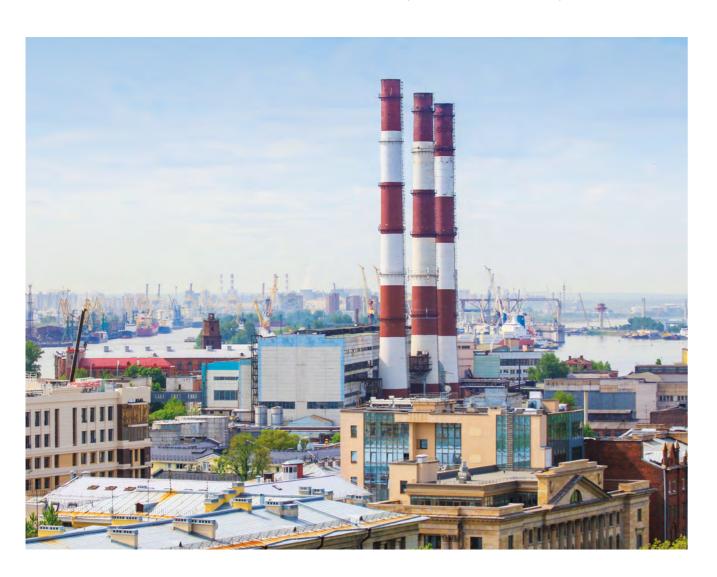
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INTERACTION WITH STATE AUTHORITIES AND OTHER MARKET PARTICIPANTS

The Company is always open to discussions of draft legislative acts that affect both its activities and the Group's activities. TGC-1 specialists take an active part in discussions at various platforms so that the Company's interests are taken into account.

In 2021, the Company's representatives participated in defending corporate interests in the development of amendments to legislation on the following issues:

- improving the mechanisms of the wholesale electricity and capacity market;
- participation in the survey Business Environment Index of the RUIE (Russian Union of Industrialists and Entrepreneurs);
- interaction with the state executive bodies concerning issues of formulation documents for the territorial planning and strategic development;
- amendments to the legislation regarding the streamlining of requirements aimed at ensuring the security and antiterrorist protection of fuel and energy complex facilities;
- participation in annual discussions of law enforcement practice that are conducted by state control (supervision) bodies, including the territorial bodies of Rostechnadzor (Federal Environmental, Industrial and Nuclear Supervision Service), FAS (Federal Antimonopoly Service) of Russia, etc.



INNOVATIVE DEVELOPMENT

The introduction of innovative technologies is an important element in solving fundamental tasks for the Company: reducing costs and increasing the efficiency of business processes. TGC-1 has great scientific and engineering potential, specialists in various fields who are dedicated talented people being able to develop the most advanced technologies and solutions.

Innovation policy pursued by the Company is structured in accordance with the national policy in innovation activities, which focuses on the early transition of the Russian economy to an innovative type of development.

The key document regulating the development and implementation of the scientific and technical policy of TGC-1 is the Concept of Technical Policy and Development of Production Companies (published on 24.05.2011).

In 2021, the Technical Policy of TGC-1 was updated.

The main goal of the Concept is to increase the Company's competitiveness in the energy market by optimizing the production and technological potential of power plants.

TO ACHIEVE THIS GOAL, WORK IS UNDERWAY IN THE FOLLOWING AREAS:

MINIMIZATION

of specific consumption of fuel for electricity and heat production due to the introduction of advanced technologies and modern highly economical equipment

OPTIMIZATION

of repair and maintenance of equipment, buildings and structures of power plants

INCREASING

the level of automation of electricity and heat production to reduce the costs for managing technological processes and reduce the cost of production

COMPLIANCE

with environmental regulations in accordance with accepted international obligations and national standards

CURRENTLY. THE FOLLOWING INNOVATIVE TECHNOLOGIES ARE USED:

- **Modernization of existing equipment** by improving the thermal scheme of power units, turbine plant, boiler plant, and auxiliary equipment
- Application of CCGT with efficiency > 55%
- Reconstruction of boilers and steam turbines using the latest scientific and engineering achievements and replacement of individual heating surfaces, and turbine cylinders

 ~ 57

In 2021, the Company conducted research work in the areas of improving the level of development of innovative solutions. organization of equipment testing, methodology and other areas as part of 3 research and development contracts (R&D and STS (scientific and technical services)).

In 2021, the volume of completed R&D increased by 50% compared to 2020, amounting to 84.406 million rubles, excluding VAT (in 2020 – 42.939 million rubles, excluding VAT).

The volume of completed R&D, which gave a positive result, in 2021, amounted to 12.15 million rubles, excluding VAT.

The economic effect of implementing solutions developed during R&D projects in 2021 can be determined later, after their implementation and testing.

Increasing of the volume of completed R&D in 2021

84.406

million rubles, excluding VAT

The volume of completed R&D in 2021

Most of the ideas and rationalization proposals submitted in 2021 have a planned implementation date in 2022 and subsequent years. The ideas and rationalization proposals implemented in 2021 were aimed not at obtaining an economic effect, but at improving the reliability and efficiency of the equipment and improving the image of TGC-1.

G4-DMA (formerly, EU8)

The result of interaction with scientific organizations is the implementation of R&D and the receipt of STS aimed at improving the efficiency and rational use of resources, ensuring the reliability of work and optimizing repair costs:



Research work on the creation of a production asset management system using indices for maintenance expenditures.

In 2021, the second stage of Phase B of R&D "Creation of a production asset management system using indices for maintenance expenditures" was completed, the purpose of which is the subsequent optimal allocation of costs for diagnostics, maintenance, repairs, replacement of equipment, as well as improving the reliability of equipment, creating a predictive analytics system for real-time diagnostics.

List of the second stage work:

- 1. Development of methodological support.
- 2. Data collection and normalization
- 3. Creating a computing model.

In fact, works were completed in 2020–2021 in the amount of:

129,178.00

of which in 2021 in the amount of:

Research and development work "Development and manufacture of thermal insulation based on expanded vermiculite for steam turbine cylinders with an electric capacity of up to 150 MW, development of a book of typical solutions".

In fulfillment of the Minutes of Gazprom Energoholding LLC dated 29.04.2020 and in accordance with the main equipment repair schedule in 2021, an investment project "Development and manufacture of thermal insulation based on expanded vermiculite for steam turbine cylinders with an electric capacity of up to 150 MW, development of a book of typical solutions" is planned to be implemented to perform the physical scope of the work at CHPP-17.

The purpose of the work is:

- 1. Development of innovative alternative thermal insulation samples based on expanded vermiculite with increased efficiency relative to the insulation used on steam turbine cylinders T-100/120-130/T-123/130-130 of Viborgskaya CHPP (CHPP-17) and auxiliary thermomechanical equipment.
- 2. Development of engineering solutions for the most effective design of thermal insulation based on expanded vermiculite to replace the design asbestos-containing and other carcinogenic materials used.
- 3. Development of a book of typical engineering solutions for using the thermal insulation materials based on expanded vermiculite on cylinders of steam turbine units with a capacity of up to 150 MW and auxiliary equipment.

The cost of work under the contract:

12,150

thousand rubles, excluding VAT

The work has been completed and paid in full.

Research work "Investigation of the possibility of industrial-scale production -----and use of hydrogen in the technological schemes of CHPP and HPP, production sites of stations, including potential external consumers".

The hydroelectric power plants of TGC-1 have a reserve of power that can be used to test technologies for producing "green" hydrogen, as well as other products with a low carbon footprint. This topic is relevant in connection with the course of the countries of the European Union and the Asia-Pacific Region to reduce greenhouse gas emissions into the atmosphere. The development of technologies for the production, storage and transportation of hydrogen will preserve the competitiveness of the mineral resource sector of the Russian economy, as well as bring a wide range of carbon-neutral products with high added value to international markets.

The cost of work under the contract:

15.000 thousand rubles, excluding VAT

R&D work was completed in full in 2021.

2. 3. 4. RESPONSIBLE ENERGY SUPPLY 5. 6. 7. 8. 9. 10. 11. Where the energy is born Sustainability Report of TGC-1 for 2021

INTRODUCTION OF DIGITAL SOLUTIONS INTO THE COMPANY'S ACTIVITIES



IN 2021, THE COMPANY IMPROVED AND DEVELOPED THE DIGITAL SOLUTIONS PREVIOUSLY IMPLEMENTED:



Digital service for remote servicing of consumers – legal entities Unified Personal Profile



Accounting systems for consumed energy resources



An interactive tool for interacting with clients – a chatbot of automated systems for processing applicants' requests

In 2021, TGC-1 introduced a number of digital solutions to automate and improve the operational efficiency of business processes of units. Among the most significant solutions are the following:

Reliable and prompt communication of personnel during maintenance and operation of geographically distributed energy facilities is provided thanks to digital radio communication systems.

When implementing IT projects, the Company gradually switches to the preferential use of domestic software included in the Unified Register of Russian Programmes for Electronic Computing Machines and Databases, as well as equipment included in the Unified Register of Material and Technical Resources approved for use at the Company's facilities and meeting the requirements of Gazprom PJSC.

When purchasing software and IT equipment, priority is given to goods of Russian origin and to works and services performed and provided by Russian entities⁸.



⁸ In accordance with Russian Government Decree No. 925 dated 16.09.2016 "On Priority of Goods of Russian Origin, Works, Services Performed and Provided by Russian Entities in Relation to Goods Originating in a Foreign Country, Works, Services Performed and Provided by Foreign Entities".

Originating in a Foreign Country, Works, Services Performed and Provided by Foreign Entities".



GRI 103-2

TGC-1 is a leading producer of electric and thermal energy in the North-Western Region of Russia. Economic stability and effectiveness are socially significant, affecting all electricity and heat consumers.

The key tool for monitoring the Company's economic stability and senior manager effectiveness is the Key Performance Indicator (KPI) system. The KPI target values for senior management, which are updated annually, include, among other things, values for indicators describing both the current state and prospects of the Company's economic performance. Following the results of 2021, most of the targets were met or even significantly exceeded.

2019		
2019	2020	2021
97,256	88,889	102,280
27,669	23,229	22,882
0.59	0.70	0.64
28.45%	26.13%	22.37%
7,990	8,253	7,114
22,303	21,293	17,872
13,624	13,922	17,067
8,679	7,371	805
16,377	16,211	14,600
6.2%	6.1%	5.0%
	97,256 27,669 0.59 28.45% 7,990 22,303 13,624 8,679 16,377	97,256 88,889 27,669 23,229 0.59 0.70 28.45% 26.13% 7,990 8,253 22,303 21,293 13,624 13,922 8,679 7,371 16,377 16,211

GRI 103-3. GRI 201-4

PRODUCTION RESULTS

The stable operation of the equipment at the Company's power plants and heat networks made it possible to provide a reliable supply of electricity and heat to consumers in the regions where the Company operates.



^{*} Including JSC "Murmanskaya CHPP"

6,889

TGC-1's installed electricity capacity at the end of 2021, which was 0.5% less than at the end of 2020.

The basis of the production capacity of TGC-1 is 52 power plants, including: 40 hydroelectric power plants (HPP) and 12 thermal power plants (CHPP), including a subsidiary JSC "Murmanskaya CHPP". Most of HPPs located sequentially along the water flow and interconnected by the common water regime are combined into cascades.

The main part of the TGC-1 production capacity is concentrated in the Nevsky branch, which includes 9 CHPPs with an installed electric capacity of 3,497.5 MW and heat capacity – 11,119.0 Gcal/h, as well as 7 HPPs with a total installed

13,521

Gcal/h

The installed heat capacity at the end of 2021, which was 0.3% more than at the end of 2020.

electric capacity of 707.8 MW. The Karelsky branch is represented by Petrozavodskaya CHPP and boiler plants with the installed capacity of 280.0 MW and 729.5 Gcal/h, and 16 HPPs combined into 3 cascades with a total installed capacity of 553.7 MW. The Kolsky branch operates Apatitskaya CHPP (230.0 MW and 535.0 Gcal/h) and 17 HPPs as part of 3 cascades with a total installed capacity of 1,607.9 MW. Along with this, in the Murmansk Oblast, JSC "Murmanskaya CHPP" carries out activities for the production of electric and thermal energy, the CHPP has the installed electric capacity 12 MW and heat capacity 1,137.0 Gcal/h.



65 66 -

THE DYNAMICS OF INSTALLED CAPACITY IN 2020-2021 WAS INFLUENCED BY THE FOLLOWING FACTORS:

2021

An increase of 40.49 Gcal/h



Reasons:

- decommissioning of TG-4 and TG-5 of CHPP-15;
- reconstruction of boiler plants of the Karelsky branch.

Reduction by 35.6 MW



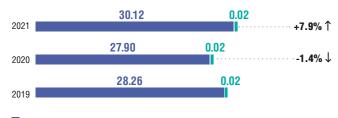
Reasons:

- · decommissioning of TG-4 and TG-5 of CHPP-15;
- increase in installed capacity of HS No. 1 (hydroelectric set) at Verkhne-Tulomskaya HPP after modernization;
- reduction of installed capacity after relabeling of HS No. 1 at the Nizhne-Teriberskaya HPP.

2020

The main reason for the change in the available capacity of the Company's power plants is the decommissioning of the old generating equipment of the Avtovskaya CHPP and the lower water content at the Karelsky branch HPP in comparison with 2019.

Electricity generation of the TGC-1 Group of Companies, mln kWh



TGC-1
JSC "Murmanskaya CHPP"

Net supply of heat energy of TGC-1 Group of Companies, min Gcal



Net supply of thermal energy of JSC "Murmanskaya CHPP"

Electricity generation of CHPP of TGC-1 in 2020-2021, mln kWh



In 2021, compared with the indicators of 2020 for TGC-1 and JSC "Murmanskaya CHPP", the electricity generation and supply of heat energy increased by 8 and 12%, respectively. In 2020, there was an unprecedented drop in electricity demand as a result of a decrease in business activity due to the pandemic. In 2021, demand began to grow again, although it has not yet fully recovered. Demand for heat increased due to prolonged frosts in January, November and December 2021.

Electricity generation of HPP of TGC-1 in 2020-2021, mln kWh



30.1

of electricity generation of TGC-1 in 2021, which is an 8% increase compared to the indicator in 2020.

Hydrological situation in the regions of the Company's activity. The influence of water content on the volume of electricity generation

NEVSKY BRANCH -----

2021 on the territory of the Nevsky branch as a whole is characterized by water content slightly higher than the average value with an exceedance probability of about 45%.

The reserve of water resources in the reservoirs of the branch's HPP in the first and second quarters of 2021 was higher than the average long-term indicators. The high water content was due to a large amount of rainfall in the autumn of 2020 and winter of 2021.

Since the third quarter, the water content has decreased due to the lack of precipitation, the water inflow into reservoirs until the end of 2021 was close to the average long-term values. The energy generation of the Nevsky branch HPP in 2021 amounted to 3,620.7 million kWh, which is 12.8% higher than the planned value.

The increase in generation relative to the plan is caused by increased releases in the Vuoksa River due to the high water content of the winter and spring period of 2021 in the Lake Saimaa basin.

KARELSKY BRANCH

The water inflow into the reservoirs of the Karelian HPP in the first quarter was 5–30% of the supply, which allowed exceeding the planned indicators for electricity generation by 26%.

Water inflows during the spring flood turned out to be higher than the average long-term values, which made it possible to exceed the plan for generating electricity for HPP in the 2nd quarter by almost 14%.

The summer period was dry, which caused a decrease in water content, and the planned indicators for electricity generation in the 3rd quarter were under-fulfilled by 5%.

Autumn rain floods contributed to a slight increase in water content, therefore, in October–December, the planned indicators for electricity generation were met with their excess by 10%.

Thus, 2021 turned out to be slightly higher than the average long-term values for the majority of Karelian water bodies in terms of water content. In this regard, the total volume of electricity generation of the Karelsky branch HPP of TGC-1 for 2021 amounted to 2,690.8 million kWh, which is 10.5% higher than the planned values.

KOLSKY BRANCH

The maximum water reserves in the snow cover in the greater area of the activity of the Kolsky branch were 60–80% of the standard value and 40–60% compared to last year.

In the second half of June, the flood was mostly ended. The inflow exceedance probability for the flood (May–July) within the system was 50-70%.

From August to December, there was an increased water content in all watercourses that was caused by a large amount of precipitation. Idle discharges were carried out at all cascades of

HPP during the spring and autumn floods. Energy losses from idle discharges for the year amounted to 1,359 million kWh, or 20% of HPP total generation.

The volume of annual inflows within the system as a whole amounted to 36.1 km³ with an exceedance probability of 20%, which is higher than the average long-term values. In this regard, the total volume of electricity generation of the Kolsky branch HPP of TGC-1 for 2021 amounted to 6,818.6 million kWh, which is 3.3% higher than the planned values.

Heat supply of TGC-1 was 26.145 million Gcal in 2021, which is 13.4% more than in 2020.

Due to the fact that heat supply is seasonal and highly dependent on weather conditions, the main factors that caused its dynamics were lower outdoor temperatures during the heating season of 2021.

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FINANCIAL RESULTS

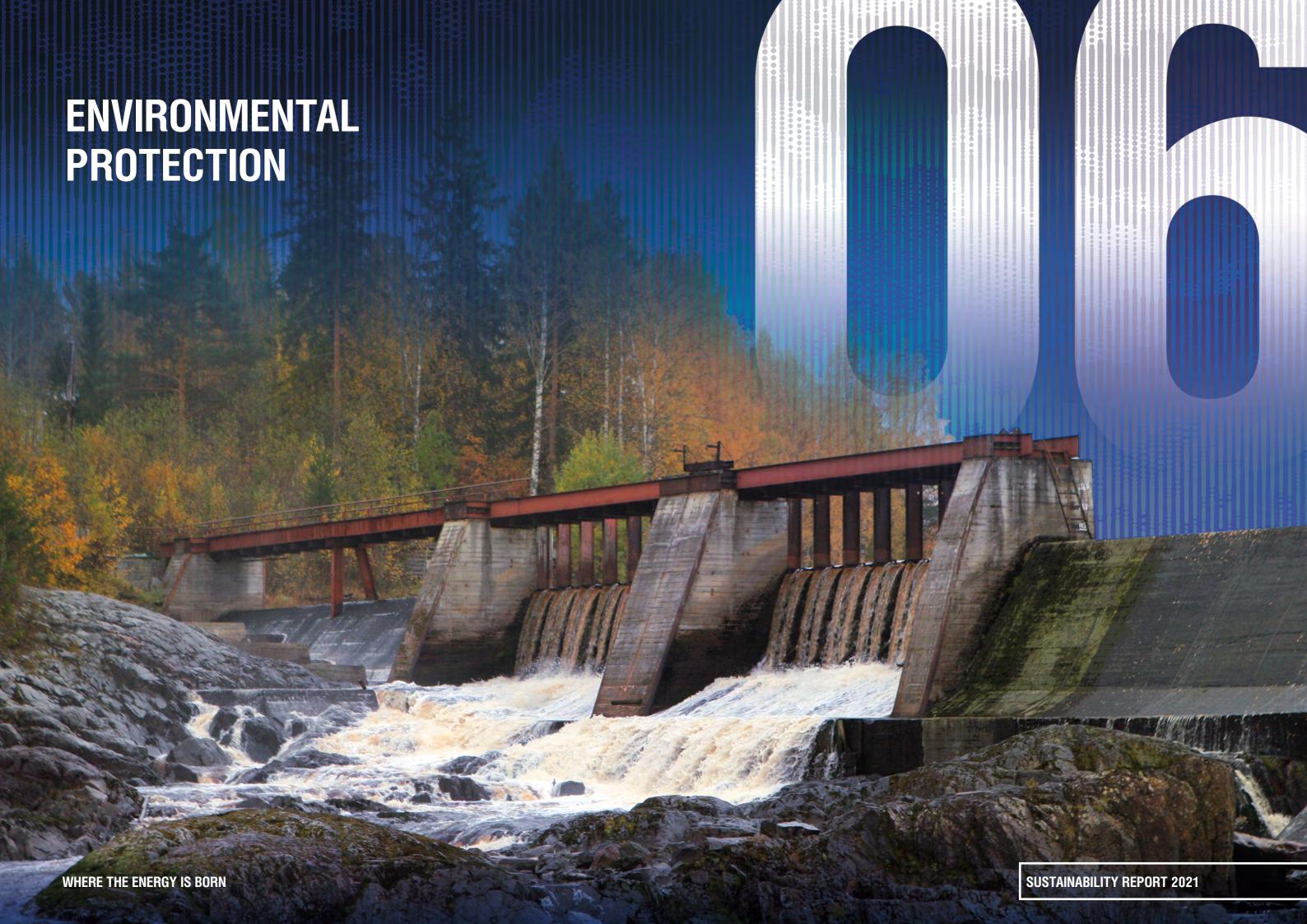
GRI 201-1

Direct economic value generated and allocated, million rubles

Indicator title	2019	2020	2021
Direct economic value generated	97,563	89,470	102,897
Revenue	97,256	88,889	102,280
Income from financial investment	296	566	593
Share of associates and joint ventures in the financial result	11	15	24

Indicator title	2019	2020	2021
Allocated economic value	92,494	83,993	100,680
Operational costs	74,766	65,255	81,038
Salaries and other employee payments and benefits	9,234	9,930	10,186
Payments to capital providers	4,318	5,167	5,374
Investment in local communities / charity	15	14	15
Unallocated economic value	5,069	5,477	2,217





ENVIRONMENTAL POLICY AND STANDARDS

Realizing the responsibility to society for the preservation of a favorable environment and ensuring environmental safety, TGC-1 assumes obligations in accordance with the goals set by the Environmental Policy approved by the Decision of the Board of Directors on 20.03.2017 where the Company declares its commitment to sustainable development, based on a balanced and socially acceptable combination of economic growth and the preservation of a good environment for future generations.



The World Wildlife Fund (WWF) of Russia, as part of the EU-supported People to Nature project, since 2019 has been publishing an industry-based rating of environmental information transparency of fuel electric and heat generating companies operating on the territory of Russia. The rating assesses the quality of companies' environmental management. The criteria included in it are, for the most part, significantly more stringent than the requirements of Russian environmental law. The stated aim of the rating is to help reduce environmental adverse impact and improve the efficient use of natural resources, as well as the conduct of socially responsible business in Russia. The rating methodology assumes an assessment in three areas: managerial (environmental management), operational (environmental impact) and informational (disclosure of information).

The rating results for the reporting year were announced on December 22, 2021.

#	Company	Energy generation, mln GJ	Score	Dynamics
1	Baikal Energy Company	118.07	1.653	_
2–4	Mosenergo	507	1.639	_
2-4	TGC-1	206.99	1.639	+6
2–4	Enel Russia	83.28	1.639	+2
5	MOEK	21.43	1.472	+1
6	OGK-2	183.76	1.444	-3
7	INTER RAO	545.67	1.412	-2
8	RusHydro (RAO ES of the East)	238.11	1.366	_
9	Tatenergo	79.42	1.301	_
10	Lukoil Kubanenergo, Volgogradenergo	29.38	1.088	-
11	Unipro	158.12	1.032	-1
12	Quadra	106.53	0.972	+6
13	Siberian Generating Company	412.29	0.819	-2
14	TGC-16	106.44	0.639	+3
15	TGC-14	34.53	0.569	-3
16	Fortum	156.53	0.477	-
17	T Plus	569.13	0.449	-3
18	TGC-2	79.36	0.097	-4

According to 2021 results, TGC-1 took the second place in the rating of environmental information transparency of fuel electric and heat generating companies of the Russian Federation, rising by six points compared to last year's results. During the evaluation, TGC-1 demonstrated high scores in all three sections of the rating, significantly exceeding the average scores of Russian energy companies. In particular,

the score for the Section "Eco Management" was 1.75 (the industry average is 1.063), for the Section "Environmental Impact" – 1.6667 (the industry average is 1), and for the Section "Disclosure of Information" – 1.5 (the industry average is 1.222). Compared to last year, the Company managed to increase scores on four qualitative and four quantitative indicators.

TGC-1 conducts activities related directly to natural resource use and environment impacts. The main activities involve generation of electricity and heat, which objectively determines the environmental adverse impact, including:

- emissions of air pollutants and greenhouse gases;
- · wastewater discharges to water bodies;
- formation and disposal of industrial waste;
- exposure to physical factors e.g. noise, heat, vibration, electromagnetic fields.

OBJECTIVES AND OBLIGATIONS IN LINE WITH THE ENVIRONMENTAL POLICY



Precautions and preventive measures

Implementing preventive action to avoid adverse environmental impacts, which means giving priority to preventive measures to avoid adverse impacts over measures to eliminate the consequences of such impacts.



Adverse impact reduction

Ensuring the reduction of adverse impacts on the environment and taking all possible measures to preserve biodiversity.



Modern technology application

Applying the best available technology to the various stages of production activities.



Employee involvement

Involving employees in activities to reduce environmental risks. Striving for continuous improvement of indicators in the field of environmental protection.



Training

Increasing the competence and awareness of the role of employees in environmental issues.



Compliance with legal requirements

Ensuring compliance with legal requirements established by international legal acts in the field of environmental protection, the legislation of the Russian Federation, the legislation of the regions where the Company operates, internal regulations of the Company and its subsidiaries related to environmental aspects.



Efficiency and rational use of resources

Improving the energy efficiency of production processes. Rational use of natural and energy resources.



Prudence in implementing investment projects

Providing for the minimization of risks of adverse environmental impact at all stages of investment projects, including natural objects with high vulnerability and objects whose protection and conservation are of particular importance.



Ensuring that environmental information related to environmental protection activities and solutions is open and accessible.

GRI 102-11

The TGC-1 activities are guided by the precautionary principle approved by the United Nations Conference on Environment and Development in 1992, which is reflected in the Company's Environmental Policy.

In the period from 2010 to 2014, TGC-1 implemented an environmental management system (EMS) in accordance with the international standard ISO-14000. In 2014, it was decided to stop funding the procedures for maintaining the EMS to optimize costs. Currently, the documents for the internal Industrial Environmental Control System (IECS) have been designed.

In November 2020, the updated Regulation on the IECS of TGC-1 was put into effect.

TGC-1 has implemented and certified management systems in accordance with international standards: Energy Management System (EnMS) – since September 2020, Quality Management System (QMS) – since November 2021.

The purpose of the EnMS operating is to make prompt management decisions aimed at achieving the energy saving and energy efficiency targets set in the energy saving programmes.

QMS is aimed at improving performance and providing a solid foundation for initiatives focused on sustainable development.

QUALITY MANAGEMENT SYSTEM

In order to improve performance and provide a solid foundation for initiatives focused on sustainable development, TGC-1 has implemented a Quality Management System (hereinafter referred to as QMS).

In 2021, the QMS of TGC-1 passed successfully a certification audit for compliance with the requirements of STO Gazprom 9001-2018 and ISO 9001:2015 standards (GOST R ISO 9001-2015) in terms of production and sale of electric energy and power, thermal energy, thermal power, heat carrier, heat transfer, and heat carrier.

Certification of the Quality Management System:

- confirms that TGC-1 guarantees high quality of products and services, regardless of changing external or internal factors, and also demonstrates the Company's focus on sustainable development;
- allows to achieve harmonization of management systems through the implementation of a unified approach to the formation of the process model, policy, quality assurance objectives of Gazprom Group's companies;
- provides an opportunity for further integration of Risk Management System, Energy Management System and Quality Management System;
- allows to increase the level of customer feedback, product quality control, consumer confidence;
- contributes to improving the quality of operational management and the quality of managerial decision-making.

As a result of the QMS implementation, the Company's Quality Policy and Goals were developed, a process model was built and process maps were compiled. Internal audits of the QMS are conducted on an annual basis, covering all business processes carried out in the Company. An analysis for QMS operation and process effectiveness is carried out on an annual basis, and a report is formed based on this analysis.

ENERGY MANAGEMENT SYSTEM

Where the energy is born

In 2021, the TGC-1 proved the certification of an Energy Management System in accordance with the requirements of the ISO 50001:2018 standard. The key idea of applying international and Russian experience in energy efficiency management is to create a permanent and managed system of continuous energy efficiency improvement (Energy Management System) in the Company in accordance with the approved strategy and policy, a clear distribution of powers and responsibilities assigned to specific managers and units.

The Energy Management System takes into account the legislative and regulatory requirements that the Company must comply with, and allows it to apply a systematic approach to the continuous improvement of its energy efficiency. In fact, the Energy Management System forms a management infrastructure on a systematic basis and creates organizational tools for assessing the existing level of energy efficiency, determining the potential for its improvement, developing and monitoring measures aimed at improving energy efficiency.

In 2021, TGC-1 has successfully proved the EnMS certification for compliance with the ISO 50001:2018 standard.

EXTERNAL INITIATIVES

GRI 102-12

TGC-1 participates in meetings of the Coordinating Committee for Environmental Protection of Gazprom Energoholding Group's subsidiaries, in various working groups on environmental protection, such as:

- Interdepartmental Council for the Transition to BAT (best available techniques) Principles and the Introduction of Modern Technologies;
- · RUIE Committee for Environmental Protection;
- · RUIE Committee for Energy Policy and Energy Efficiency;
- Environmental Protection Section under the Science and Technology Council of the Unified Energy System;
- the environmental group of the Energy Producers' Council Association.



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ENSURING ACTIVITIES IN ACCORDANCE WITH LEGAL REQUIREMENTS IN THE FIELD OF ENVIRONMENTAL PROTECTION

GRI 307

The TGC-1 conducts its activities in accordance with the requirements of environmental legislation, takes appropriate measures to prevent damage to the environment and strives to minimize the observations identified by supervisory authorities during environmental inspections.

To this end, the Company participates in cross-audits of Gazprom Energoholding Group's subsidiaries, as part of which compliance with environmental legislation in one generating company is inspected by environmentalists of other generating companies. The subject of audits is compliance with the requirements of the legislation at the facility: availability of

permits, performance of production control, timely reporting, compliance with the requirements for primary accounting of negative environmental impacts (emissions into the atmosphere, discharges into water bodies, accumulation and disposal of waste; inspection of territories, waste accumulation sites, station water intakes).

The TGC-1 also carries out internal audits for compliance with environmental legislation. The results of the audits are summarized, communicated to the management and analysis of discrepancies is conducted to prevent the occurrence of similar observations in the future.

Information on administrative fines imposed on the companies of the Group for violation of environmental legislation is

Indicator title	2019	2020	2021
Number of violations detected in the reporting year that resulted in penalties and were paid in the same year, pcs.	7	8	2
Number of sanctions imposed, pcs.	-	2	3
Total amount of penalties imposed, thousand rubles	650	1,122	220
Number of cases of non-compliance with laws resolved through dispute resolution mechanisms	63	12	1

ENVIRONMENTAL PROTECTION COSTS

The TGC-1 is funding environmental protection costs to the full extent necessary to meet the requirements of environmental legislation.

The environmental protection costs structure is provided in Appendices Nos. 10 and 11.

The environmental protection costs structure in the breakdown by area of investment, thousand rubles

Indicator title	2019	2020	2021
Development and approval of permits	3,558	12,381	13,376
Industrial environmental control and monitoring	15,760	14,188	13,033
Fixed capital investment allocated to environmental protection, including:	46,865	50,499	3,334,080
protection of water resources	46,865	50,499	3,322,644
Current (operating) costs for environmental protection, including:	83,257	88,231	95,509
protection of the atmosphere air and prevention of climate change	6,712	9,763	9,197
collection and treatment of wastewater	38,983	41,569	42,975
waste management	8,762	9,994	13,907
protection and rehabilitation of soils, surface water and ground water	836	1,240	2,327
protection of the environment from noise, vibration and other physical impacts	1,190	1,070	737

MONITORING OF COMPLIANCE BY SUPPLIERS AND CONTRACTORS WITH ENVIRONMENTAL LEGISLATION

GRI 308-

TGC-1 has adopted the practice of communicating its Environmental Policy to its contractors. The Environmental Policy of the Company enshrines the principle of requiring compliance with its obligations assumed, both by the Company and by its partners, contractors and counterparties.

All products are supplied with advisory safety data sheets explaining possible hazards in handling the products and the necessary precautions.

The standard contracts impose an obligation on all of the Company's contractors to comply with the environmental requirements of the legislation of the Russian Federation. The assessment of contractors' compliance with environmental requirements is carried out during the tender procedures and expert review of bids.

Waste management requirements are included in service contracts. The appendices to the contracts contain information

on penalties for non-compliance with the environmental legislation. The environmentalists monitor contractors' compliance with waste management requirements during site visits.

The Company does not carry out environmental audits of suppliers. In case of violation of environmental requirements by contractors performing work at the Company's facilities, the contractors are required to remedy violations, and such requirements are fulfilled. There were no facts of contract termination due to environmental violations in 2021.

The total number of environmentalists at TGC-1 is 39 persons. In order to encourage environmentalists to achieve the best working results, improve their professional competencies and share best practices, Gazprom Energoholding Group has held an annual Best Environmentalist professional skills competition since 2017. In 2021, due to the difficult epidemiological situation, the competition was partly held remotely and partly postponed until 2022.



Where the energy is born

ENERGY EFFICIENCY AND RESOURCE SAVING

ENERGY SAVING AND ENERGY EFFICIENCY PROGRAMMES

GRI 302-4. GRI 302-5

The TGC-1 energy efficiency and energy saving policy is a set of measures aimed at creating the necessary organizational, legal, financial, material and other conditions for the rational use and economical expenditure of fuel and energy resources (FER).

The Energy Saving and Energy Efficiency Programme of TGC-1 for 2019–2023, as amended to meet the requirements of Gazprom Energoholding LLC, was approved by the Management Board of TGC-1 (Minutes No. 261 dated 11.06.2019).

	Savings achieved								
Energy-saving measures	thousand tons of standard fuel	million kWh	thousand Gcal	million rubles					
Modernization of lighting systems using LED technologies (6 measures)	-	1.58	-	1.97					
Implementation of retrofitting and reconstruction projects (5 projects)	1.02	0.09	0.49	5.36					
Improving the energy efficiency of the CHPP operation as a result of the implementation of operational and technical measures (26 measures)	11.42	0.06	52.37	11.42					
Cumulative effect from the implementation of energy-saving measures	10.13	13.09	0.55	59.7					

The Energy Saving and Energy Efficiency Programmes of TGC-1, JSC "Murmanskaya CHPP" for 2021 (hereinafter referred to as the programmes) include:

- measures to reduce suction into the gas-air tract of boilers, the costs for traction and blowing and to reduce temperature pressure in turbine condensers and heat exchangers as part of the repair and investment programmes of the companies;
- measures to replace lighting devices with LED;
- measures to replace heating networks using energy-efficient equipment; the use of effective technologies for thermal insulation of newly built heating networks, as well as in restoration of destroyed thermal insulation;
- measures for FCS (frequency control systems) installation on pumps and forced-draft mechanisms;
- other measures aimed at improving the efficiency of the use of fuel and energy resources.

As a result of the implementation of programmes measures in 2021, the estimated amount of fuel and energy saving was:

For TCC 1.

13,006

thousand kWh

10,133

tons of standard fuel

492

Gcal

85 thousand kWh

58

Nh Gcal

For JSC "Murmanskaya CHPP".

Following the results of 2021, due to the implementation of energy saving programmes, savings of fuel and energy resources in general for TGC-1 amounted to:



fuel saving

million rubles, including:

savings

thousand tons of standard fuel



13.09

million kWh



savings

thousand Gcal

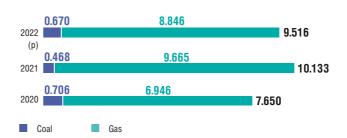
Costs for energy saving and energy efficiency measures (VAT exclusive), thousand rubles



Savings of fuel and energy resources by implementation of the Energy Saving Programme, total, thousand tons of standard fuel



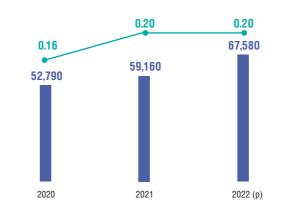
Fuel savings, thousand tons of standard fuel*



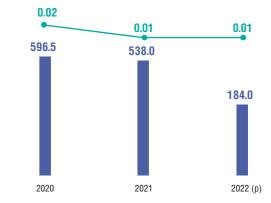
The results of energy saving and energy efficiency TGC-1 activities, as well as the performance of the Energy Saving Programme in 2020–2021 are given in Appendices Nos. 12 and 13.

* Excluding JSC "Murmanskaya CHPP"

TGC-1



 Cost of energy resources saved by implementation of the Energy Saving Programme, thousand rubles JSC "Murmanskaya CHPP"



Share of saved energy resources cost in the total cost of used fuel and energy resources. %

80

Structure of heat supply by fuel types for 2021, %

THE TARGETS HAVE BEEN ACHIEVED

To reduce the specific consumption of fuel for electricity supply:

217 g/kWh the target indicator

209.4 g/kWh the actual indicator

To reduce the specific consumption of fuel for heat supply:

169.3 kg/Gcal the target indicator

168.9 kg/Gcal

the actual indicate

The increase in fuel efficiency in 2021 was mainly achieved through maintenance and repair of existing power equipment.

The use of modern LED technologies, gas-operated switches, and the introduction of frequency control systems for rotating mechanisms have led to a reduction in electricity consumption.

FUEL USE

GRI 302-

The technological process of heat and power generation involves the use of various fuels (gas, fuel oil and coal) as the main raw materials, as well as significant water consumption for technological and household needs. All raw materials and supplies used are fully compliant with existing national standards and do not contain polychlorinated biphenyls or similar substances.

Management in the area of energy consumption and energy efficiency is governed by the requirements of Federal Law No. 261-FZ dated 23.11.2009 "On Energy Saving and Energy Efficiency Improvement and on Amendments to Certain Legislative Acts of the Russian Federation". TGC-1 fulfilled the requirements established by Federal Law No. 261-FZ and conducted an energy audit of its facilities.

Energy performance certificates obtained following audit results

Facility name	Executed by	Certificate No.	Date of registration
TGC-1	A-1 Energo LLC	019-012-1172/400	October 2016
JSC "Murmanskaya CHPP"	Megapolis LLC	EP 26/02-18	February 2018
JSC "St. Petersburg Heating Grid"	A-1 Energo LLC	E-015/274-18	November 2018

Thanks to the unique structure of production assets (40% of the installed capacity is accounted for by hydrogeneration and is about 3 thousand MW) TGC-1 has the ability to supply carbon-free electricity to industrial consumers, increasing the competitive advantages of their export products on the European market, reducing the risks of paying a cross-border carbon fee.

Hydrogeneration

40% of the installed

capacity

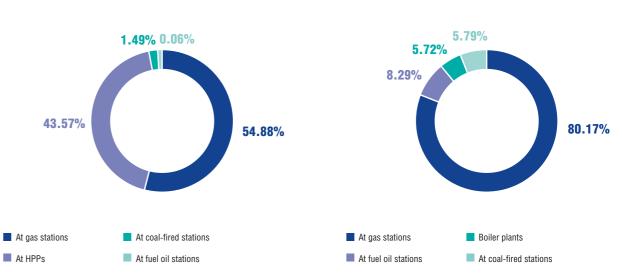
3,000

In December 2020, TGC-1 concluded the first Electricity Sale Contract at Freely Negotiated Prices with Siburenergo-management JSC (part of SIBUR Holding), under which Lesogorskaya HPP, located in the Leningrad Oblast, will provide the production capacity of this enterprise with environmentally friendly "green" electricity.

TGC-1 has concluded Electricity Sales Contracts at Freely Negotiated Prices with the mining and refining facility Apatit JSC (Kirovsky branch of Apatit JSC, PhosAgro Group) and the brewing company AB InBev Efes. Environmentally friendly electricity is supplied from Niva HPP-3 and Yovskaya HPP-10 in the Murmansk Oblast, as well as from Lesogorskaya HPP-6 and Volkhovskaya HPP-6 in the Leningrad Oblast, respectively.

Structure of electricity generation by fuel types for 2021, %

Where the energy is born

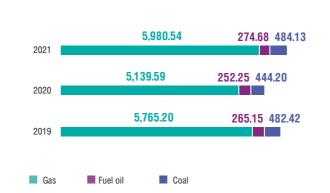


In Russia, there is an opportunity to issue and sell Renewable Energy Certificates under the international standard of energy source I-REC.

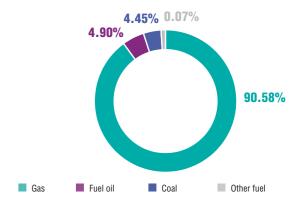
I-REC Certificates⁹ is the "green" attribute of electric energy, confirming electricity generation from a source of renewable electric energy that is registered in the I-REC register. Each certificate corresponds to 1 MWh of electricity generated from renewable energy sources. TGC-1 is ready to sell these certificates to potential consumers, and if the consumer does not have a participant account in the I-REC system, TGC-1 is ready to repay these certificates in favor of this consumer. Thus, the buyer can fulfill the set goals of sustainable development, as well as "decarbonize" its activities. The mechanism for "green" energy sale is possible both under Electricity Sales Contracts at Freely Negotiated Prices (BCF) at WECM, and through the conclusion of I-REC Certificate Sale Contract.

In April 2021, TGC-1 conducted the **first transaction for the sale of I-REC Renewable Energy Certificates** on the Sber blockchain platform. Certificates are issued in the interests of the enterprises being members of Polyus PJSC and **confirm the used energy renewable sources.** Thanks to this, Polyus PJSC became the first major gold mining company in the world to fully cover its needs through renewable energy sources. TGC-1 is preparing for further replication of transactions of this type with the participation of Sber and a number of large industrial consumers of electricity.

Fuel balance, thousand tons of standard fuel



Fuel balance. %*



^{*} Including JSC "Murmanskaya CHPP"

Renewable Energy Certificates developed and implemented by an I-REC Standard Foundation non-profit organization. The I-REC Certificate is issued by accredited organizations in 35 countries around the world.

Where the energy is born Sustainability Report of TGC-1 for 2021

In 2021, total fuel consumption from non-renewable sources was 7.3 million tons of standard fuel.

Dynamics of fuel use



Total energy consumption for own needs

Indicator title	Unit of measure	2019	2020	2021
	mln kWh	2,011	1,910	2,007
Total electricity consumption	mln GJ			
	thousand tons of standard fuel	247	235	247
	thousand Gcal	67	62	74
Total heat consumption	mln GJ			
	thousand tons of standard fuel	10	9	11
	mln m³	5,765	5,140	5,981
Total gas consumption	mln GJ			
	thousand tons of standard fuel	6,672	5,962	6,937
	min GJ			
TOTAL	thousand tons of standard fuel	6,929	6,206	7,194

Information on fuel consumption and specific consumption of standard fuel (SCSF) is provided in Appendices Nos. 13 and 14 respectively.

EMISSIONS OF GREENHOUSE GASES AND AIR POLLUTANTS INTO THE ATMOSPHERE

POLICIES TO REDUCE GREENHOUSE GAS EMISSIONS AND AIR POLLUTANTS INTO THE ATMOSPHERE

We find it important to monitor the Company's environmental impact and take measures to reduce emissions. Airborne pollutants, when their concentrations exceed the natural ones and exceed limits of standards, pose a risk to the environment and human.

Indicator title			2019			2020			2021		
	Volu	ıme	Intensity (per unit of Volumo generation)		ime	Intensity (per unit of generation)	Volu	ıme	Intensity (per unit of generation)		
	tons	CO ₂ -eq	tons/ thousand MWh	tons	CO ₂ -eq	tons/ thousand MWh	tons	CO ₂ -eq	tons/ thousand MWh		
Gaseous and liquid	48,302	-	-	46,271	-	-	41,207	-	-		
Carbon dioxide (CO ₂)	12,373,896	12,373,896	0.219	11,078,187	11,078,187	0.202	12,804,251	12,804,251	0.211		
Methane (CH ₄)	1,784	-	-	1,784		-	1,759	-	-		

Power plants regularly monitor the quantity and quality of pollutant emissions in accordance with the schedule for monitoring compliance with maximum permissible emissions standards for each source approved by the supervisory authorities. Regular monitoring is carried out by accredited environmental laboratories both directly at the emission sources and at specially selected points in the urban development to monitor the condition of the atmosphere air in the power plant's area of influence.

Activities aimed at protecting the atmosphere air are planed based on the analysis of data on the intensity and composition of pollutant emissions, the state of instrumentation and equipment, a set of implemented measures and the study of BAT (best available technologies).

The TGC-1 did not carry out emissions trading in 2021 due to the absence of a domestic market for emission allowances and the impossibility for Russian companies to participate in emissions trading in the international market.

EMISSIONS OF GREENHOUSE GASES AND AIR POLLUTANTS INTO THE ATMOSPHERE

In 2020, there was a decrease in emissions due to a decrease in demand for electricity as a result of the pandemic and a decrease in business activity. In 2021, demand has almost recovered, and emissions were increased as expected, but show a decrease compared to 2019.

The gross emission of pollutants into the atmosphere in total for TGC-1 in 2021 decreased by 5,109 tons, or 10% as a result of improvement in the quality of coal used as fuel at the Apatitskaya CHPP and in the boiler rooms of the Pryazhinsky and Prionezhsky districts of the Karelsky branch (due to a halving of the sulfur content). Accordingly, emissions of almost all types of pollutants, especially sulfur compounds, have decreased.

In the total volume of emissions, the amount of excess emissions increased 2.4 times (including gaseous and liquid emissions – 2.8 times, nitrogen oxides – 7 times, carbon

monoxide - 2.4 times; a small number of excess VOCs (volatile organic compounds) and other gaseous and liquid substances appeared). This is due to the change of permits and recalculation of the emission standards for days at the Centralnaya CHPP (the El (environmental impact) declaration from 15.03.2021) and the Pravoberezhnaya CHPP (air pollutant emission permit from February 22, 2021), as well as a change in the methods of calculating emissions in connection with a new MPE (maximum permissible emissions) project development at the Pravoberezhnaya CHPP. At Vasileostrovskaya, Pervomayskaya and Viborgskaya CHPPs, the standards for emissions from boilers decreased due to the drafting El declaration (CHPP-7 - from December 23, 2020, CHPP-14 - from November 30, 2020, CHPP-17 - from October 22, 2019), and the amount of fuel burned increased as compared with 2020. Nevertheless, excess emissions amounted to less than 1% of the total emissions.

Excess emissions of solid substances and sulfur dioxide have been stopped, which is due both to the improvement of coal quality at the Apatitskaya CHPP and the boiler rooms of the Karelsky branch, and to the drafting El declaration of the Murmanskaya CHPP (31.12.2020).

GRI 305-1, GRI 305-4

The dynamics and intensity of greenhouse gas emissions are disclosed in Appendix No. 15.

Determination of the mass of emissions is performed in accordance with Appendix No. 2 to the Methodological Instructions and guidelines for quantitative determination of greenhouse gas emissions by organizations carrying out economic and other activities in the Russian Federation that were approved by Order No. 300 of the Ministry of Natural Resources and Environment of Russia dated June 30, 2015.

Greenhouse gas (CO_o) emissions from stationary fuel combustion increased by 15% in the reporting year compared to last year due to an increase in the volume of gas burned at Vasileostrovskaya, Pervomayskaya and Viborgskaya CHPPs.

TGC-1 includes 40 HPPs located in other regions of operation – the Leningrad Oblast and Murmansk Oblast, and the Republic

of Karelia. Since 2020, the Company has entered into direct supply contracts for "green" (carbon-free) energy, and since 2021, has issued Renewable Energy Certificates that allow interested companies to demonstrate a reduction in their carbon footprint, thereby contributing to an increase in the ESG rating and the achievement of sustainable development goals.

TGC-1 keeps records for greenhouse gases under MNR (Ministry of Natural Resources and Environment of the Russian Federation) Order No. 300 dated June 30, 2015. Record data is used in the Company's reports. The goals for reducing greenhouse gas emissions for TGC-1 for the next reporting year are set at the level of the previous year's indicators.

Where the energy is born Sustainability Report of TGC-1 for 2021

GRI 305-6

The Company uses and produces no ozone-depleting substances.

Measures to reduce the volume and intensity of air pollutant emissions in 2021

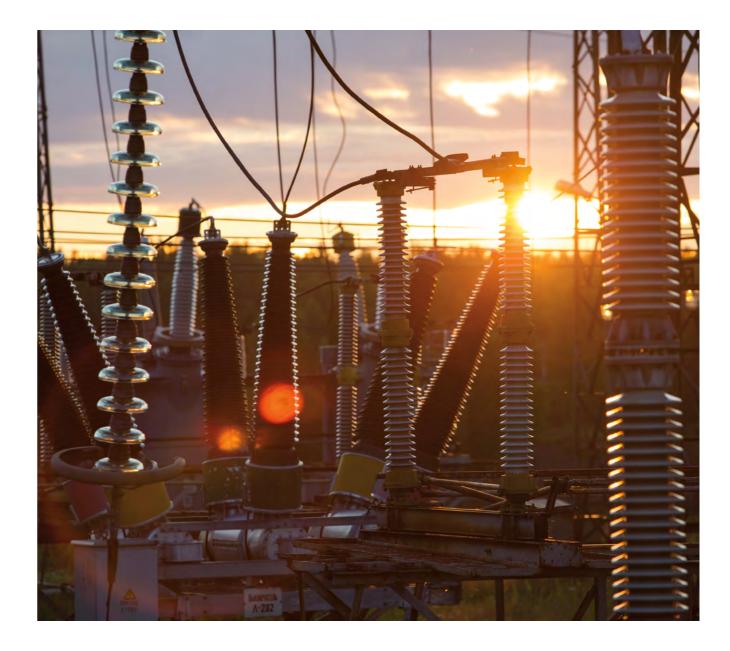


Operational and technical measures in the field of energy efficiency: in accordance with the requirements of Federal Law No. 261 dated 23.11.2009, an Energy Saving and Energy Efficiency Improvement Programme of TGC-1 for 2019–2023, aimed at reducing the consumption of fuel and energy resources and, as a result, environment adverse impact reduction, has developed, approved and is implementing.

The main pollutants produced during fuel combustion are the following:

- · nitrogen oxides (produced by combustion of any type of fossil fuel);
- sulphur dioxide (produced by combustion of coal and fuel oil);
- · fuel oil ash (produced by burning fuel oil);
- · ash (produced by burning coal).

Data on air emissions of NO₄, SO₅ and other significant pollutants can be found in Appendix No. 16.



WASTE GENERATION AND DISPOSAL

WASTE MANAGEMENT POLICY

GRI 103-2

The waste management process is strictly monitored in all of the Company's structural units. Each type of industrial waste is collected in containers specially designated for this purpose or in designated temporary waste storage areas. Removal is carried out by third-party organizations licensed to carry out activities in this area. Classes 1, 2, 3 and some types of hazard classes 4 and 5 wastes are subsequently disposed of or recycled by dedicated companies.

Most of the wastes generated in the system is Hazard Classes 4 and 5 wastes. Ashes and slags from combustion of Apatitskaya CHPP coal account for 60% of all wastes generated and are classified as hazard class 5 waste – virtually non-hazardous. Ashes and slags are deposited in their own facilities – ash and slag ponds.

The Company has the action plans to reduce the amount of waste sent to landfill and to increase the proportion of waste sent for recycling and disposal. Work has been organized for the management of waste whose disposal is prohibited, including the segregation of waste through separate storage by waste types, waste groups and homogeneous waste groups for further transfer thereof to third parties for disposal and neutralization.

WASTE GENERATION

GRI 306-2

All power plants are equipped with waste accumulation sites, contracts for waste removal and disposal are concluded, and records are kept regarding waste generation, control over its removal and handling. Scrap metal and mercury-containing waste, the burial of which has been prohibited since 2018, are sent for recycling under the relevant contracts. Separate collection of mercury-containing, oil-containing waste, used rubber waste, used office equipment was organized long before the introduction of amendments to the Federal Law on Waste Management.

97.4

thousand tons

Total waste generation amounted in 2021, which is 7.8% less than the indicator of 2020.

For Company's facilities of NEI (Negative Environmental Impact), category I, draft waste generation standards and waste disposal limits (permissions) have been developed and approved by the state supervisory authorities. For Company's facilities of NEI, category II, environmental impact declarations containing relevant sections on waste management have been developed. These documents specify the methods of disposal used and the locations of waste disposal. Waste is transported to other organizations for neutralization, disposal or placement on specially equipped waste disposal facilities (WDFs).

Waste management activities of hazard classes 1–4 in JSC "Murmanskaya CHPP" are carried out on the basis of an indefinite license No. (51)-510782-T/P dated March 31, 2021.

Ash and slag waste (ASW) is hydraulically transported to waste disposal facilities (WDFs) entered in the State Register of WDFs.

Waste generation, thousand tons

Where the energy is born



Ash and slag waste generation decreased



in 2021 compared to 2016.

Waste generation by hazard class, tons

Indicator title	2019	2020	2021
Hazard class 1	13.9	9.8	5.9
Hazard class 2	14.6	4.3	6.7
Hazard class 3	1,834.5	899.6	1,221.0
Hazard class 4	7,157.6	6,261.5	6,217.9
Hazard class 5	99,402.5	98,410.3	89,932.2

Waste management, thousand tons



At the end of 2021, in order to ensure the possibility of operating ash and slag dumps without their expansion, the accumulated ash and slag waste are used in the following areas: to reclaim the landfill deposits (Apatitskaya CHPP).

Data on waste generation and disposal are provided in Appendix No. 17.

GRI 306

When using water resources, TGC-1 is guided by the requirements of Russian and international legislation and strives to minimize the impact that the companies' activities have on water bodies. All technological processes are carried out in accordance with the water legislation of the Russian Federation.

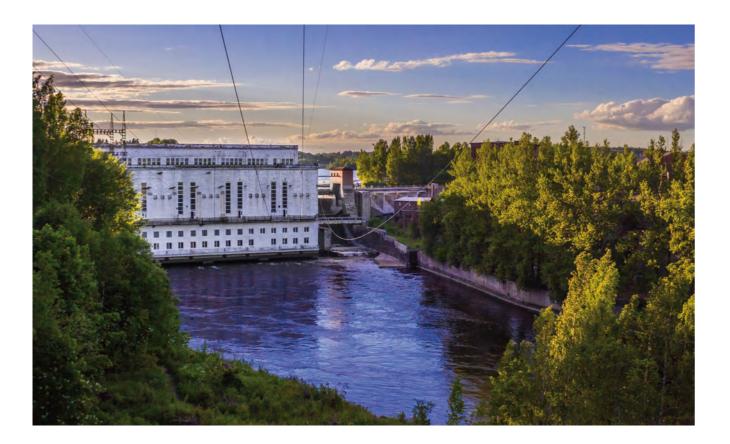
The production of heat and electricity is accompanied by the use of large quantities of water in the process cycle, as well as the discharge of wastewater. At steam turbine power plants, process water is used to condensate steam, cool and wash equipment, at coal facilities – to remove ash and slag formed.

The source of process water for most power plants is surface water bodies; for individual power plants, water from an industrial water pipeline is used, and for utility needs – from a municipal water pipeline.



The Company's facilities have the following permits for water intake from natural sources and for drainage to surface water bodies:

- → water use agreements;
- decisions on water bodies provision for use;
- → standards of permissible discharges;
- permits for the discharge of pollutants into the environment.



TGC-1 on an ongoing basis keeps records of the volume of intake (withdrawal) of water resources from water bodies and the volume of wastewater discharge, and wastewater quality.

All Company's generating facilities have implemented schemes for the collection and treatment of oiled and fuel oiled wastewater and local treatment facilities.

Surface water bodies, where water intake and spillway provided, are not classified as Specially Protected Natural Areas, territories of traditional residence of small indigenous peoples of Russia. All surface water bodies have been assigned a category of fishery value (from highest to second).

THE PROJECTS IMPLEMENTED IN TGC-1 WERE AIMED AT PROTECTING AND CONSERVING WATER RESOURCES:

- performing regular monitoring, such as analysis of samples of natural waters and effluents diverted by structural units both to water bodies and to the municipal collector; monitoring of water bodies, determination of morphometric and hydrological characteristics; monitoring of groundwater regime, and analysis of sediment samples;
- development of current individual balance norms and standards of water consumption and sanitation;
- carrying out the cleaning of the water-retaining grilles and HPP intake chambers from garbage;
- maintenance of equipment, including at wastewater
- reconstruction of sewerage networks with separation of flows and construction of treatment facilities at the discharge into the reservoir and the municipal collector of the Avtovskaya CHPP;

- modernization of local treatment facilities at the discharge to the Pervomayskaya CHPP municipal collector;
- construction of the reverse system of technical water supply of Avtovskaya CHPP;
- reconstruction of sewerage networks of Vasileostrovskaya CHPP (building and installation works);
- installation of the settling tank of industrial storm drains of boiler shop No. 1 of the Murmanskaya CHPP;
- cleaning of filters in the system of well-handled diverting of surface water from the territory of Narvskaya HPP:
- maintenance of the environmental monitoring system to prevent the discharge of petroleum products from the Viborgskaya CHPP:
- purchase and installation of Sewer-Mag flow meters at outlets 3a and 3b of Pravoberezhnaya CHPP.

In June 2021, TGC-1 took part in the All-Russian campaign Water of Russia, focused at maintaining the cleanliness of the reservoir banks. Since 2014, the Ministry of Natural Resources and Environment of Russia together with the Federal Water Resources Agency has carried the campaign, which is part of the federal project "Preservation of unique water bodies" of the national project "Ecology".

In Murmansk, the power engineers of the Murmanskaya CHPP, together with students from the Murmansk State Technical University, removed garbage from the territory adjacent to the South Boiler House on the coast of the Kola Bay. The bay is an important reservoir primarily because of the migratory routes of the Atlantic salmon. This most valuable species of fish is listed in the Red Book of the Murmansk Oblast.

The Company also took part in the campaigns "Clean Region", "Environmental Dictation", "Zero Negative Impact", in the All-Russian competition "Reliable Partner – Ecology";

organized and conducted such campaigns as "Clean Arctic", "Caps of Hope", a charity and environmental campaign to collect waste paper to help homeless animals in the shelter of the urban-type settlement Murmashy.

TGC-1 also held meetings in a form of excursions with students as part of the projects "Work for You: The Arctic is Waiting!" and "One Day in the Profession", worked with schoolchildren in cooperation with the children's technopark "Quantorium -51".

Where the energy is born Sustainability Report of TGC-1 for 2021

WATER CONSUMPTION VOLUME AND WASTEWATER DISPOSAL

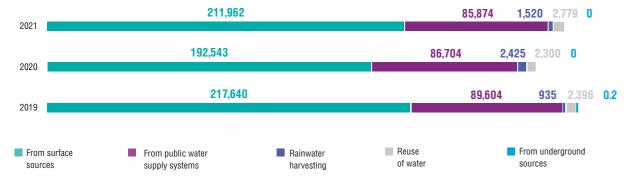
GRI 303-1

The total amount of water withdrawn by source and water recycled is provided in Appendix No. 19. Information on water consumption and wastewater disposal is presented in tables.

Water resources are accounted for in accordance with the requirements of the following documents:

- The procedure for keeping records by owners of water bodies and water users of the volume of intake (withdrawal) of water resources from water bodies and the volume of wastewater and/or drainage water discharge and their quality, approved by Order No. 205 of the Ministry of Natural Resources and Environment of Russia dated July 8, 2009.
- Instructions for completing Form 2-TP (water use), approved by Rosstat (Federal State Statistics Service) Order No. 815 dated December 27, 2019 "On Approval of the Form of Federal Statistical Observation with Instructions for Completing it to Organize Federal Statistical Observation on Water Use by the Federal Water Resources Agency".

Water intake, thousand m3



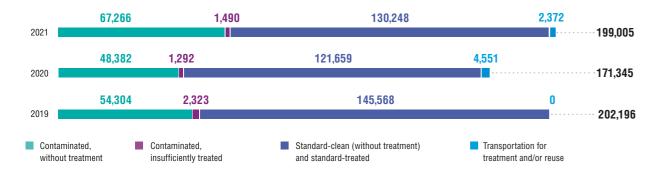
WASTEWATER DISCHARGE

Wastewater treatment system at the Pravoberezhnaya CHPP of the Nevsky branch of TGC-1

Water has been returned to the technological cycle – to recharge the circulating water supply system – by wastewater treatment in the designed volume of 120 m³/h (1,051.2 thousand m³/year), which makes it possible to use water resources more efficiently. As a result of the construction of local treatment facilities, **wastewater discharge into surface water bodies from CHPP-5 was eliminated**.

Information on the volume of discharges, indicating the quality of the wastewater and the receiving facility, can be found in Appendix No. 20.

Wastewater discharge, thousand m³



BIODIVERSITY PROTECTION

GRI 304-

The following measures have been implemented at the power plants of TGC-1 in order to reduce the adverse impact on the aquatic biological resources (ABR):

water intakes of thermal power plants are equipped with fish protection devices of the barrier type;

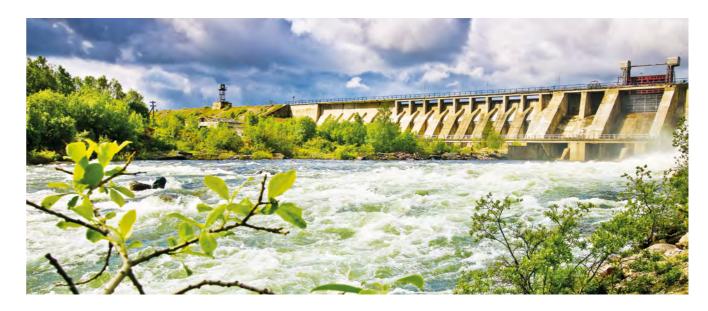
at the Ignoila HPP there is a fish passage for the seasonal passage of the Onega salmon for spawning;

a fish passage was also built at the Verkhne-Tulomskaya HPP, however, due to large elevation differences (70 m), an extremely small number of fish pass through it;

under the agreement with the Kola Science Center of the Russian Academy of Sciences, in 2020 a report was prepared on the state of the stock, features of biology and dynamics of the number of water resources in the area of the reconstructed spillway of the Nizhne-Tulomskaya HPP of the Kolsky branch. According to this report the work on the spillway reconstruction does not have an additional impact on the ABR and its habitat.

Nizhne-Tulomskaya HPP of TGC-1 supports the efficient operation of a unique fish passage, which has no analogues in the North-West. The facility is designed for seasonal passage of summer salmon to spawn. An artificial stream with rapids 513 meters long is 66 wells with a height difference of 20 meters. Thanks to the fish passage, summer salmon rises upstream and returns to the sea with their offspring at the end of summer. On average, 6–7 thousand individuals pass through the fish passage.

Animals included in the Red Books of various levels have not been identified and their habitats are not affected at the power plant sites.





Sustainability Report of TGC-1 for 2021

WORKPLACE SAFETY MANAGEMENT

GRI 103-2, GRI 403-8

The Company's core corporate value is concern for people's lives and health. Zero injury rate is our strategic target.

To achieve this target, work on occupational health is carried out simultaneously in several directions; the requirements of federal occupational safety legislation are rigorously implemented, and a number of our own initiatives aimed at developing a culture of safe behavior and creating a safety conscious attitude among employees are also implemented.

GRI 103-2, GRI 403-1

The Company has developed and operates a Regulation on the Occupational Health Management System (OHMS)¹⁰. which takes into account the Company's structure, main mechanisms of work and assignment of duties.

THE REASONS FOR THE OHMS INTRODUCTION:



compliance with legal requirements (Article 214 of the Labour Code of the Russian Federation);



the requirement of the Order No. 438n of the Ministry of Labour and Social Protection of the Russian Federation dated August 19, 2016 "On Approval of the Model Regulation on the Occupational Health Management System".

The OHMS applies to all structural units and all employees of the Company.

The Managing Director shall organize the OHMS operation and by his/her actions involves employees in it. The Deputy Managing Director – Chief Engineer is responsible for working with the occupational health staff. Directors of structural units manage occupational health and work to create safe and healthy working conditions in structural units.

OHMS includes functions for the implementation of management decisions as part of the implementation of legal, socio-economic, organizational, technical, sanitary-hygienic, therapeutic and preventive, rehabilitation and other measures aimed at ensuring the safety, preservation of working capacity, health and life of workers engaged in the operation, maintenance of power plants, organizing and performing commissioning, repair work, tests and measurements.

OHMS provides for the planning of indicators of working conditions and occupational health and their control, the implementation of preventive measures to prevent injuries and occupational diseases, verification and analysis of the results of the functioning of the OHMS and its consistent improvement. The Regulation regulates the functions of officials and structural units in occupational health and safety in relation to the Company's management structure.

Employer – employee cooperation on occupational health issues is an essential element of the TGC-1 occupational health policy.

10 Occupational Health Management System is a part of the general management system of the organization, providing management of activities in occupational health and safety

THE EMPLOYEE PARTICIPATION IN THE OHMS IS ACHIEVED:

- by involving employees and representatives of occupational health department employees in consultations; informing and improving their skills on all aspects of occupational health related to their work, including measures to eliminate possible accidents:
- and implementation of actions to improve the OHMS, evaluation of its efficiency;
- by creation, formation and effective functioning of the Occupational Health Commission, recognition and enhancement of the authority of representatives of occupational health department employees;
- by setting requirements for the necessary competence of employees in occupational health.



- inclusion of relevant provisions in employee employment contracts (working conditions at the workplace, conditions for additional compensation and benefits related to working conditions, and others);
- employees are familiarized with the results of a special assessment of working conditions at their workplaces;
- placement of summary data on the results of a special assessment of working conditions in the workplaces;
- · holding meetings, round tables, seminars, conferences, meetings of interested parties, and negotiations;
- production and distribution of newsletters, posters, other printed materials, video and audio materials;
- placement of relevant information in public places.

THE EMPLOYER, TOGETHER WITH REPRESENTATIVES OF EMPLOYEES, CREATES PUBLIC OCCUPATIONAL HEALTH MAN-AGEMENT BODIES.

Occupational health committees and commissions have been formed, which operate both at the Company level and in structural units.



- ensuring the implementation of Occupational Health Policies;
- analysis of the state of occupational safety in the Company as a whole and in structural units and OHMS operation efficiency;
- development of proposals for amendments to the OHMS;
- evaluation of the results of activities aimed at creating safe working conditions;
- development of measures based on proposals of committee/commissions members to ensure state regulatory requirements for occupational safety, prevention of occupational injuries, and occupational diseases;
- coordination of proposals for incentive.

Where the energy is born

by allocation of time and opportunities for active participation of employees in organizational processes, planning

TRAINING IN OCCUPATIONAL HEALTH AND TESTING OF KNOWLEDGE

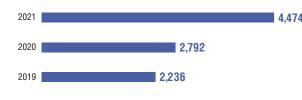
GRI 403-5

The Company ensures that all categories of employees receive ongoing occupational health training. Employees receive training specific to the work they do.

Occupational health training and testing of knowledge (briefings, training in safe work methods and techniques, apprenticeships and other measures) are carried out in conjunction with other forms of training. The procedure for training

employees in occupational health takes into account the need for training based on the nature and content of the work they perform, their existing qualifications and competence necessary for the safe performance of their job duties.

Mandatory training of employees in occupational health, persons



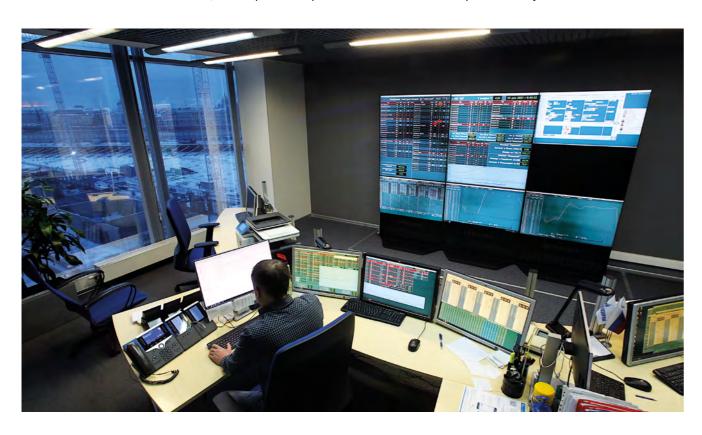
Optional training of employees in occupational health, persons



GRI 403-2

The Company has implemented and applied mechanisms to identify occupational hazards and assess and minimize occupational risks for workplace and non-workplace situations, and trains employees to detect, identify and define hazards and risks.

Based on the results of risk detection, roadmaps are compiled and measures are developed to remedy the identified hazards.



OCCUPATIONAL INJURIES

OCCUPATIONAL INJURY LEVEL AMONG STAFF

GRI 403-2

Indicator title	2019	2020	2021
Fatal Injury Frequency Rate, FIFR	0	0	0
Lost Time Injury Frequency Rate, LTIFR	0.36	0	0
Occupational Disease Rate, ODR	0	0	0
Lost Day Rate, LDR	0.36	0	0
Total hours worked by all personnel	11,022,926	11,113,034	11,017,227

There were no accidents in 2021

REASONS FOR THE ABSENCE OF INJURIES AT WORK:



OHMS of TGC-1 operation



Compliance with mandatory requirements in occupational health



Introduction of a video recording system in the Company during switching in operating electrical installations



Transfer a part of the staff to telecommuting in connection with COVID-19

Investigative mechanisms were identified:

- for accidents in Articles 227–231 of the Labour Code of the Russian Federation (No. 197-FZ dated December 30, 2001), as well as in the Regulation on the Specifics of the Investigation of Accidents at Work in Certain Branches of the Organization, approved by Resolution of the Ministry of Labour and Social Development of the Russian Federation No. 734 dated October 24, 2002;
- for accidents and incidents occurring at a hazardous production facility in Order No. 503 of the Federal Environmental, Industrial and Nuclear Supervision Service of Russia (Rostechnadzor) dated December 8, 2020 "On Approval of the Procedure for Technical Investigation of Causes of Accidents, Incidents and Loss of Industrial Explosive Materials";
- for accidents at electric power facilities in Resolution No. 846 of the Government of the Russian Federation dated October 28, 2009 "On Approval of the Rules for Investigation of the Causes of Accidents at Electric Power Facilities".

OCCUPATIONAL ACCIDENTS AMONG CONTRACTORS' EMPLOYEES

GRI 403-2

Some of the construction and operation of the Company's energy facilities are carried out by contractors' employees.

It is imperative that contractual agreements include an appendix on contractor's liability for violations of health and safety, fire and environmental requirements, on the basis of which penalties can be imposed and passes to power plants can be withdrawn from persistent violators.

ON A REGULAR BASIS, CONTRACTORS' EMPLOYEES:

- · are checked for their occupational health and fire safety certificates when working at energy facilities, as well as for the right to carry out special works with the admission to work on the main and auxiliary equipment;
- · are instructed in introductory (initial, dedicated) briefings;
- · participate in joint occupational health and fire safety days;
- are subject to unannounced inspections of workplaces (including at night) by Company's occupational health officers;
- are subject to workplace inspections during internal (external) technical audits;
- have joint meetings between health and safety services of the Company and contractors on health and safety issues;
- have joint walk-round checks, inspections of work at hazardous production facilities.

In 2021, the Company did not keep statistics on the number of injuries and deaths with the participation of its assets among persons who are employees of contractors, but plans to involve contractors in the occupational health management system to eliminate injuries and reduce risks when performing work.

Where the energy is born

OCCUPATIONAL HEALTH AND SAFETY COSTS

GRI 403-2

THE COSTS OF ENSURING SAFE WORKING CONDITIONS AND OCCUPATIONAL HEALTH INCLUDE: -----

- · carrying out periodic medical examinations;
- · training in occupational health;
- purchasing special clothing, footwear, personal protective means, detergents and disinfectants:
- · arrangement of storage, cleaning, washing, drying and repair of special clothing;
- conducting a special assessment of working conditions;
- · monitoring the compliance with sanitary regulations and the implementation of sanitary and epidemic-prevention (proactive) measures, including instrumental measurements and analyses of hazardous and harmful production factors:
- · other measures, including those included in the occupational health improvement programme (agreement).

COSTS FOR ENSURING INDUSTRIAL SAFETY INCLUDE: -----

173.596

- · costs for licensing special types of activities;
- · costs for registration of hazardous production facilities;
- · costs for industrial safety expert review;

- · costs for civil liability insurance for damage caused by an accident at a hazardous production facility;
- · costs for training and certification of employees in industrial safety;
- other costs.

Allocation of occupational health costs, thousand rubles

Allocation of industrial safety costs, thousand rubles





PERSONNEL MANAGEMENT POLICY

The Personnel Management Policy of TGC-1, JSC "Murmanskaya CHPP" that are under management of Gazprom Energoholding LLC, contributes to the achievement of the strategic goal of Gazprom PJSC – to become a leader among global energy companies.

THE BUSINESS STRATEGY OF TGC-1 IS AIMED AT DEVELOPING THE FOLLOWING KEY COMPETITIVE ADVANTAGES:



Social and environmental responsibility



The company scale and developed production infrastructure



Financial stability and focus on long-term development



Effective management system and competence of employees

The purpose of the Personnel Management Policy is to create an organizationally effective company with a transparent corporate governance system provided its employees with an opportunity to fulfill their potential to the maximum.

The main task of the Personnel Management Policy is

to build a management system under which the company has a stable status of "preferred employer" in the eyes of people who are ready and able to bring it maximum benefit.

The implementation of the Personnel Management Policy is the responsibility of managers at all levels of the Company's management.

All organizational and administrative documents used to implement the Personnel Management Policy are developed and executed in strict accordance with the current legislation.

The main values, principles, standards and norms of behavior are reflected in the Code of Corporate Ethics of TGC-1, approved by the Board of Directors (Minutes of the meeting No. 9 dated September 18, 2019).

THE COMPANY'S CORPORATE VALUES ARE:

PROFESSIONALISM IS

Deep knowledge of one's specialty, timely and high-quality fulfillment of assigned tasks, continuous improvement of professional knowledge and skills.

CONTINUITY IS

Respect for the work and experience of older generations, communication between beginners and labour veterans, vocational training and mentoring.

LEAN IS

A responsible and careful approach to the use of the Company's assets, to own working time and working hours of other employees.

INITIATIVE IS

The activity and independence of employees in optimizing the production process.

MUTUAL RESPECT IS

A team spirit in work, trust, friendliness and cooperation in the process of solving assigned tasks.

OPENNESS TO DIALOGUE IS

An open and honest exchange of information, willingness to jointly work out the best solution.

PUBLIC IMAGE IS

The use of techniques and strategies aimed at creating a positive opinion about the Company.

Relations between employees and the Company are built on the basis of trust and mutual understanding.

The Company provides for transparency and openness in personnel management and improves management methods, providing favorable working conditions, as well as the opportunities for advanced training and fulfillment of employees' potential. At that the Company keeps confidentiality as to the personal data of its employees.



THE INTERNAL DOCUMENTS ARE DESIGNED IN ACCORDANCE WITH THE REQUIREMENTS:

- of provisions of laws of the Russian Federation:
- · of Human Resources Management Policies of Gazprom PJSC, its subsidiaries and organizations (approved by Decision No. 49 of the Gazprom Management Board dated November 7, 2006).

Personnel management issues are assigned to the core functional blocks and units of the Company.



CURRENT DOCUMENTS IN PERSONNEL MANAGEMENT:

- Personnel Management Policy;
- · Code of Corporate Ethics;
- the model of corporate management, personal and business competencies of TGC-1:
- · regulations on the work with the talent pool for promotion to managerial positions in TGC-1;
- regulations on the personnel certification by current position in TGC-1;

- the procedure for training at the TGC Training Center of the Nevsky Branch of TGC-1;
- · rules of work with personnel in the organizations of the electric power industry of the Russian Federation;
- · Methodological Recommendations on the Application of Occupational Standards at TGC-1 and its subsidiaries;
- · comprehensive action plan on the application of occupational standards at TGC-1 and its subsidiaries.

18

Occupational standards for which mandatory application has been established

17

Occupational standards for which mandatory application has not been established

In 2021, the Company continued its work on the application of occupational standards. Regular work is carried out in accordance with the annual plans of Gazprom Energoholding LLC and Gazprom PJSC. In total, Gazprom Energoholding Group uses 35 professional standards

Personnel management system

Human resources policy

Key principles:

- transparency and openness;
- striving for industry leadership;
- efficiency of investment in personnel;
- continuous improvement;

organizational order.

Human Resources Management Policy of Gazprom PJSC, its subsidiaries and organizations

HR Management Policy

Code of Corporate Ethics

Regulations on the work with the talent pool for promotion to managerial positions in TGC-1

Occupational health and safety

Labour Code of the Russian Federation

Federal Law "On Industrial Safety of Hazardous Production Facilities (HPF)"

Rules for production control over compliance with industrial safety requirements at hazardous production facilities Occupational Safety Management System

Regulatory framework



LABOUR RESOURCES

GRI 102-

As of December 31, 2021, the Company's number of employees (including persons engaged under civil law contracts and part-time employees) amounted to 7,328 persons (as of December 31, 2020 - 7,474 persons). From December 31, 2020 till December 31, 2021, the number of staff decreased by 1.95% or 146 persons.

GRI 102-8

Total number of personnel in the breakdown by type of employment contract and gender, persons

				Freelance employees						
Gender		nent contract wi	ith		nent contract w time employee		Civil law contract (CLC)			
_	2019	2020	2021	2019	2020	2021	2019	2020	2021	
Female	2,294	2,334	2,354	9	24	26	9	14	14	
Male	5,003	5,077	4,897	19	13	26	19	12	11	

GRI 405-1

Total number of employees in the breakdown by type of employment contract (continuous/provisional) and region of activity, persons

					Full-tim	ne emp	loyees							Freelance employees					
Region	Employment contract with a payroll employee							Employment contract with a part-time employee						Civil law contract (CLC)					
	2019		2020		20	21	20	119 2020		2021		2019		2020		2021			
	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	
St. Petersburg	3,459	96	3,540	83	3,523	78	9	1	6	1	9	1	0	7	0	4	0	1	
Leningrad Oblast	579	7	606	14	576	11	1	6	0	3	0	10	0	0	0	1	0	0	
Murmansk Oblast	1,413	17	1,435	10	1,389	9	0	0	0	0	3	0	0	10	0	9	0	11	
Republic of Karelia	993	25	993	26	969	23	0	0	0	16	0	17	0	11	0	12	0	13	
Murmansk	703	5	698	6	664	9	11	0	11	0	12	0	0	0	0	0	0	0	

Total number of employees by type of employment (full-time/part-time) and gender, persons

		Full-time employment							Part-time e	mployme	nt	
	20	2019		2020		2021		2019		2020		21
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
TGC-1	2,275	4,997	2,320	5,067	2,333	4,884	19	6	14	10	22	12

Newly hired employees

7,328

persons

The total number of full-time employees as of December 31, 2021 686

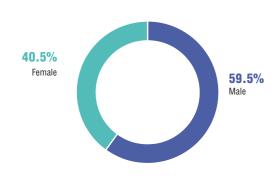
persons

The total number of newly hired employees during the reporting period January 1, 2021 – December 31, 2021

9.4%

The share of newly hired employees from the total number of full-time employees

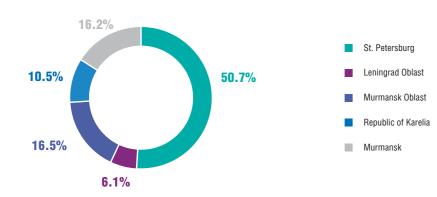
Distribution of newly hired employees by gender, %



Distribution of employees by age, %



Distribution of newly hired employees by region, %





Total number of personnel in the breakdown by position, age and gender, persons

	Man	agers	Specialists a	and officers	Worl	ers
	Female	Male	Female	Male	Female	Male
2019						
< 30 years	30	79	177	140	44	567
30-50 years	271	745	643	461	235	1,175
> 50 years	194	496	335	221	365	1,119
Total	495	1,320	1,155	822	644	2,861
2020						
< 30 years	32	77	176	129	50	557
30-50 years	292	767	680	470	226	1,190
> 50 years	192	492	332	234	354	1,161
Total	516	1,336	1,188	833	630	2,908
2021						
< 30 years	34	85	181	151	55	473
30-50 years	299	771	687	458	229	1,121
> 50 years	204	488	330	231	336	1,118
Total	537	1,344	1,198	840	620	2,712

The reduction in personnel numbers is mainly due to optimization of the organizational structures of companies. Optimization is achieved through centralization and automation of business processes and changes in the organizational structure of the Nevsky branch. Among the growth factors are the introduction of new facilities, the transition to performing certain functions in an economic way. Detailed information on the personnel is provided in Appendices Nos. 23 and 24.

PERFORMANCE ASSESSMENT

GRI 404-3

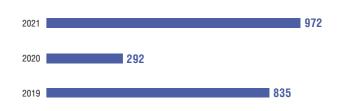
In 2021, performance of 972 employees was evaluated in the Company by monitoring the achieving of bonus indicators/KPIs, individual goals and objectives.

Additionally, the performance of employees who are in the personnel reserve and/or participating in other development programmes is being evaluated: in 2021, about 140 people were evaluated (aptitude tests, assessment and development center) and trained under individual programmes.

The decrease in the number of employees who have passed certification and competency evaluation in 2020 related to the introduction of restrictions on face-to-face meetings in connection with the pandemic. Since the certification involves the personal presence of the person to be certificated and all members of the commission, the certification was suspended for the term of validity of restrictions.

In 2021, the certification was carried out in accordance with the plan.

The number of employees who have passed the performance (effectiveness) evaluation, persons



- 107 - 108 \cdot

Where the energy is born

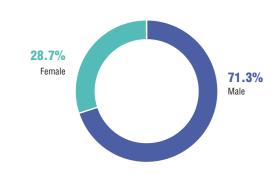
STAFF TURNOVER

GRI 401

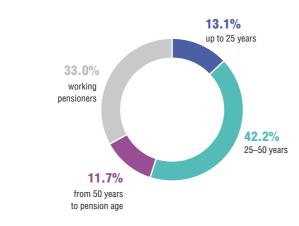
During 2021, staff turnover¹¹ in the Company averaged approximately 9.7%.

Detailed information on staff turnover is provided in Appendix No. 25.

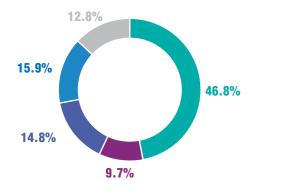
Distribution of staff turnover by gender, %



Distribution of staff turnover by age, %



Distribution of staff turnover by region, %







Murmansk

Additional employee retention measures are planned to be implemented within the Company to reduce staff turnover in 2022.

The main tools for attracting and retaining employees is a decent level of wage and social protection for employees in the regions where the Company operates, as well as employee moral encouragement tools:

- · corporate health insurance and pension schemes;
- personnel training and development programmes;
- · corporate cultural events (including sporting events);
- organizing recreational activities for employees and their families.

When hiring employees and selecting them for senior positions, the Company is guided only by the professional skills of candidates, does not take into account belonging to any social groups and does not keep relevant statistics. The main part of the staff lives in the regions where the power plants are located.

Each newly hired employee shall pass an onboarding programme. For employees who are hired with a probationary period, a task is drawn up for the probationary period, following which the assessment procedure is conducted.

The ratio of the number of employees dismissed at their own will and by the initiative of the administration due to absenteeism and systematic violations of labour discipline to the average headcount in the reporting period.

RESPECT FOR HUMAN RIGHTS AND EQUAL OPPORTUNITIES

GRI 412-2; 412-3; 405-2; 406-1

Respect for human rights is enshrined in the legislation of the Russian Federation, in particular, these rights are defined in the Constitution of the Russian Federation.

Gazprom Energoholding Group considers compliance with the rights of its employees mandatory for stable operation and development. The Group guarantees employees the observance of their right to work and rest, the right to financial support in retirement and in case of disability. The employment rights of

employees are implemented in accordance with the requirements of the Labour Code of the Russian Federation, local regulations and collective agreements of companies.

In 2021, there was no training for security personnel on human rights policies and procedures.

The Company considers discrimination by gender, age, nationality, religion and other grounds to be unacceptable in its activities.

THE COMPANY ENSURES EQUAL RIGHTS FOR WOMEN AND MEN IN ALL EMPLOYMENT MATTERS. SUCH AS:

positions held (including the possibility of holdingleadership positions);

conditions of work;

wage;

operating a social policy.

In 2021, there were no cases of discrimination by gender, ethnicity or other grounds in the Company.



Employees' salaries are based on each employee's qualifications, the complexity of their work, their performance, and the performance of the unit where they are employed and the Company as a whole. The forecast consumer price index increase is taken into account when setting the salary cost plan for future periods.

GRI 401-2

The current wage system in the Company provides for a fixed and a variable part of the salary. The ratio of fixed and variable parts of wages varies in the range from

Main staff – workers, specialists





The fixed part of the salary comprises the fixed part of the employee's wages and compensation payments, which are in direct relation to the conditions and nature of work.

The variable part includes incentive bonuses and additional payments, including bonuses that are accrued based on the results of the reporting period (month, quarter, year), taking into account the KPIs set for the specific employee or for the Company as a whole

The list of KPIs usually includes financial and economic indicators, efficiency indicators, safety and reliability of production activities, performance indicators of investment programmes in general and individual priority investment projects. The indicator system is continuously improved in line with current and strategic objectives and serves as a tool for evaluating performance and motivating employees.

In TGC-1, a fixed part of wage is formed on the basis of a tariff system (or tariff grids) that reflects the differences between employees depending on the complexity of job responsibilities and the fulfillment of the labour standard.

GRI 202-1

In the regions of activity, in accordance with the legislation of the Russian Federation, a minimum monthly wage (MMW) is established, the same regardless of the gender of employees.

Wage levels for employees in entry-level positions are above the minimum wage in the respective regions and do not depend on the gender and age of the employees.

Average wages are maintained above the regional average. Ratio of minimum wage (including compensation and incentive payments) to minimum monthly wage in the regions of operation is given in Appendix No. 26.

Where the energy is born Sustainability Report of TGC-1 for 2021

The selection criteria and contracts with suppliers and contractors do not stipulate conditions regarding minimum wages for staff.

In 2021, TGC-1 and JSC "Murmanskaya CHPP" introduced a new type of financial incentives for employees whose wages are paid according to the time-bonus system - an allowance for personal contribution to the results of production and business activity. The allowance is set quarterly based on the performance assessment of each employee in the previous quarter by his supervisor. The assessment is made according to such criteria as the discipline of labour organization, the quality of work performed, the complexity of the work performed, and labour activity.

In TGC-1 and JSC "Murmanskaya CHPP", scheduled personnel certifications are carried out according to approved schedules.

The personnel satisfaction is assessed in the process of monitoring the onboarding of new and/or transferred employees of all categories of personnel and when employees are dismissed at their own volition (the interview method is used).

The ratio of the base salary of men and women by employee category and regions of activity

		Managers		Speci	alists and of	ficers		Workers	
Region	2019	2020	2021	2019	2020	2021	2019	2020	2021
St. Petersburg	1.04	1.06	1.08	1.12	1.11	1.10	1.24	1.21	1.21
Leningrad Oblast	1.09	1.15	1.13	1.1	1.15	1.11	1.22	1.21	1.24
Murmansk Oblast	1.23	1.22	1.27	1.13	1.14	1.16	1.14	1.16	1.16
Republic of Karelia	1.06	1.07	1.07	1.11	1.10	1.10	1.15	1.17	1.19
Murmansk	0.74	0.74	0.72	1.08	1.06	1.05	1.13	1.14	1.14

Ratio of minimum wage (including compensation and incentive payments) to minimum monthly wage in the regions of activity

Branches	2019	2020	2021
St. Petersburg	1.12	1.33	1.41
Leningrad Oblast	1.55	1.72	2.06
Murmansk Oblast	1.32	1.09	1.06
Republic of Karelia	1.11	1.08	1.09
Murmansk	1.33	1.03	1.03



PROFESSIONAL DEVELOPMENT AND TRAINING OF EMPLOYEES

GRI 404-2

THE COMPANY PROVIDES EMPLOYEES WITH AMPLE OPPORTUNITIES TO UNLOCK THEIR OWN POTENTIAL AND FOR CAREER GROWTH. THE MAIN AREAS WHERE WORK IS BEING CARRIED OUT:

Onboarding of newly hired employees and mentoring system

The system of continuous corporate education

Introduction of unified approaches and methods of training and evaluation of personnel

Corporate competitions of professional skills and innovative projects

Training of the employee pool and a transparent system for the promotion of promising employees on the career ladder

Continuous training is necessary to achieve the goals, objectives and long-term development of the Company: there are dedicated programmes for management, employee pool and high-potential employees that teach the creation of effective management mechanisms, the development of personal efficiency and business communication skills, as well as promote career growth.

The Training Center of TGC-1 develops new training programmes and, if necessary, updates existing training programmes aimed at improving the skills of the Company's employees, taking into account changing production conditions, the introduction of new technologies, and improving business processes.

In order to improve the effectiveness of the ongoing training of the personnel of TGC-1, the Training Center has an Educational and Methodological Council that coordinates the educational and methodological work of the staff and teachers of the Training Center, develops criteria for evaluating the quality of training, sets and updates requirements for the content of training programmes and teaching materials for them.

In 2021, personnel was trained in accordance with the Rules of Work with Personnel in the Organizations of the Electric Power Industry of the Russian Federation (approved by the Order of

the Ministry of Energy No. 796 dated September 22, 2020) and other regulations governing the procedure for personnel training.

The Company's employees received higher and secondary vocational education, were trained in professions, passed advanced training in accordance with the need for knowledge, taking into account the introduction of new equipment and new technological processes. The Training Center of TGC-1 has organized training programmes for vocational training and additional vocational education, new professional development programmes have been developed:

- development of personal and professional competencies of young employees of TGC-1;
- ensuring environmental safety by managers and specialists of general economic management systems;
- fire safety requirements and standards for managers and specialists who are entrusted with the labour function of conducting fire-fighting briefing;
- fire safety requirements and standards for managers and specialists appointed responsible for ensuring fire safety.



Annually TGC-1 develops and approves a Training Plan for the Company's personnel in accordance with the requirements of the System of Continuous Corporate Professional Education of Gazprom PJSC personnel (SCCPE), on the basis of which professional education and development of managers, specialists, professional training of workers during their labour activity in the Company are organized on the basis of their existing level education (in the interests of the employee and the employer).

Training programmes in the professions Chemical Water Treatment Plant Operator, Chemical Analysis Laboratory Assistant, Steam and Gas Turbine Equipment Repair Mechanic were also updated, taking into account the approved professional standards 20.048 Water Treatment Worker of Thermal Power Plant.

20.047 Chemical Analysis Worker of Thermal Power Plant, 20.043 Steam and Gas Turbine Equipment Repair Worker of Thermal Power Plant.

Personnel training was conducted according to the programmes of compulsory, intentional and recurring training.

The number of training conducted by type of programmes and categories of employees

	Manage	rs, person-co	ourse	Specialists and	d officers, per	son-course	Worke	rs, person-c	ourse
Types of programmes	2019	2020	2021	2019	2020	2021	2019	2020	2021
Compulsory training	2,546	3,262	3,157	1,143	1,853	1,428	2,201	4,674	4,629
Intentional training	379	1,615	451	115	2,192	466	25	2,210	1,459
Recurring training	1,366	408	618	793	713	841	2,059	122	218
Total	4,291	5,285	4,226	2,051	4,758	2,735	4,285	7,006	6,306

GRI 404-1

Average number of training hours per employee per year, in the breakdown by employee category and gender

	Managers			Specialists and officers			Workers		
Indicator title	2019	2020	2021	2019	2020	2021	2019	2020	2021
Average number of training hours per employee per year, total	42	51	52	42	51	52	70	64	63
Average number of training hours per employee per year, female	42	51	52	42	51	52	70	64	63
Average number of training hours per employee per year, male	42	51	52	42	51	52	70	64	63

In 2021, 31 employees were trained under the programmes of higher and secondary vocational education at the expense of TGC-1, and 7 of them graduated.

In accordance with the Regulations on the Interaction of TGC-1 with Higher and Secondary Vocational Educational Institutions, taking into account the Company's need for core specialists, training of employees in higher and secondary vocational education programmes in technical areas of training is organized annually at the expense of the Company's funds in specialized higher educational institutions and institutions of secondary vocational education in the North-Western Federal District.

Compensation for the costs for training the Company's employees in educational institutions, indicating the rights and obligations of the employer and employee is defined in the current Regulations.

1,748.4 thousand rubles

The amount of training costs

PERSONNEL TRAINING UNDER PANDEMIC CONDITIONS

Under pandemic conditions, all training of TGC-1 employees was organized in strict compliance with the recommendations on the employee training organization of Gazprom PJSC and its subsidiaries. Taking into account the current requirements of Rospotrebnadzor, depending on the epidemiological situation, the training was conducted entirely or mainly using remote learning technologies.

82%

In 2021, the share of learning using remote learning technologies

In 2022, the Company plans to use positive experience in the implementation of reserve training programmes using remote technologies and the development of simulator training in the Training Center and structural units of the Company.

AVERAGE TRAINING AND PROFESSIONAL DEVELOPMENT COSTS PER EMPLOYEE

2019

2020

2021

3,653.33 rubles

4,169.34 rubles

4, 587.98 rubles

An annual professional skills competition is held for operating personnel. The main goals of the competition are to increase the level of professional training of operating personnel in ensuring the reliability of the power system, to exchange best practices in organizing and carrying out work on operating con-

trol of thermal power plant equipment, and to improve forms and methods of work aimed at ensuring the quality and safety of equipment maintenance. In 2021, operational personnel competitions were also held in a remote format using electronic simulators and a corporate distance learning system.



ATTRACTING AND ONBOARDING YOUNG PROFESSIONALS

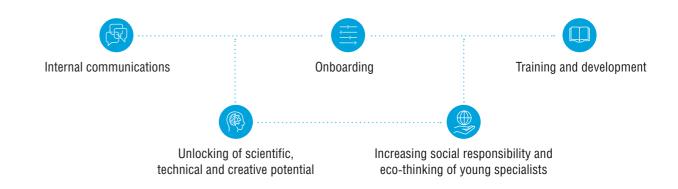
G4-DMA (formerly, EU14)

One of the strategic goals in the field of the Company's staff policy is maintaining the optimal age structure of the staff and ensuring professional continuity of generations.

AS THE MAIN TOOLS FOR ATTRACTING YOUNG EMPLOYEES, THE COMPANY USES:

- regular interaction with educational institutions to attract and select promising candidates for employment, conclusion of contracts for intentional training:
- educational practice and internships of students of specialized higher and special educational institutions;
- competitions of diploma projects among students of higher educational institutions;
- © Company's days, roundtables with the Company's leading experts;
- participation in job fairs and posting information about vacancies for young specialists on stands at higher educational institutions, in social networks, and in the media:
- dedicated programmes for the onboarding and development of young specialists.

Every year, the Managing Director approves a plan for attracting, onboarding and developing young specialists that include measures aimed at improving the professional and personal-business competencies of young specialists in the following areas:



In order to support youth initiatives, promote the professional growth of young specialists, and strengthen the corporate spirit, a Council of Young Specialists has been established and is successfully operates at TGC-1. The Council members are involved not only in the Company's corporate life, but also take an active part in joint projects of young specialists of Gazprom Energoholding and Gazprom Group's companies, the Committee on Youth Policy and Interaction with Public Organizations, enterprises of St. Petersburg and the Leningrad Oblast.

Since 2021, training in the School of Young Specialists has been conducted annually.

Every year young specialists take part in the International Engineering Championship CASE-IN, Innovation Week in specialized higher educational institutions, the Competition of Young Specialists and Innovators of Gazprom Energoholding LLC, the International Competition of FES (Fuel and Energy Sector).

COMPETITIONS AND EVENTS

In order to support youth initiatives, developing the scientific and technical potential of young specialists and motivate them for professional development, TGC-1 annually holds the following events:

- I and II qualifying rounds of the Competition of Young
 Specialists and Innovators of Gazprom Energoholding LLC;
- + School of Young Specialists of TGC-1;

In 2021, TGC-1 approved the Regulations on Working with Students and Young Specialists that defines the procedure for attracting, onboarding and developing young specialists, organizing student practice, assigning the status of Young Specialist, and forming individual development plans.

Young specialists of TGC-1 take an active part in the city events of the Council of Working Youth of St. Petersburg and the Committee for Youth Policy and Interaction with Non-Government Organizations, participate in the events of the All-Russian Festival of Energy Saving #Vmeste Yarche and socially significant projects of the Gazprom Energoholding and Gazprom Group's companies.

- (+) Competition for the best diploma project among students of the North-Western Federal District;
- 1 International Engineering Championship CASE-IN.

In 2021, an employee of the Apatitskaya CHPP of the Kolsky branch of TGC-1 became the winner of the First Prize of the International Competition of Scientific, Scientific and Technological and Innovative Developments aimed at the development of the fuel and energy and extractive industries (FES-2021). The competition has been held since 2012 with the support of the Ministry of Energy of the Russian Federation.

Young specialists of TGC-1 conduct career guidance work with students of the Gazprom-class Gymnasium No. 426 in St. Petersburg and the children's technopark "Quantorium", develop cases for students of energy specialties, take part in innovation weeks, youth career forums and job fairs in specialized higher educational institutions.

In 2021, for comprehensive work with young specialists, TGC-1 took the third place among 20 Russian companies in the National Award of the Public Chamber of the Russian Federation "Young Specialist of the Year" in the nomination "The Best Management Community".

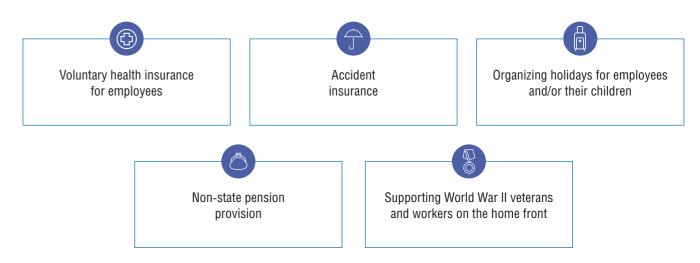


PROTECTING EMPLOYEES' INTERESTS AND RIGHTS

GRI 403-

One of the key areas of the Company's policy in the personnel sphere is to ensure the social security of employees. The basic principle is social partnership, which is carried out by providing employees with various types of social benefits, personal insurance, medical and supplementary pension schemes.

THE MAIN SOCIAL BENEFITS AND PAYMENTS PROVIDED



Cooperation with trade unions is an important tool for ensuring the protection of employees' interests and maintaining the social partnership between management and staff.

Primary trade union organizations in TGC-1 branches operate as part of the All-Russian Electrical Trade Union.

The Company has a Commission, which is specially created, that oversees the regulation of social and labour relations. In close cooperation with trade unions, the social policy on the organization of cultural, sporting and recreational events is being actively implemented.

The Company has Collective Agreement and mutual obligations of the parties are fulfilled. The goal of developing contractual relations between the parties to social partnership is exercising social and economic rights and guarantees of employees, increasing the efficiency and productivity of labor, improving the quality of work, complying with labour and technological discipline, requirements for occupational health and safety and industrial sanitation.

GRI 102-41

Percentage of the Company's employees covered by collective agreements is equal to 100% (for employees of management offices, the corresponding standards are fixed by other internal documents).

100%

Percentage of employees covered by the Collective Agreement

51%

Percentage of employees who are trade union members. The primary trade union organization of the All-Russian Electrical Trade Union Public Organization

Action tracking of Collective Agreement execution is made with the participation of all parties in the form of regular (quarterly, half-yearly, annual) reports and conferences. Collegial bodies were set up to discuss issues related to the Collective Agreements that include representatives of employers and employees (trade unions). Collective Agreements with employees include the following main elements:

- standards of working time and rest time: the duration of the working week, main and additional vacations;
- the minimum monthly tariff rate of workers of the first category of industrial and production personnel: shall be set taking into account the industrial producer price index of previous periods, based on the financial capabilities of the enterprise;
- occupational health: the employer's obligations in terms of ensuring safety, conducting medical examinations, handing out clothes/shoes, accident insurance, etc.;
- benefits, guarantees and compensations.

GRI 402-1

Minimum notification period for employees of significant changes in working conditions in the Company is two months.

The minimum period of notification to the elected body of the primary trade union organization about the staff redundancy, which may lead to mass dismissal of employees, — no later than three months before the start of the relevant events. The Collective Agreement provides for advance notice to trade union organizations of forthcoming reorganizations and for them to be advised of decisions on reorganizations taken by the shareholders' meeting within 20 days of the relevant decisions taken.

None of the parties concluded a Collective Agreement can unilaterally terminate the fulfillment of the obligations assumed during the established period of its validity.

Additional changes may be made to the Collective Agreement during its validity period in case of amendments to the

conditions of activity of Company's branches and structural units. Conferences of employee teams of the Nevsky, Karelsky, Kolsky branches of TGC-1, JSC "Murmanskaya CHPP" provide the joint commission of the trade union and the employer with the right to consider and make decisions on making amendments and additions to the current Collective Agreement content. Relevant amendments and additions come into force from the moment the commission makes an agreed decision. In case of non-acceptance of the agreed decision, the interested party submits an appropriate submission on the resumption of negotiations, which must be initiated no later than 7 days from the date of receipt of a written notification by one of the parties. The additions and amendments shall be made in the form of appendices to the Collective Agreement with mandatory familiarization of all Company's employees.

These standards are prescribed in the relevant section of the Collective Agreement – "The procedure for making amendments and additions to the agreement, dispute resolution".

The Collective Agreement shall be shared among employees through the corporate portal and on paper (at the rate of 1 copy for 15 people). Personnel services employees shall familiarize new employees with the Collective Agreement when hiring procedure.

51% of employees of TGC-1 and JSC "Murmanskaya CHPP" are members of a trade union organization.

The issues of health and safety of workers are reflected in the Sections of the Collective Agreement: "Social Benefits and Guarantees" and "Occupational Health".

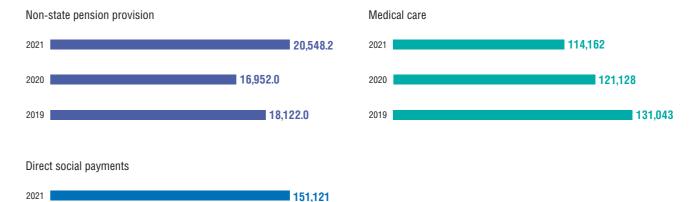
SOCIAL BENEFITS AND PENSION PROVISION

GRI 201-3

The main non-state pension fund (NPF) is NPF Gazfond, and previously concluded contracts with NPF Otkritie are also valid.

The Company uses both corporate and parity programmes.

Structure of social payments, thousand rubles*



2019 0

^{*} The information on non-state pension provision through the NPE Gazfond is given.



Where the energy is born Sustainability Report of TGC-1 for 2021

SUPPLY CHAIN

GRI 102-9, GRI 301-1

The main resource for the production of electric and thermal energy is fuel. Fuel costs also dominate the variable costs¹².

Fuel costs		Variable costs		Share of fuel costs in variable costs		
31,877 million rubles	40,400 million rubles	43,634 million rubles	55,413 million rubles	73.0%	72.9%	
2020	2021	2020	2021	2020	2021	

The strategy pursued by the Company in fuel supply is aimed at optimizing the fuel balance to minimize costs.

The structure of fixed costs is dominated by staff costs, repairs and maintenance, as well as taxes.

The diversification of supplies varies depending on the types of fuel used and the remoteness of the locations of generating capacities from each other. In particular, the high level of regional concentration of production capacity and the use of gas as the main fuel by most TGC-1 power plants leads to low diversification of supplies. The exception is the Apatitskaya CHPP of TGC-1, to which coal is supplied under long-term contracts from the Kuznetsk coal basin, Sayano-Partizansky deposit (Krasnoyarsk Krai) and the Chernogorsky coal deposit of the Minusinsk coal basin (Republic of Khakassia).

Types of fuel, number and types of suppliers engaged,

There were no significant changes in the supply chain during 2021.

Relationships with counterparties that have an impeccable reputation, comply with the law and adhere to corporate and business ethics are established on an unconditional and priority basis. The Company chooses its suppliers and contractors predominantly on a competitive basis. The relationships with all the suppliers, regardless of their share in the supply structure, are built on the principles of responsible partnership. TGC-1 strives to maintain long-term, stable and mutually beneficial relationships with suppliers.

100%

SUPPLY CHAIN DIAGRAM

Including S&A – JSC "Murmanskaya CHPP"

fuel purchase structure*

2 suppliers
Share of independent suppliers
100%

Fuel oil and diesel fuel

1 supplier
Share of Gazprom Group's companies
100%

1 supplier
Share of independent suppliers

1 supplier
Share of independent suppliers

12 The data in the table are given taking into account subsidiaries included in the accounts of reporting under IFRS

PURCHASES FROM SMES

GRI 204

From 2015, the Regulations on Purchasing of Goods, Works and Services of TGC-1 were amended to allow for purchasing that only involves small and medium enterprises (hereinafter – SMEs) and for purchasing that requires SMEs to be involved in contract execution as sub-vendors (subcontractors, associate contractors).

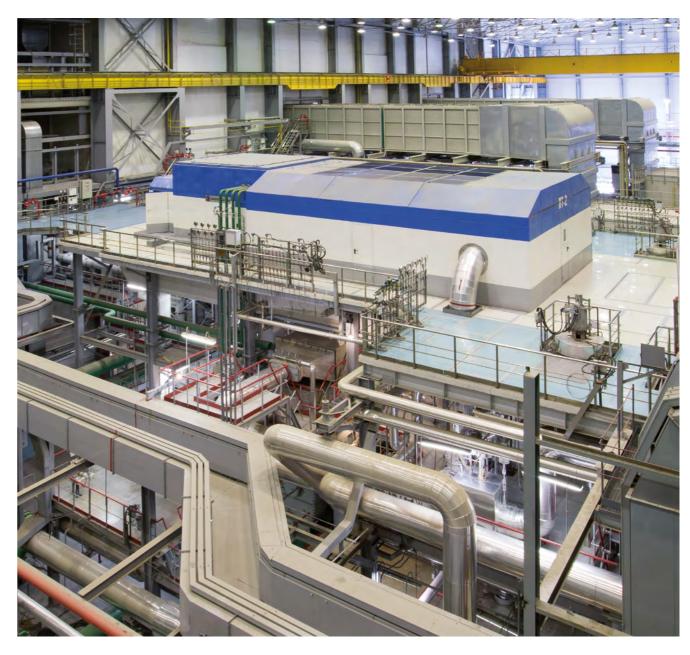
Share of SMEs in the total annual volume of contracts concluded as a result of all purchasing, %

39%

2021

20% Established standard value

Fuel purchases from local suppliers in the regions of operation¹³ of the Company in 2021 amounted to 91%, an increase of 1% compared to the level of 2020.



^{13 &}quot;Local suppliers" in the regions of operation means suppliers, which are located (legal address) in the regions where TGC-1 operates

 ~ 123

Sustainability Report of TGC-1 for 2021

COMBATING CORRUPTION

An atmosphere of intolerance to corrupt behavior has been created and maintained in TGC-1. Both on the territory of the Russian Federation and abroad, all employees of manufacturing companies comply with the requirements and restrictions defined by combating corruption legislation.

The Company does not accept any form of illegal influence on the decisions of state bodies, including bribery, offering unacceptable gifts, employment of relatives of civil servants, charitable or sponsorship assistance at the request of civil servants of the relevant state authorities.

All combating corruption measures are implemented in strict compliance with the applicable law of the Russian Federation.

Active and systematic work is underway to prevent cases of corrupt behavior of employees. Combating corruption policies and methods are enshrined in the Company's internal documents and communicated to employees at all levels. Structural units and officials responsible for the prevention of corruption violations have also been assigned. The personnel, when hiring, gets acquainted under the signature with the Code of Corporate Ethics related, among other things, to combating corruption issues.

GRI 205-

In 2021, there were no confirmed cases of corrupt behavior of the Company's employees.

There are no cases of non-renewal or termination of contracts with business partners due to corruption-related violations. There were no corruption-related court cases against the Company or its employees during the reporting period.

Within the Gazprom Energoholding Group, dedicated training courses have been developed to help the Company's employees master the Code of Corporate Ethics, policies and methods of combating corruption. All TGC-1 employees have access to

these courses. The training includes classes conducted both in person and using remote technologies.

The Company conducts dedicated training for professionoriented employees who are responsible for the prevention of corruption violations. In total, in 2021, 35 employees of the Company's profession-oriented units focused on protecting corporate interests were trained in combating corruption policies and methods.

GRI 102-1

The Company has a hotline and email address for complaints relating to breaches of the Code of Corporate Ethics, including cases of corruption or attempts to commit them. Information of this kind is promptly forwarded to the Corporate Ethics Commission and the Corporate Security Office.

In 2021, the regulatory authorities recorded 1 violation of labour legislation in TGC-1. The Prosecutor's Office of the Kemsky District of the Republic of Karelia, upon the appeal of an employee of the Karelsky branch, revealed a violation of labour legislation in the branch activities, namely a violation

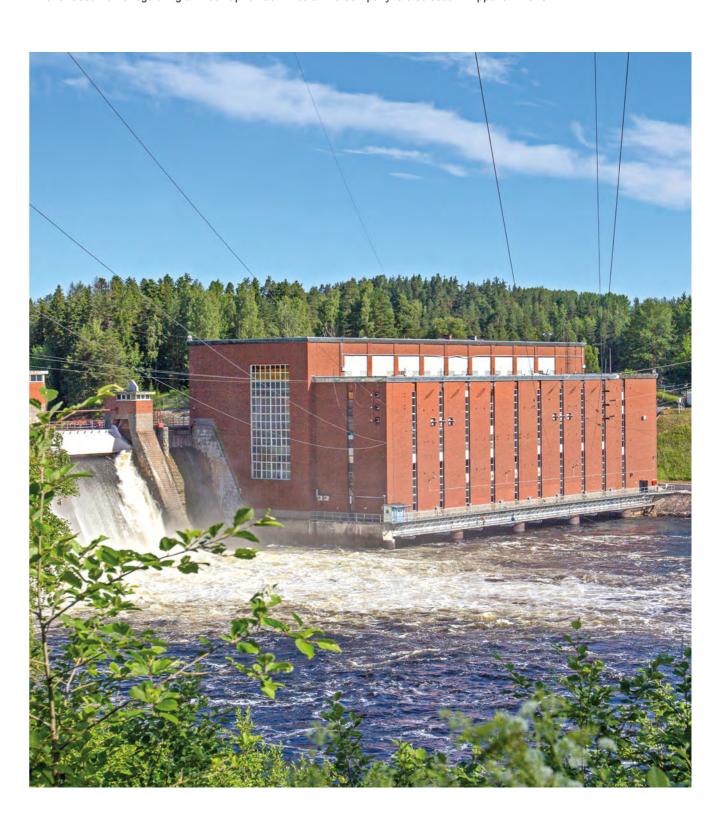
of Article 62 of the Labour Code of the Russian Federation. The revealed violation occurred for the improper performance of official duties by a HR specialist of the Kem Cascade of the Karelsky branch, in respect of which a disciplinary penalty was applied.

In 2021, the Labour Disputes Commission of TGC-1 received 5 appeals from employees as to disagreement on the application of disciplinary penalties. According to the consideration results, all appeals were found to be unreasonable, and the employer's actions were lawful.

In 2021, the district courts of Murmansk received 3 appeals from employees of JSC "Murmanskaya CHPP" (on the wage debt collection for overtime hours and monetary compensation for delayed payment – partially satisfied; on the cancellation of disciplinary punishment – not satisfied; on recognition the Company's order on the employee dismissal (due to refusal of vaccination) – not satisfied).

A list of documents regulating anti-corruption activities at the Company is disclosed in Appendix No. 8.

Where the energy is born





CHARITY

The Company fully understands its responsibility to society as a whole and future generations for contributing to the creation of favorable living conditions, environment adverse impact minimizing, as well as promoting energy efficiency, energy security and resource conservation.

TGC-1 is a leading producer of electric and thermal energy in the North-Western Region of Russia. The company unites 52 power plants in four constituent entities of the Russian Federation: St. Petersburg, the Republic of Karelia, Leningrad Oblast and Murmansk Oblast. More than 8 million people live in the area of responsibility of TGC-1. The scale of the Company's activities is such that they are of strategic importance for the socio-economic development of the entire North-Western Region of Russia.

THE CHARITABLE ACTIVITY OF TGC-1 IS AIMED AT THE FORMATION AND MAINTENANCE OF A FAVORABLE SOCIO-CULTURAL ENVIRONMENT AND INCLUDES SUCH AREAS AS:



Health protection





Building of a healthy





Support for education



Development of corporate volunteering and others

In order to form and have a common understanding of the standards of charitable activity, the Company has developed and adopted a Charitable Activity Policy.

The total amount of charitable assistance provided in 2021 amounted to about 14.5 million rubles.



LARGE-SCALE PROJECTS IMPLEMENTED WITH THE SUPPORT OF TGC-1:



Since 2018, TGC-1 has been cooperating with the State Hermitage Museum in terms of funding the programme of modernization of museum lighting systems for permanent expositions and premises of restoration laboratories, as well as an energy saving programme. During this period, lighting was replaced and restored at the following facilities: the Laboratory for Scientific Restoration of Fabrics, the Soviet Staircase, the permanent exhibition "The Art of Palmyra", the Museum of

the Imperial Porcelain Factory, the halls of French painting of the XVII-XVIII centuries, the School Corridor, the Rastrelli Gallery, the Oriental Gallery.

In 2021, the Company allocated for these purposes

2 million rubles



Since 2005, a special educational fellowship named after Professor S.A. Kazarov has been paid to distinguished students and teachers of specialized higher educational institutions – Higher School of Technology and Energy under FSFEI HE (Federal State-Funded Educational Institution of Higher Education) St. Petersburg State University of Industrial Technologies and Design, FSAEI HE (Federal State Autonomous Educational Institution of Higher Education) Peter the Great St. Petersburg Polytechnic University.

In addition, since 2018, the Company has been supporting the profession-oriented Gazprom-Class at Gymnasium No. 426 of the Petrodvortsovy District of St. Petersburg. TGC-1 provides comprehensive assistance – from funding trips to scientific

and practical conferences, student gatherings to visiting energy facilities with excursions and holding thematic lectures by the Company's specialists. Gazprom-Class accepts students who have passed a competitive selection to study in grades 10-11. After successful completion of their studies, they have the opportunity to enter due to targeted selection to energy specialties in a number of higher educational institutions in St. Petersburg.

In 2021, the Company allocated for these purposes

1.46 million rubles



In medicine and maintaining public health

TGC-1 actively supports adult and children's medical institutions in the region of its presence by funding the purchase of medical, computer and other equipment, and medical consumables. Among those supported by the Company – St. Petersburg State Budgetary Institution of Healthcare Children's City Multidisciplinary Clinical Specialized Center for High Medical Technologies: Federal State Budgetary Institution Children's Scientific and Clinical Center for Infectious Diseases of the Federal Medical and Biological Agency (St. Petersburg); FSFI (Federal State-Funded Institution) Research Children's Orthopedic Institute named after G.I. Turner; St. Petersburg State Budgetary Institution of Healthcare City Mariinsky Hospital; St. Petersburg State Budgetary Institution of Healthcare

City Hospital of St. George the Great Martyr; St. Petersburg State Institution of Healthcare Nil Fedorovich Filatov Children's City Clinical Hospital No. 5, FSFBPHF (Federal State-Funded Budgetary Public Health Facility) Murmansk Multidisciplinary Center named after N.I. Pirogov FMBA (Federal Medical and Biological Agency) of Russia and others. In 2021, the Company allocated for these purposes

> 6.7 million rubles

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OTHER PROJECTS IMPLEMENTED WITH THE SUPPORT OF TGC-1:



In support of local communities, social initiatives and disadvantaged groups of society

TGC-1, fully understanding the high social responsibility and significant role in creating a favorable social environment in the regions of operation, pays attention to supporting public initiatives, including youth ones, co-funding the construction of sports and playgrounds, purchasing and repairing equipment for public institutions (Voskhod HC (House of Culture) of the Pechengsky District of the Murmansk Oblast in the urban settlement of Nikel; municipal budgetary institution Inter-Settlement Socio-Cultural Association "Letnerechensky House of Culture" of the Republic of Karelia, and Murmansk regional youth public organization "Perspektiva").

The Company also pays attention to projects aimed at supporting disabled children and children held in orphanages or in difficult life situations. Thanks to funding from TGC-1,

play-days and the purchase of gifts are organized annually for the little wards of charitable foundations. Thus, as part of cooperation between TGC-1 and the Illustrated Books for Small Blind Children Charity Foundation, pupils of two specialized kindergartens in Karelia and the Murmansk Oblast received special tactile books.

In addition, ChNO (Charitable Non-Governmental Organization) Dusha Rebenka, RChNM (Regional Charitable Non-Governmental Movement) Zolotoy Pelikan, RChNO (Regional Charitable Non-Governmental Organization) Solnechny Luch, RChNM Bolshaya Medveditsa, NChO (Non-Governmental Charitable Organization) Pelikan-Tsentr, ChNO Piligrim, and ChNO Fortuna received financial support. The funds were allocated to purchase gifts and hygiene products for children.



In sports support

With the support of TGC-1, the initiative of the non-governmental organization Molodezhnye Initiativy is being implemented in Petrozavodsk (Republic of Karelia): during the winter months, a skating rink is filled in at the Governor''s Park for funds allocated by the Company. An art platform is also being opened here, where volunteers work with local residents, arranging various sports games and holidays for them.

In the Murmansk Oblast, TGC-1 organizes ski races for the Cup of the Kolsky branch – one of the most massive children's and youth competitions in the Arctic Circle.



In ecology

The Company supports projects and organizations aimed at protecting the environment and preserving biodiversity. Among the recipients of the Company's assistance are large nature reserves. So, in 2021, the Nizhne-Svirsky State Nature Reserve in the Leningrad Oblast was able to install three purchased solar mini-power plants at the Company's expense. The equip-

ment allowed the reserve to ensure the operation of household electrical appliances, indoor lighting, weather stations, communications and remote tracking. The Pasvik State Nature Reserve in the Murmansk Oblast used funds allocated by TGC-1 to pay for the project development and the material purchase to repair the administration building roof.

CORPORATE VOLUNTEERING

In 2021, about 400 employees of the Company took part in volunteer activities.

The Company's employees during the annual charity events DobroPomoshch TGC-1 (for Children's Day and New Year) actively help disabled children by providing them with the necessary hygiene products, toys and sweets (ChF (Charity Foundation) Perspektivy and St. Petersburg State Budgetary Healthcare Institution Children's Neuropsychiatric Sanatorium Komarovo), and also collect gifts for residents of nursing homes. In addition, the Company's volunteers provide assistance to animal shelters by cleaning cages, collecting food and hygiene products for pets.

Moreover, every year the Company's employees take part in the energy saving festival Vmeste Yarche (Brighter Together), telling visitors popularly about the energy company operation, rational use of resources. In 2021, the festival was held in the city of Tosno, Leningrad Oblast, it was visited by more than 5.000 persons.

Structure of costs for charitable projects of TGC-1 in 2021

Area of support	Amount, thous. rub.
Targeted medical care	1,081.43
Support for disabled children, orphans and children from low-income families	573.40
Support of public and religious organizations, ex-servicemen and veterans	480.00
Support of cultural projects	2,000.00
Support of non-government initiatives (children's and youth, as well as government and local self-government initiatives)	1,618.32
Support of science and education	1,460.00
Healthcare support	6,776.81
Support of environmental projects	410.00
Total	14,399.90



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APPENDIX NO. 1

IDENTIFYING SIGNIFICANT TOPICS

GRI 102-46, 102-47

In preparing this Report, TGC-1 together with stakeholders identified material topics to be disclosed in the Report. The procedures for compiling the content of the Report are in accordance with the GRI Standards methodology. The questionnaire assessed the level of impact/influence on a scale of Critically high – Extremely high – Significant – Insignificant –

No impact. The responses received were converted into a point system and for each topic the average number of points was calculated, characterizing its relevance for disclosure. Topics with a Significant or higher level of influence on at least one axis of the materiality matrix were deemed material. A total of 17 topics were selected for disclosure in the Report.

MATERIALITY MATRIX OF TOPICS



Assessment by stakeholder's representatives of the level of impact/influence of TGC-1 on stakeholders on sustainability development topics

Selected relevant topics and a brief description of the composition of the information according to	Level of impact/influence of TGC-1 on stakeholders for each of the topics			
the GRI methodology	Assessment from the perspective of TGC-1 management	Assessment from the perspective of TGC-1 stakeholders		
ECONOMIC CATEGORY				
Economic results				
The impact on stakeholders of how the Company's revenues are generated and allocated.	Significant	Insignificant		
Operation in regions The impact on stakeholders of the Company's wage levels and				
the number of local staff employed in their areas of operation.	Significant	Insignificant		
Indirect economic impact Impact on stakeholders of the Company's indirect economic				
impact on statements of the company 3 maneet economic impacts (including non-monetary forms) on society (e.g. changes in the production potential of the regional economy and long-term prospects for regional development, Company investment in regional infrastructure, etc.)	Extremely high	Insignificant		
Procurement management Impact on stakeholders of the Company's criteria and				
procedures for selecting suppliers.	Insignificant	Insignificant		
Combating corruption				
The importance for stakeholders of the Company's efforts to counter corruption, bribery, fraud, extortion and money laundering.	Significant	Insignificant		
Non-competitive behaviour Impact on stakeholders of risks of non-competitive behaviour				
or violation of competition law by the Company (e.g., Company employees colluding with competitors to limit the market effects of competition, negotiating prices or bids in tenders, creating barriers to market entry, division of spheres of influence).	Insignificant	Insignificant		
Taxation				
Impact on stakeholders of the Company's tax strategy, including the tax regimes used and tax optimization practices.	Insignificant	No impact		
ENVIRONMENTAL CATEGORY				
Use of raw materials and supplies Impact on stakeholders of the Company's natural resource				
conservation activities through the use of renewable resources, reuse and recycling.	Significant	Insignificant		
Energy efficiency and energy saving				
The impact on stakeholders of what sources (renewable or conventional) the Company uses to generate electricity and what energy (from renewable or conventional sources, including purchased energy) it uses for its needs.	Significant	Insignificant		
Water use and wastewater management Impact on stakeholders of the volume and sources of water				
intake, water consumption, and quality of discharged water.	Significant	Insignificant		

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APPENDIX NO. 2

GRI CONTENT INDEX

GRI 102-55

COMMON STANDARD REPORTING ELEMENTS

Indicator		Report section	Page of the Report
GRI 101			
101	General information about the Report	Information about the Report	2
GRI 102			
102-1	Name of organization	Appendix No. 3. Name, form of incorporation and address of the Company considered in the Report	145
102-2	Main brands, types of products and/or services	TGC-1 today	3
102-3	Location of the organization's headquarters	Appendix No. 3. Name, form of incorporation and address of the Company considered in the Report	145
		TGC-1 today	3
102-4	Geographical reach of the Company	Appendix No. 5. Regions of production operations and sales markets of TGC-1	145
102-5	Nature of ownership and form of incorporation	Appendix No. 3. Name, form of incorporation and address of the Company considered in the Report	145
102-6	Markets where the organization operates	Appendix No. 5. Regions of production operations and sales markets of the Company	145
102-7	Scale of the organization	TGC-1 today	3
		Labour resources	106
102-8	Information on the Company's employees and workers	Appendix No. 24. Total number of personnel in the breakdown by type of employment and gender	153
	WOIRGIS	Appendix No. 25. Total number of personnel in the breakdown by age and region	154
102-9	Supply chain description	Supply chain	123
102-10	Significant changes in the Company during the reporting period	Highlights of the year	15
102-11	Applying the precautionary principle	Environmental protection	71
102-12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	Membership in associations and organizations	52
102-13	Membership of the organization in associations, industry and/or national and international advocacy organizations	Membership in associations and organizations	52
Strategy			
102-14	Statement from the most senior decision-maker in the organization	Address of the Company's Head	19

Indicator		Report section	Page of the Report
102-15	A brief analysis of the main risks and opportunitie	s Risk management	38
Ethics and in	tegrity		
102-16	Values, principles, standards and norms of behavior	Sustainable development management system	27
102-17	Internal mechanisms for receiving advice on ethics and standards of conduct and for reporting incidents of unethical or non-compliant behavior	Combating corruption	125
Governance			
102-18	Corporate governance structure	Corporate governance and remuneration policy	35
102-29	Role of the highest governing body in identifying economic, environmental and social risks	Risk management	38
102-35	The Company's Board of Directors and senior management remuneration system	Remuneration policy	37
Stakeholder	engagement		
102-40	Corporate governance structure	Corporate governance and remuneration policy	45
102-41	Role of the highest governing body in identifying economic, environmental and social risks	Risk management	118
102-42	The Company's Board of Directors and senior management remuneration system	Remuneration policy	45
102-43	Stakeholder engagement: frequency and procedure of engagement with each stakeholder group	Stakeholder engagement	45
102-44	Main issues and topics of interest to each stakeholder group	Stakeholder engagement	45
Reporting pro	actice		
102-45	List of legal entities whose accounts were included in the consolidated financial statements	Appendix No. 3. Entities included in accounts of financial statements under IFRS of TGC-1 Group's production companies	145
102-46	Methodology for determining report content	Information about the Report	2
102-40	Methodology for determining report content	Appendix No. 1. Identifying significant topics	135
102-47	List of essential topics	Appendix No. 1. Identifying significant topics	135
102-48	Rewording of information	Information about the Report	2
102-49	Significant changes from previous reporting periods in terms of scope, boundary or measurement methods applied in the report	Information about the Report	2
General info	rmation about the Report		
102-50	Reporting period (financial/calendar year) to which the information provided relates	Information about the Report	2
102-51	Previous publications of the Sustainability Report	Information about the Report	2
102-52	Reporting cycle	Information about the Report	2
102-53	Contact point for questions regarding the report or its contents	Appendix No. 3. Name, form of incorporation and address of the Company considered in the Report	145
102-54	Statement on the GRI option	Information about the Report	2

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302-4	Energy saved as a result of measures to reduce energy consumption and improve energy efficiency	Energy efficiency and resource saving	79
302-5	The Company's initiatives aimed at improving energy efficiency and the reduction of fuel demand as a result of these initiatives during the reporting period	Energy efficiency and resource saving	79
Water			
303-1	Total amount of water withdrawn in the breakdown by source	Efficient water use	89
303-2	Sources of water/reservoirs used for water intake by the organization – whether they are specially protected and what their significance is	Appendix No. 20. Total amount of water withdrawn in the breakdown by source	152
Biodiversity			
304-2	The Company's impact on biodiversity	Biodiversity protection	92
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303-1	Direct greeniiouse gas emissions	Appendix No. 16. Dynamics and intensity of greenhouse gas emissions	150
305-4	Emission intensity by gas types	Emissions of greenhouse gases and air pollutants into the atmosphere	84
303-4	Emission intensity by gas types	Appendix No. 16. Dynamics and intensity of greenhouse gas emissions	150
305-5	Initiatives to reduce greenhouse gas emissions and reductions achieved compared to base year	Emissions of greenhouse gases and air pollutants into the atmosphere	84
	Emissions of ozone-depleting substances	Emissions of greenhouse gases and air pollutants into the atmosphere	84
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206.0	Total weight of waste in the breakdown	Waste generation	87
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Indicator		Report section	Page of the Report
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308-1	Passing by new suppliers of tests against compliance with the Company's environmental criteria	Monitoring of compliance by suppliers and contractors with environmental legislation	78
SOCIAL DON	WAIN		
Employment	t conditions		
401-1	Number of new hires during the reporting period and staff turnover in the breakdown by age	Staff turnover Appendix No. 26. Staff turnover with age and	109
	group, gender and region	gender distribution	154
401-2	Differences in benefits between full-time employees and temporary or part-time employees	Staff remuneration	111
Managemen	nt and staff relations		
402-1	Minimum period for sending notice to employees and/or their representatives of significant changes in the organization, and whether it is defined in a collective agreement	Protecting the interests and rights of workers	118
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403-1	Information on how health and safety in the workplace is regulated	Occupational health	93
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		Occupational injuries	98
403-2	Occupational injury level. Types of injuries suffered	Occupational injuries among contractors' employees	99
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403-4	Reflecting health and safety issues in formal agreements with trade unions	Protecting the interests and rights of workers	118
403-5	Training of employees in occupational health and safety	Training in occupational health and testing of knowledge	97
403-8	Percentage of employees covered by the Occupational and Professional Health Management System	Occupational health	93
Training and	d education		
404-1	Average number of training hours per employee per year, in the breakdown by employee category and by gender	Professional development and training of employees	113
404-2	Skills development and lifelong learning programmes to support the employability of employees, as well as end-of-career support	Professional development and training of employees	113

Indicator		Report section	Page of the Report
404-3	Percentage of employees receiving periodic performance and career development reviews – in the breakdown by gender	Performance assessment	108
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405-1	Composition of governing bodies and personnel of the organization in the breakdown by gender and age group	Labour resources	106
405-2	Ratio of male and female wages	Respect for human rights and equal opportunities	110
No discrimi	nation		
406-1	Discrimination incidents and actions taken	Respect for human rights and equal opportunities	110
Respect for	human rights		
412-2	Training of personnel on policies and procedures related to human rights aspects	Respect for human rights and equal opportunities	110
412-3	Significant investment agreements entered into that include human rights provisions or have undergone assessment in terms of human rights	Respect for human rights and equal opportunities	110
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413-1	The Company's programmes and activities affecting the local community (including business development)	Charity work and support for the regions where the Company operates	127
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INDUSTRY PROTOCOL FOR COMPANIES IN THE ELECTRICITY SECTOR

Indicator		Report section	Page of the Report
EU2	Installed capacity in the breakdown by primary energy sources and regulatory regimes	TGC-1 today	3
EU4	Length of overhead and underground electricity networks	TGC-1 today	3
G4-DMA (formerly, EU6)	Management's position on reliability and availability of electricity supply in the short and long term	Responsible energy supply	53
G4-DMA (formerly, EU8)	Research activities and costs allocated to ensuring future stable energy supply and sustainable development	Innovative development	58
EU10	Planned increase in capacities compared to projected increases in demand over the long term	The Sustainable Development Strategy of TGC-1	29
G4-DMA (formerly, EU14)	Programmes aimed at attracting a highly skilled workforce	Attracting and onboarding young professionals	116
G4-DMA (formerly, EU21)	Taking actions in case of emergencies, restoring capacity in case of damage during emergencies	Emergency prevention	56

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APPENDIX NO. 3

NAME, FORM OF INCORPORATION AND ADDRESS OF THE COMPANY CONSIDERED IN THE REPORT

GRI 102-1, 102-3, 102-5

Name, form of incorporation	Legal address	Actual address	
TGC-1	16, Dobrolyubova pr., unit 2A, office 54N, St. Petersburg, 197198	16, Dobrolyubova pr., unit 2, Lit. A, Arena Hall Business Center, St. Petersburg, 197198	
JSC "Murmanskaya CHPP"	House 14, Shmidta street, Murmansk, 183038	House 14, Shmidta street, Murmansk, 183038	

APPENDIX NO. 4

ENTITIES INCLUDED IN ACCOUNTS OF FINANCIAL STATEMENTS UNDER IFRS OF TGC-1 GROUP

GRI 102-45

Name of subsidiary organization	2020	2021
	Share of ownership	Share of ownership
JSC "Murmanskaya CHPP"	98.8536%	98.88%
JSC "St. Petersburg Heating Grid"	65.5814%	60.52%
TsTP North-West LLC	65.5814%	60.52%

APPENDIX NO. 5

REGIONS OF OPERATION AND SALES MARKETS OF TGC-1

GRI 102-4, 102-6

Branches	Sales regions / free flow zones	Production regions
Nevsky Branch Centralnaya CHPP Pravoberezhnaya CHPP Severnaya CHPP Pervomayskaya CHPP Avtovskaya CHPP Narvskaya HPP Viborgskaya CHPP Vasileostrovskaya CHPP Ladoga Cascade Yuzhnaya CHPP Vuoksa Cascade	West	St. Petersburg and Leningrad Oblast

Kolsky Branch Apatitskaya CHPP Niva Cascade Tuloma and Serebryansky Cascade Paz Cascade	Kolskaya	Murmansk Oblast
Karelsky Branch Petrozavodskaya CHPP Kem Cascade Vyg Cascade Suna Cascade	West	Republic of Karelia
JSC "Murmanskaya CHPP"	Murmansk	Murmansk

TGC-1 also carries out wholesale export deliveries under existing contracts with major energy companies in Norway and Finland.

List of export contracts	Counterparty ¹⁴	Country	Date of conclusion
2016–2021	Fortum Power and Heat	Finland	27.12.2016
01.11.2012–31.12.2020	RAO Nordic Oy	Norway	31.10.2012
01.11.2012–31.12.2020	RAO Nordic Oy	Finland	31.10.2012

APPENDIX NO. 6

STRUCTURAL UNITS RESPONSIBLE FOR ENVIRONMENTAL, SOCIAL AND ECONOMIC ISSUES

Economic issues	Social issues ¹⁵	Environmental issues
• Chief engineer's unit	Department for Labour Organization and Wage: social benefits and guarantees	Deputy Managing Director – Chief Engineer
 Unit for the sale of electricity 		• Environmental Service (under the adminis-
• Unit for thermal business	 Department of Social and Labour Relations: VHI (voluntary health insurance), accident insurance, non-state pension provision; 	trative subordination of the Director of the Yuzhnaya CHPP, the Nevsky branch, under the functional subordination of the Head of
Unit for economics and finance	organization of recreational activities, including family rest; Veterans Council;	the Department for Power Plant Operation)
Block of the Director for Economics and Finance of the Karelsky Branch	workers' compensation within the relocation	Environmental sectors of the Karelsky and Kolsky branches (subordinate to the Chief
Block of the Director for Economics	 Joint Permanent Commission for the development and control of the Collective 	Engineers of the branches)
and Finance of the Kolsky Branch	Agreement execution	 Responsible for environmental protection in structural units (as a rule, Chief Engineers
Unit for development and property management	 Public Relations Department: Charity, sponsorship 	of these structural units)
	Charity and Sponsorship Committee	The staff of all structural units includes environmentalists who are subordinate to
	Training center	the Chief Engineers of structural units

¹⁴ Contracts with RAO Nordic Oy were concluded with the involvement of an agent company - Inter RAO PJSC, acting on its own behalf, but at the expense of TGC-1 (Principal).

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lt is possible to partially delegate the solution of social issues to other units.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. **11. APPENDICES**Where the energy is born

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APPENDIX NO. 7

FINES AND NON-FINANCIAL PENALTIES IMPOSED FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

GRI 419-1

| | 2019 | 2020 | 2021 |
|--|---------|------|------|
| Number of non-financial sanctions imposed, pcs. | 14 | 41 | 24 |
| Total amount of penalties imposed, thousand rubles | 1,493.4 | 648 | 776 |
| Total number of legal actions brought against the Company for non-compliance with laws and regulations | 63 | 14 | 17 |

APPENDIX NO. 8

DOCUMENTS REGULATING ANTI-CORRUPTION ACTIVITIES

| Documents | Date of adoption/amendment |
|--|-------------------------------------|
| Regulations on the Audit Committee | 14.05.2021 |
| Regulations of the Procurement Committee | 11.03.2022 |
| Regulations on Procurement of Goods, Works and Services | 11.03.2022 |
| Operating Procedure for Interaction with Contractors to Receive Information on the Chain of Owners, including Beneficiaries (as well as Ultimate Owners), and/or on the Composition of the Contractor's Executive Bodies | 10.11.2020 |
| Regulations on the Conflict of Interest Commission | 10.11.2020 |
| Regulations on the Internal Audit Service | 03.10.2016 |
| Internal Audit Policy | 03.10.2016 |
| Risk Management and Internal Control Policy | 12.11.2020 |
| Code of Corporate Ethics | 04.12.2019 as amended on 04.10.2021 |
| Regulations on the Corporate Ethics Commission | 04.12.2019 as amended on 30.10.2020 |

APPENDIX NO. 9

ADMINISTRATIVE FINES IMPOSED FOR VIOLATIONS OF ENVIRONMENTAL LEGISLATION

| | 2019 | 2020 | 2021 |
|---|------|-------|------|
| Number of violations detected in the reporting year that resulted in penalties and were paid in the same year, pcs. | 7 | 8 | 2 |
| Number of non-financial sanctions imposed, pcs. | - | 2 | 3 |
| Total amount of penalties imposed, thousand rubles | 650 | 1,122 | 220 |
| Number of cases of non-compliance resolved through dispute resolution mechanisms | 63 | 12 | 1 |

APPENDIX NO. 10

STRUCTURE OF ENVIRONMENTAL PROTECTION COSTS IN THE BREAKDOWN BY NATURE OF INVESTMENT, THOUSAND RUBLES

| | 2019 | 2020 | 2021 |
|--|---------|---------|-----------|
| Fixed capital investment allocated to environmental protection | 46,865 | 50,499 | 3,334,080 |
| Current environmental protection costs | 83,257 | 88,231 | 95,509 |
| Overall costs, total | 130,122 | 138,730 | 3,429,589 |

APPENDIX NO. 11

THE ENVIRONMENTAL PROTECTION COSTS STRUCTURE IN THE BREAKDOWN BY AREA OF INVESTMENT, THOUSAND RUBLES

| | 2019 | 2020 | 2021 |
|--|--------|--------|-----------|
| Development and approval of permits | 3,558 | 12,381 | 13,376 |
| Industrial environmental control and monitoring | 15,760 | 14,188 | 13,033 |
| Compensation for adverse environmental impacts, including fines and costs of repairing the damage caused | - | - | - |
| Fixed capital investment allocated to environmental protection, including: | 46,865 | 50,499 | 3,334,080 |
| - protection of water resources | 46,865 | 50,499 | 3,322,644 |
| - protection of atmosphere air | _ | _ | _ |
| - protection of soil | _ | _ | _ |
| - protection and reproduction of fish stock | _ | _ | _ |
| - disposal, decontamination and burial of toxic waste | _ | _ | _ |
| Current (operating) costs for environmental protection, including: | 83,257 | 88,231 | 95,509 |
| - protection of atmosphere air and prevention of climate change | 6,712 | 9,763 | 9,197 |
| - collection and treatment of wastewater | 38,983 | 41 569 | 42,975 |
| - waste management | 8,762 | 9,994 | 13,907 |
| - protection and rehabilitation of soils, surface water and ground water | 836 | 1,240 | 2,327 |
| - protection of the environment from noise, vibration and other physical impacts | 1,190 | 1,070 | 737 |

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APPENDIX NO. 12

RESULTS OF WORK IN THE AREA OF ENERGY SAVING AND ENERGY EFFICIENCY

| Results of work in energy saving and energy efficiency | Actual
2020 | Plan
2021 | Actual
2021 |
|--|----------------|--------------|----------------|
| Volume of energy resources consumed excluding water, thousand tons of standard fuel | 7,734 | 7,799 | 8,003 |
| Volume of energy resources consumed (VAT exclusive), thousand rubles | 40,541,208 | 35,891,229 | 36,827,731 |
| Costs for energy saving and energy efficiency increase measures (VAT exclusive), thousand rubles | 269,619.10 | 498,890.80 | 250,441 |
| Savings of fuel and energy resources due to the implementation of the energy saving programme, total, thousand tons of standard fuel | 10.719 | 19.927 | 12.968 |
| Cost of energy resources saved by implementation of the energy saving programme, thousand rubles | 53,386.50 | 99,405 | 59,698 |
| Electricity savings, total, mln kWh including by reducing the costs for | 14.693 | 8.763 | 13.091 |
| own needs of power plants, mln kWh | 14.693 | 8.763 | 13.091 |
| Heat savings, total, thousand Gcal | 0.167 | 0.201 | 0.55 |
| Fuel savings, total, thousand tons of standard fuel including by types: | 7.65 | 18.081 | 10.133 |
| Coal, thousand tons of standard fuel | 0.706 | 0.61 | 0.468 |
| Gas, thousand tons of standard fuel | 6.946 | 17.471 | 9.665 |
| Fuel oil, thousand tons of standard fuel | 0 | 0 | 0 |
| Gas saving, mln m ^{3*} | 6.040 | 15.192 | 8,404 |

^{*} Data for TGC-1 and JSC "Murmanskaya CHPP". JSC "Murmanskaya CHPP" does not use gas.

APPENDIX NO. 13

FUEL CONSUMPTION

| | TGC-1 (including JSC "Murmanskaya CHPP") | | | | |
|---|--|----------|----------|--|--|
| | 2019 | 2020 | 2021 | | |
| Gas, mln m³ | 5,765.20 | 5,139.59 | 5,980.54 | | |
| Fuel oil and diesel fuel, thousand tons | 265.15 | 252.25 | 274.68 | | |
| Coal, thousand tons | 482.421 | 444.204 | 484.125 | | |
| Woodfuel, thousand m ³ | 15.39 | 15.48 | 19.19 | | |

APPENDIX NO. 14

SPECIFIC CONSUMPTION OF STANDARD FUEL (SCSF) 16

| | | | | 2020 | | | | 2021 |
|-----------------------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|
| | Proportional method | | Physical (thermal)
method | | Proportional
method | | Physic | al (thermal)
method |
| | For electricity supply, g of standard fuel/kWh | For heat supply,
kg/Gcal | For electricity
supply, g of
standard fuel/kWh | For heat supply,
kg/Gcal | For electricity supply, g of standard fuel/kWh | For heat supply,
kg/Gcal | For electricity
supply, g of
standard fuel/kWh | For heat supply,
kg/Gcal |
| Gas | 255.5 | 136 | 207.2 | 167.7 | 254.1 | 138.6 | 209.9 | 168.3 |
| Coal | 323.3 | 148.8 | 187.6 | 181.0 | 325.9 | 146.4 | 185.3 | 180.1 |
| Fuel oil (Murmanskaya CHPP) | _ | 174.0 | _ | 174.0 | _ | 174.0 | _ | 174.0 |
| Woodfuel | _ | 308.1 | _ | 308.1 | | 302.3 | | 302.3 |

APPENDIX NO. 15

DYNAMICS AND INTENSITY OF GREENHOUSE GAS EMISSIONS

GRI 305-1, 305-4

| | 2019 | 2020 | 2021 |
|---|--------|--------|--------|
| Greenhouse gas emissions, total, CO ₂ -eq, thousand tons, including: | 12,373 | 11,078 | 12,804 |
| stationary combustion of fuel, CO ₂ -eq, thousand tons | 12,373 | 11,078 | 12,804 |
| CO ₂ equivalent emissions per unit volume of production, t CO ₂ -eq/mln kWh | 0.219 | 0.202 | 0.211 |

APPENDIX NO. 16

AIR EMISSIONS OF $\mathrm{NO_x}$, $\mathrm{SO_x}$ and other significant pollutants, T

GRI 305-6

| | 2019 | 2020 | 2021 |
|--|----------|----------|----------|
| Gross emission of harmful substances into the atmosphere air | 51,486.6 | 49,369.5 | 44,259.5 |
| Solids emitted | 3,184.2 | 3,097.6 | 3,052.4 |
| Gaseous and liquid substances emitted | 48,302.4 | 46,271.9 | 41,207.2 |
| Nitrogen oxides (converted to NO ₂) | 18,106.7 | 17,468.0 | 17,393.8 |
| Carbon oxide | 9,456.0 | 9,263.6 | 10,232.6 |
| Sulphur dioxide | 20,687.8 | 19,495.7 | 13,524.6 |
| Hydrocarbons (without volatile organic compounds) | 1.8 | 1.8 | 1.8 |
| Volatile organic compounds | 47.8 | 40.5 | 42.6 |
| Other gaseous and liquid substances | 2.3 | 2.3 | 1.8 |
| Benzopyrene | 0.011 | 0.009 | 0.011 |
| | | | |

SCSF calculation is based on all fuel combusted in the production process, including fuel oil and diesel fuel.

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APPENDIX NO. 17

WASTE GENERATION AND DISPOSAL, T

GRI 306-2

| | 2019 | 2020 | 2021 |
|--|-------------|-------------|------------|
| Hazard class I | 13.901 | 9.797 | 5.851 |
| Hazard class II | 14.560 | 4.252 | 6.678 |
| Hazard class III | 1,834.471 | 899.556 | 1,221.035 |
| Hazard class IV | 7,157.600 | 6,261.500 | 6,217.900 |
| Hazard class V | 99,402.500 | 98,410.300 | 89,932.200 |
| Generated totally | 108,423.032 | 105,585.405 | 97,383.664 |
| ash and slag | 63,040.000 | 57,119 | 58,972.700 |
| oil slime | 2,304.737 | 784.094 | 1,148.200 |
| Waste transported to other business entities, total: | 76,025.559 | 71,780.300 | 58,389.190 |
| for processing | 261.100 | 457.300 | 697.000 |
| for disposal | 38,807.392 | 41,005.490 | 35,029.321 |
| for decontamination | 940.909 | 104.970 | 134.037 |
| for storage | - | - | - |
| for burial | 36,016.158 | 30,212.540 | 22,528.832 |
| Waste disposed at operated (own) facilities | 32,366.200 | 34,049.000 | 38,854.300 |
| Waste disposed at the enterprise | 0.400 | 15.900 | 19.100 |
| Decontaminated at the enterprise | - | - | - |

APPENDIX NO. 18

AREA OF DISTURBED AND RECLAIMED LAND IN RUSSIA, HA

| | 2019 | 2020 | 2021 |
|---|------|------|------|
| Area of disturbed land at the end of the year | 67.0 | 67.0 | 67.0 |
| Area of reclaimed land for the year | _ | _ | - |

APPENDIX NO. 19

TOTAL AMOUNT OF WATER WITHDRAWN IN THE BREAKDOWN BY SOURCE, THOUSAND \mathbf{M}^3

GRI 303-2

| | 2019 | 2020 | 2021 |
|---|---------|---------|---------|
| Water intake and drawing, total, including: | 308,181 | 281,673 | 299,357 |
| from surface sources | 217,640 | 192,543 | 211,962 |
| from underground sources | 0.2 | 0 | 0 |
| from public water supply systems | 89,604 | 86,704 | 85,874 |
| from other water supply systems | 935 | 2,425 | 1,520 |
| reuse of water | 2,396 | 2,300 | 2,779 |
| | | | |

APPENDIX NO. 20

INFORMATION ON VOLUME OF DISCHARGES SPECIFYING THE QUALITY OF THE WASTEWATER AND THE RECEIVING FACILITY, THOUSAND M³

GRI 306-1

| | | | 2019 | | | 2020 | | | 2021 |
|---------------------------------------|-----------------------|-----------|----------------|--------------------------------|--------------|------------------------------|---------------|--|----------------|
| | | Discharge | Transportation | | Discharge | Transportation for treatment | | Discharge | Transportation |
| | to surface reservoirs | | on the relief | and/or reuse
to third-party | and/or reuse | to surface
reservoirs | on the relief | for treatment
and/or reuse
to third-party
organizations | |
| contaminated,
without treatment | 54,304 | - | | 48,382 | - | 4,551 | 67,266 | - | 2,372 |
| contaminated, insufficiently treated | 2,323 | - | - | 1,292 | - | - | 1,490 | - | - |
| standard clean
(without treatment) | 145,566 | - | - | 121,589 | - | - | 130,184 | - | - |
| standard treated | 1.6 | - | - | 70 | - | - | 64 | - | - |
| Total | 202,194.6 | - | | 171,333 | | 4,551 | 199,004 | | 2,372 |

151 152 —

Where the energy is born

APPENDIX NO. 21

INJURIES IN THE BREAKDOWN BY SEVERITY, 2020–2021

GRI 403-

| | | Fatal | | Severe | | Light |
|-------|------|-------|------|--------|------|-------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| TGC-1 | 0 | 0 | 0 | 0 | 0 | 0 |

APPENDIX NO. 22

NUMBER OF DAYS OF INCAPACITY FOR WORK FOR ALL ACCIDENTS

GRI 403-2

| | 2019 | 2020 | 2021 |
|-------|------|------|------|
| TGC-1 | 292 | 0 | 0 |

APPENDIX NO. 23

TOTAL NUMBER OF PERSONNEL IN THE BREAKDOWN BY TYPE OF EMPLOYMENT AND GENDER, PERSONS

GRI 102-8

| | Full-time employment | | | | | | | | | Part- | ime empl | oyment |
|-------|----------------------|-------|--------|-------|--------|-------|--------|------|--------|-------|----------|--------|
| | | 2019 | | 2020 | | 2021 | | 2019 | | 2020 | | 2021 |
| | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| TGC-1 | 2,275 | 4,997 | 2,320 | 5,067 | 2,333 | 4,884 | 19 | 6 | 14 | 10 | 22 | 12 |

APPENDIX NO. 24

TOTAL NUMBER OF PERSONNEL IN THE BREAKDOWN BY AGE AND REGION, PERSONS

GRI 102-8

| Constituent | Headcount as | | | | Age | Headcount as | | | | Age | Headcount as | | | | Age |
|--|--|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--|-----------------------------|-----------------------------|-----------------------------|------------------------------------|
| entity of
the Russian
Federation | of December 31
of the reporting
period | up to 30
years of
age | 30 to 40
years of
age | 40 to 50
years of
age | 50 years
of age
and
above | of December 31
of the reporting
period | up to 30
years of
age | 30 to 40
years of
age | 40 to 50
years of
age | 50 years
of age
and
above | of December 31
of the reporting
period | up to 30
years of
age | 30 to 40
years of
age | 40 to 50
years of
age | 50 years
of age
and
above |
| | | | | | 2019 | | | | | 2020 | | | | | 2021 |
| TGC-1 | 6,589 | 940 | 1,649 | 1,480 | 2,520 | 6,707 | 920 | 1,726 | 1,506 | 2,555 | 6,578 | 882 | 1,656 | 1,534 | 2,506 |
| TGC-1,
including
JSC "Murman-
skaya CHPP" | 7,297 | 1,037 | 1,854 | 1,676 | 2,730 | 7,411 | 1,021 | 1,931 | 1,694 | 2,765 | 7,251 | 979 | 1,846 | 1,719 | 2,707 |
| St. Petersburg | 3,555 | 548 | 872 | 636 | 1,499 | 3,623 | 534 | 920 | 655 | 1,514 | 3,601 | 537 | 905 | 691 | 1,468 |
| Leningrad
Oblast | 586 | 83 | 111 | 109 | 283 | 620 | 83 | 132 | 126 | 279 | 587 | 68 | 123 | 122 | 274 |
| Republic of
Karelia | 1,018 | 134 | 303 | 309 | 272 | 1,019 | 122 | 307 | 314 | 276 | 2,071 | 260 | 532 | 601 | 678 |
| Murmansk
Oblast* | 2,138 | 272 | 568 | 622 | 676 | 2,149 | 282 | 572 | 599 | 696 | 992 | 114 | 286 | 305 | 287 |

^{*} In the Murmansk Oblast, the headcount of TGC-1 is reflected, including JSC "Murmanskaya CHPP" headcount.

APPENDIX NO. 25

STAFF TURNOVER WITH AGE AND GENDER DISTRIBUTION

GRI 401-1

| | Up to 30 years of age | | | | | | 30 to 50 years of age | | | | | | Over 50 years of age | | | | | |
|---|-----------------------|--------|--------|------|--------|------|-----------------------|------|--------|------|--------|------|----------------------|------|--------|------|--------|------|
| | 2019 | | 9 2020 | | 2021 | | 2019 | | 2020 | | 2021 | | 2019 | | 2020 | | | 2021 |
| | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| Employees hired in 20 | 019-20 | 21, pe | rsons | | | | | | | | | | | | | | | |
| TGC-1, including
JSC "Murmanskaya
CHPP" | 106 | 209 | 83 | 209 | 115 | 263 | 120 | 235 | 167 | 240 | 217 | 254 | 36 | 72 | 44 | 75 | 46 | 107 |
| Employees dismissed | in 201 | 9-202 | 1, per | sons | | | | | | | | | | | | | | |
| TGC-1, including
JSC "Murmanskaya
CHPP" | 49 | 110 | 33 | 114 | 57 | 199 | 84 | 188 | 99 | 182 | 182 | 322 | 78 | 172 | 107 | 159 | 116 | 272 |

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APPENDIX NO. 26

RATIO OF MINIMUM WAGE (INCLUDING COMPENSATION AND INCENTIVE PAYMENTS) TO MINIMUM MONTHLY WAGE IN THE REGIONS OF ACTIVITY

GRI 202-1

| 2019
1.12 | 2020
1.33 | 2021 |
|---------------------|----------------------|---|
| 1.12 | 1 33 | 4.44 |
| | 1.00 | 1.41 |
| 1.55 | 1.72 | 2.06 |
| 1.32 | 1.09 | 1.06 |
| 1.11 | 1.08 | 1.09 |
| 1.33 | 1.03 | 1.03 |
| | 1.55
1.32
1.11 | 1.55 1.72 1.32 1.09 1.11 1.08 |

APPENDIX NO. 27

GLOSSARY

| GRI | Global Reporting Initiative |
|--|--|
| ABR | Aquatic biological resources |
| RES | Renewable energy sources |
| Gazprom Energoholding | Gazprom Energoholding LLC |
| The Group, Gazprom Energoholding Group | Gazprom Energoholding LLC and production companies |
| GRES | State district electricity station |
| НРР | Hydroelectric power plant |
| S&A | Subsidiaries and affiliates |
| VHI | Voluntary health insurance |
| CSA | Capacity supply agreement |
| ASW | Ash and slag waste |
| CCTMod | Programme on competitive selection of capacities for modernization |
| EF | Efficiency factor |
| KPI | Key performance indicators |
| MW | Minimum monthly wage |
| SMEs | Small and medium enterprises |
| IFRS | International Financial Reporting Standards |
| R&D | Research and development |
| | |

| WECM | Wholesale electricity and capacity market |
|-------|--|
| UES | Unified Energy System |
| CCGT | Combined-cycle gas turbine |
| RAS | Russian Accounting Standards |
| RUIE | Russian Union of Industrialists and Entrepreneurs |
| QMS | Quality Management System |
| OSMS | Occupational Safety Management System |
| EMS | Environmental Management System |
| EnMS | Energy Management System |
| RMICS | Risk Management and Internal Control System |
| TGC-1 | Public Joint Stock Company "Territorial Generating Company No.1" |
| FES | Fuel and Energy Sector |
| FER | Fuel and energy resources |
| CHPP | Combined heat and power plant |
| SCSF | Specific consumption of standard fuel |
| | |

UNITS OF MEASURE

| Gcal (gigacalorie) | Unit of measurement of heat energy | | | | |
|---------------------------|--|--|--|--|--|
| kWh (kilowatt*hour) | Unit of measurement of electric energy | | | | |
| MW (megawatt) | Unit of measurement of electrical capacity | | | | |
| Gcal/h (gigacalorie*hour) | Unit of measurement of thermal capacity (load) | | | | |
| T s. f. | Ton of standard fuel | | | | |

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