

CREATING THE FUTURE

Sustainability Report of TGC-1, PJSC for 2022



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KEY OUTCOMES OF THE YEAR

INVESTMENT ATTRACTIVENESS

28.4

bln rubles

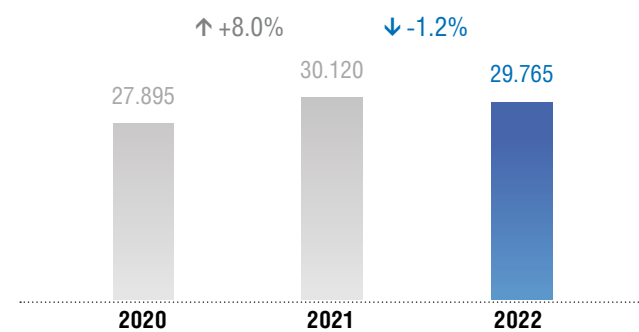
Capitalization as of 31.12.2022

Source: <https://www.moex.com/a8313>

GRI 2-6

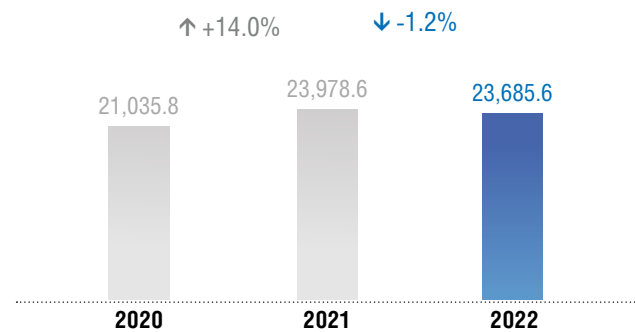
OPERATIONAL PERFORMANCE¹

Electricity generation by TGC-1,
mln kW·h*

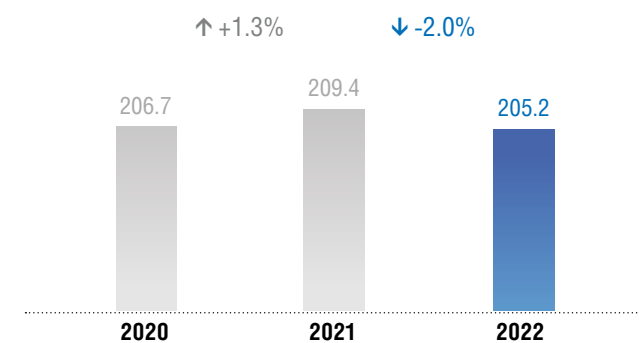


* Data excluding Murmanskaya CHPP, JSC

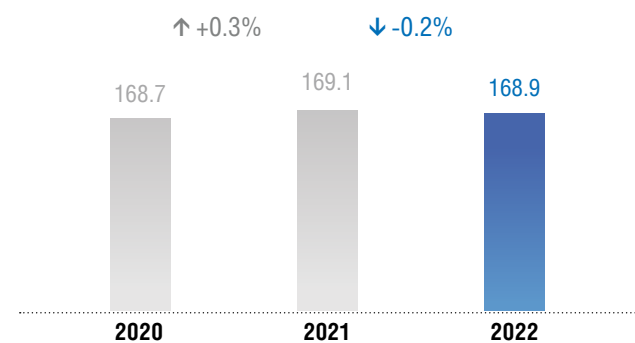
Thermal energy supply from collectors,
thou. Gcal



SCSF for the supply of electricity,
g/kW·h



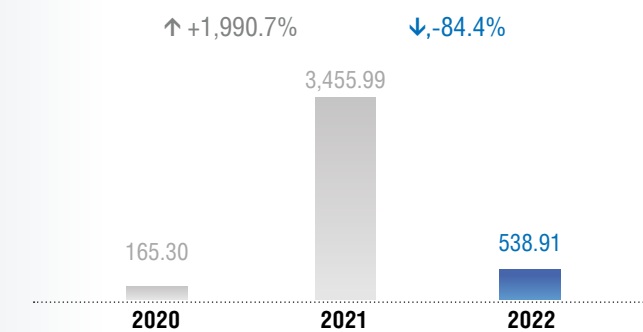
SCSF for thermal energy supply,
kg/Gcal



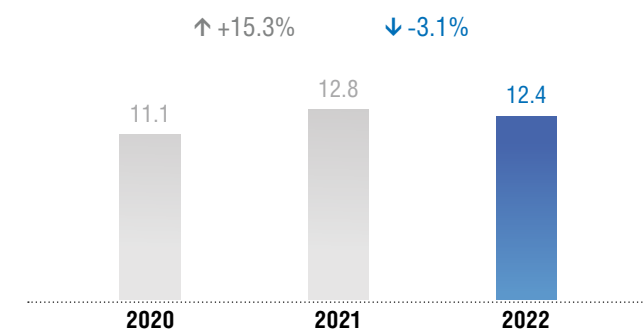
¹ Data excluding Murmanskaya CHPP, JSC. A physical calculation method was used.

SUSTAINABLE DEVELOPMENT

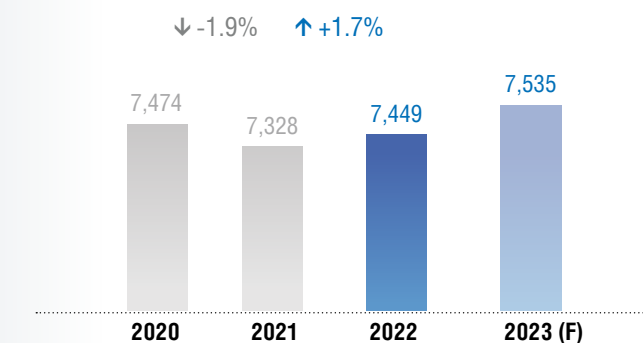
Costs for environmental protection,
mln rubles



Greenhouse gas emission in CO₂ equivalent,
mln tons



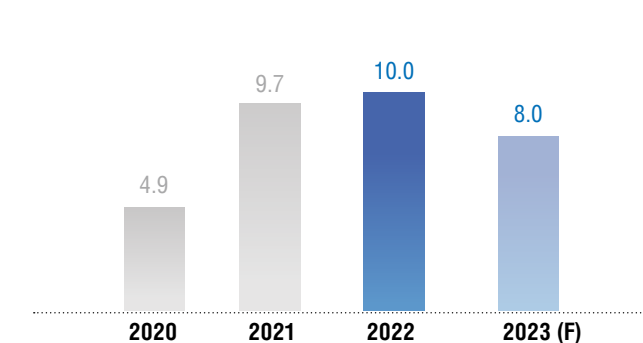
Headcount,
persons**



* Data excluding Murmanskaya CHPP, JSC.

** Including employees who work under civil law contracts and part-time employees as of the end of the year.

Staff turnover*



GENERAL INFORMATION

GRI 2-1, GRI 2-6

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

TGC-1, PJSC 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, PJSC. 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.

1898

In 1898, two more power plants started operating in the capital of the Russian Empire: of the "Electric Lighting Company of 1886" on the Obvodny Canal and of the "Belgian Anonymous Electric Lighting Company of St. Petersburg" 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 Central CHPP of TGK-1.

1920s

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 station built under the plan, the Volkhovskaya HPP in the Leningrad Region, 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 power plant, the Pravoberezhnaya CHPP, which produced its first kilowatts and gigacalories in 2006. The first GOELRO plants built in Karelia (Kondopozhskaya HPP) and in the High Arctic (Nizhne-Tulomskaya HPP and Niva HPP-2) also now continue operating as part of the production complex of TGC-1.

1941-1945s

During the World War II, the Leningrad power engineers carried out a unique operation, which went down in history as a breakthrough of 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 Ladoga Lake to supply electricity to the city, and the Volkhovskaya HPP became the main source of energy for blockaded Leningrad.

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

1945-2000s

In the postwar years, the energy sector in the North-West of the country continued developing at fast pace. New stations were built in Leningrad, Petrozavodsk, and Murmansk. At the end of the 20th century, they were organized into independent companies.

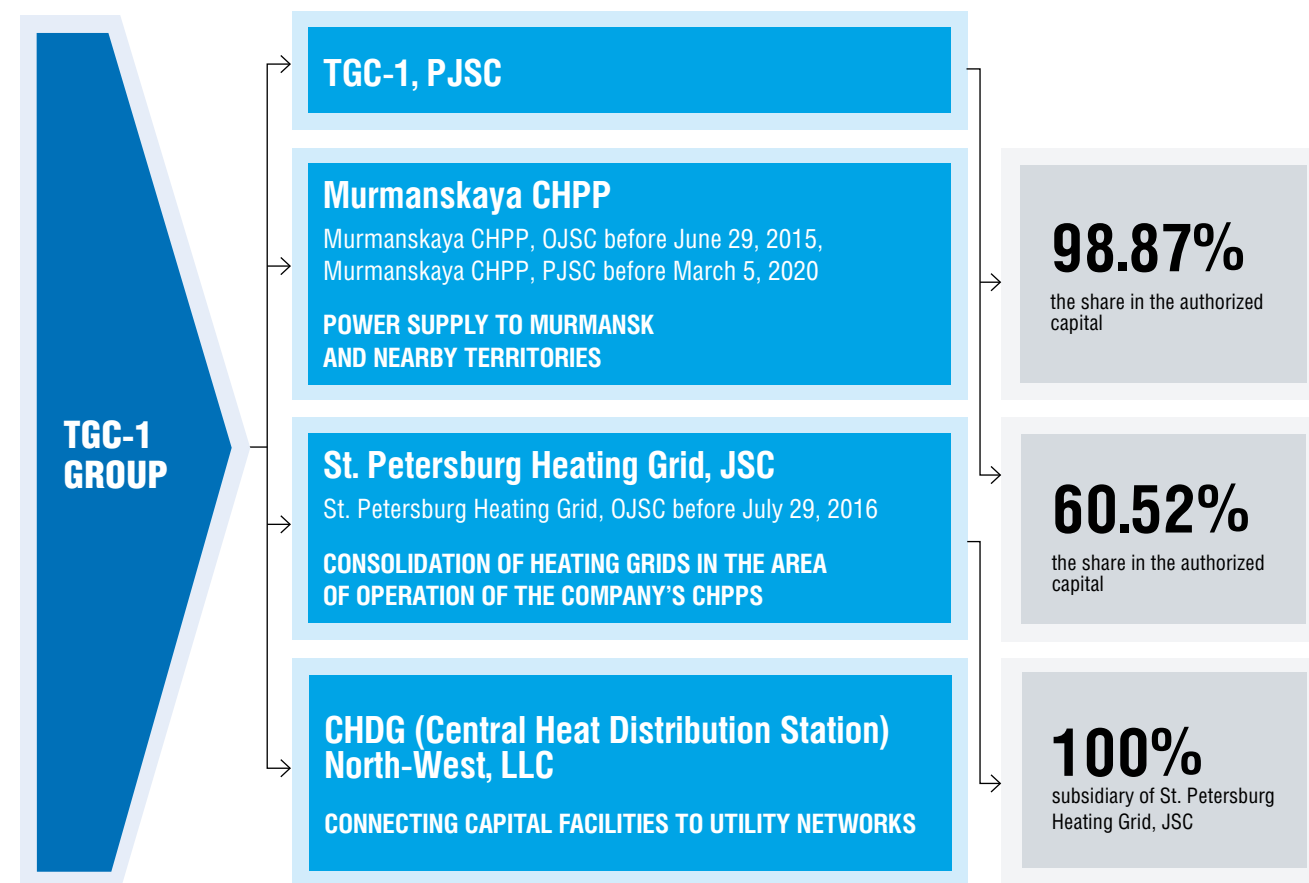
2005

As part of the reform of the Russian energy sector, TGC-1, OJSC was formed on the basis of the generating assets of Lenenergo, OJSC, Kolenergo, OJSC, and Karelenergo, OJSC.

Today

Today, the Company unites generating enterprises from the Baltic Sea to the Barents Sea. The Company's generating assets comprise 52 power plants of various types across four constituent entities of the Russian Federation: Saint Petersburg, the Republic of Karelia, Leningrad Region and Murmansk Region.

Generated electricity is supplied to the domestic wholesale electricity and capacity market. TGC-1 is a strategic supplier of thermal energy in St. Petersburg, Petrozavodsk, Murmansk, the cities of Apatity and Kirovsk of the Murmansk Region.



In its turn, TGC-1, PJSC is a part of the Gazprom Group. Controlling stakes in Gazprom Group's generating companies are consolidated to the balance sheet of Gazprom'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

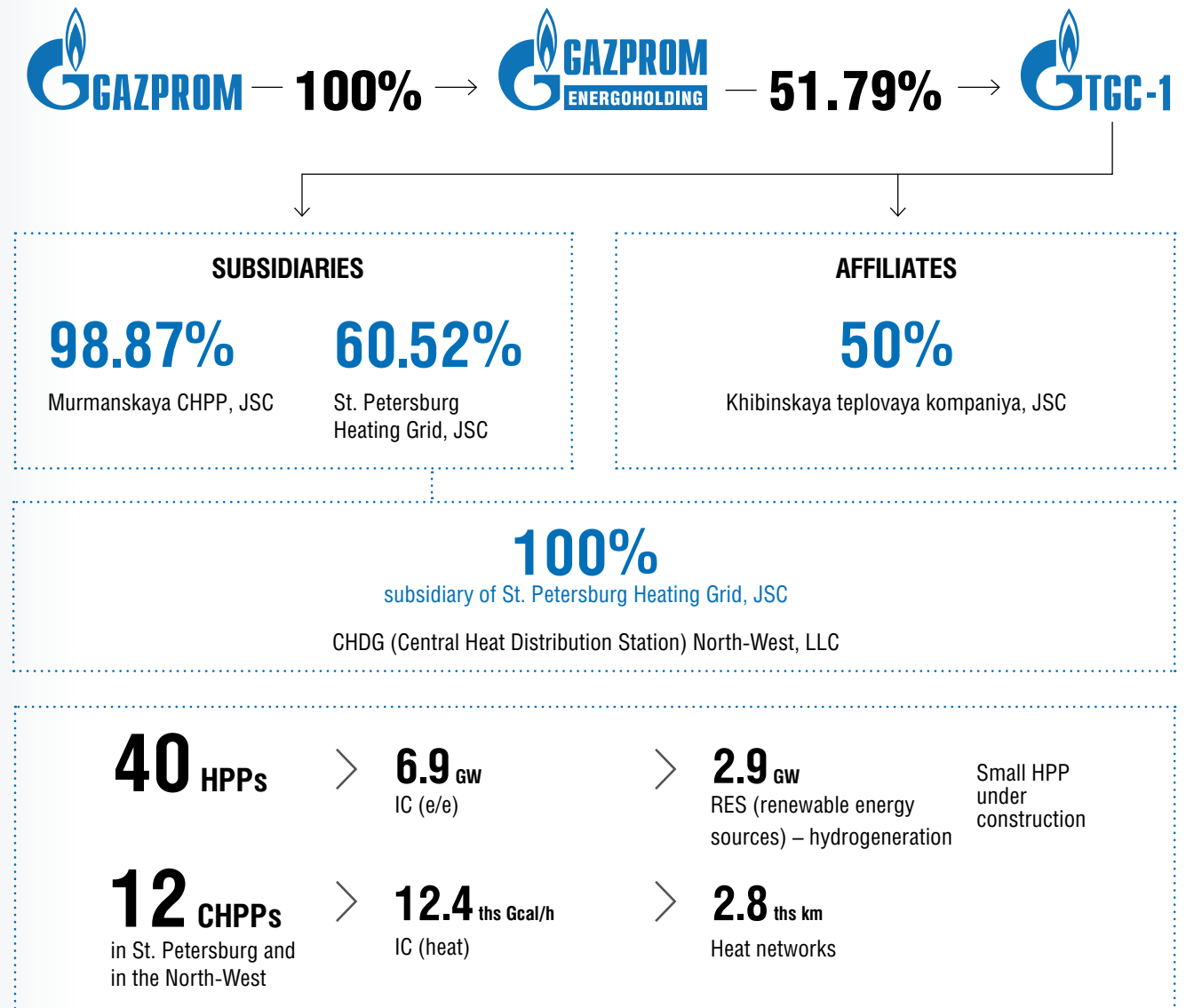
29.45%

Fortum Power and Heat Oy²

Shares of TGC-1, PJSC are traded on Moscow Stock Exchange, PJSC and appear in the Level 1 Quotation List. Being guided by international business standards, operating its power grids in an environmentally responsible manner and implementing innovative social policy, TGC-1 strives to become a leader in the energy market, remain a reliable partner for its investors, cater for the shareholders' interests and meet even the highest demands of its customers.

² The stake of Fortum Power and Heat Oy is 29.99% (1,155,868,750,193 shares) as of 18.12.2022 i.e. the issuance date of the list of persons entitled to participate in the Annual General Meeting of TGC-1, PJSC Shareholders with account of the disclosed nominee holders.

MAIN ASSETS



COMPETITIVE ADVANTAGES



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



HIGHLY EFFICIENT GENERATION
at hydroelectric power plants



CONSISTENT RENEWAL
of generation capacities under the CCTMod and CSA-RES programs



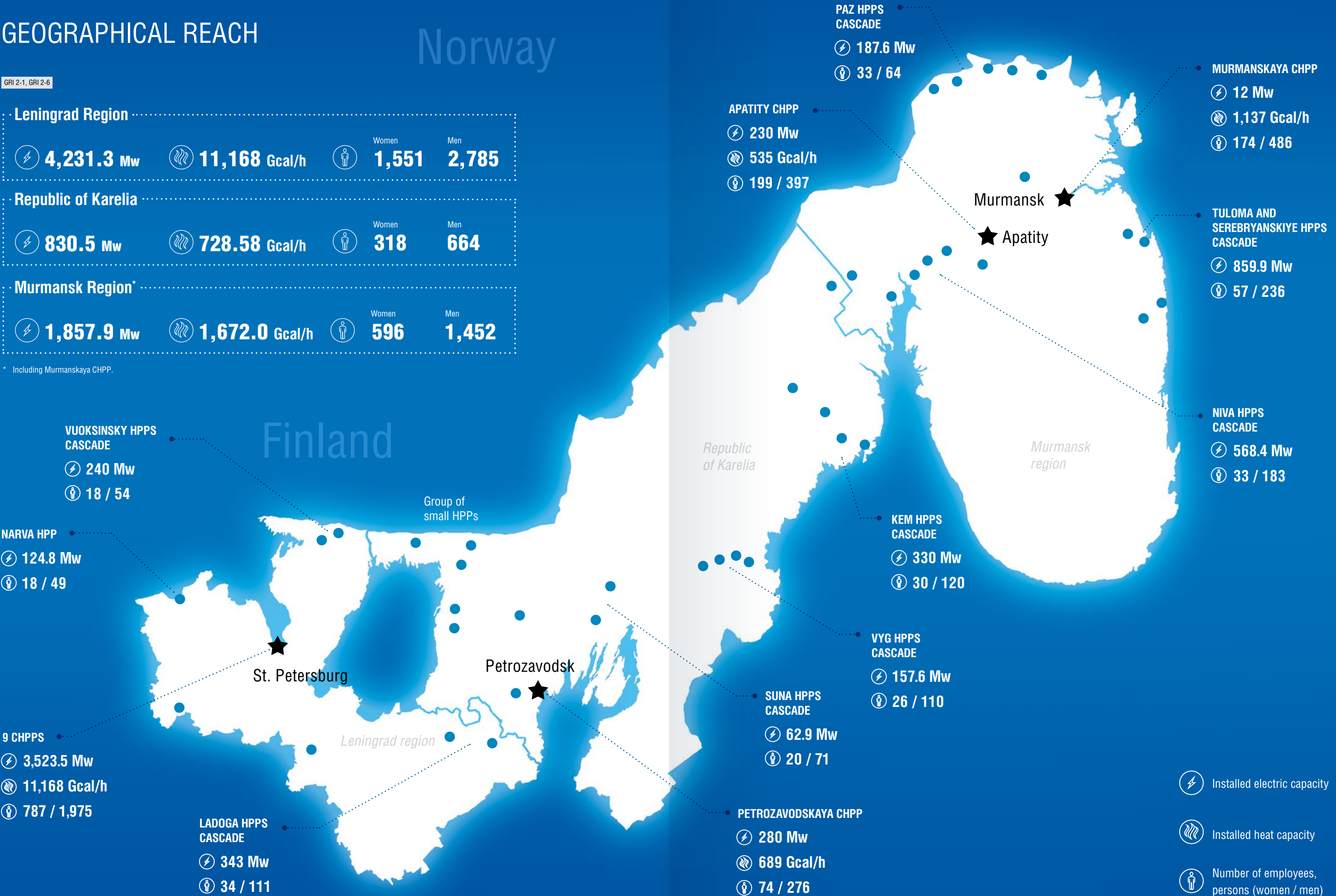
THE POSSIBILITY OF SUPPLYING
carbon-free electricity (40% of the installed capacity is accounted for by hydrogenation and is about 3 thou. MW)

GEOGRAPHICAL REACH

GRI 2-1, GRI 2-6

Leningrad Region					
⚡	4,231.3 Mw	🔥	11,168 Gcal/h	👤 Women	1,551
				👤 Men	2,785
Republic of Karelia					
⚡	830.5 Mw	🔥	728.58 Gcal/h	👤 Women	318
				👤 Men	664
Murmansk Region*					
⚡	1,857.9 Mw	🔥	1,672.0 Gcal/h	👤 Women	596
				👤 Men	1,452

* Including Murmanskaya CHPP.



HIGHLIGHTS OF THE YEAR

GRI 2-6

2022

TGC-1 organized the ice court operation in the Governor's Park of Petrozavodsk.

TGC-1 has been certified for compliance with the requirements of the international standard ISO 9001-2015.

TGC-1 and Teplocom company completed a full-cycle transaction regarding the transition to renewable energy sources.

JANUARY



JULY

The Petrozavodskaya CHPP of TGC-1 has significantly reduced the noise during launching due to the implementation of a new plant actuation circuitry.

At the Avtovskaya CHPP of TGC-1, construction and installation work has begun on the technical re-equipment of turbine unit No. 6. The work is being carried out as part of the station's reconstruction program, which is designed to improve the overall sustainability of the energy system and the environmental friendliness of the CHPP.

TGC-1 sold "Green" Certificates under the international standard. The certificate was issued in the fact of the production of electricity from renewable sources and certified the positive environmental and social effects achieved through production of this kind.

FEBRUARY



SEPTEMBER

TGC-1 expanded the range of generating equipment serving to support overall reliability of the United Energy System.

Traditional competitions in general physical preparedness among racing skier of the Murmansk Region for the Cup of the Branch "Kolsky" of TGC-1 were held in Kandalaksha.

Children's and youth competitions in cross-country skiing for the Cup of the Branch "Kolskiy" of TGC-1 were held in Murmansk Region.

APRIL



OCTOBER

Professionals of TGC-1 took part in the city hackathon, which took place at the site of the Quantorium children's technopark in St. Petersburg as part of the All-Russian festival of energy saving and ecology #TogetherImpactfuler (#VmesteYarche).

In the stlmt. Zelenoborsky, Murmansk Region, TGC-1 organized the traditional track-and-field trial "Knyazhegubskaya Mile".

TGC-1 sponsored the first career guidance school "Projectoria", organized on the basis of the Resource Center for the Development of Additional Education of the Republic of Karelia.

With the support of TGC-1, a tourist trail was equipped on the territory of the Nizhne-Svirsky State Nature Reserve in the Leningrad Region, designed taking into account the requirements for the convenience of movement for organized children's groups, including those with disabilities.

MAY



NOVEMBER

TGC-1 signed a contract for the supply of "green" energy for SIBUR enterprises.

TGC-1 and Metalloinvest signed an agreement of intent to cooperate in the field of carbon-free energy.

The construction project of a small HPP on the Paz River in the Murmansk Region, prepared by TGC-1, received a positive state expert conclusion report.

At the most powerful hydroelectric power plant in the North-West (Verkhne-Tulomskaya HPP of TGC-1), the modernization of hydroelectric unit No. 3, the third of four upgraded ones, was completed. During working on the project modern solutions that meet high environmental standards, are used.

TGC-1 made a charitable donation towards for the installation of a memorial sign on the Path of Memory in the area of the Janiskoski HPP.

TGC-1 power engineers provided assistance to the wards of the "Fortuna" charitable organization.

TGC-1 took part in the "Water of Russia" All-Russian Ecological Campaign, which goal is to keep the shorelines of water bodies clean.

The power engineers of TGC-1 equipped the Verkhnetulomsky spring as part of the action of the Unified Volunteer Center of the Murmansk Region "From the spring to the ocean".

JUNE



DECEMBER

TGC-1 made a charitable donation to the Kola Scientific Center of the Russian Academy of Sciences for the implementation of a project to create an eco-trail in the area of the Nizhne-Teriberskaya HPP.

Employees of TGC-1 held a traditional charity event "Good Help".

TGC-1 provided the mining and refining facility of the PhosAgro Group in Apatity with "green" energy.

ADDRESS

BY THE MANAGEMENT

OF TGC-1, PJSC

GRI 2-22

Sustainable development remains an invariable orienting point for TGC-1 as the largest producer of electrical and thermal energy in the North-West of Russia.

In 2022, based on the principles of responsible business conduct, the TGC-1 ensured the uninterrupted operation of power plants that produce electricity and heat for mlns of consumers in the North-Western Federal District, including medical institutions, systemic companies and critical infrastructure facilities. Flexibly responding to the challenges of the time in a constantly changing external environment, we stayed true to the goals of sustainable development and paid close attention to the development of economic potential, responsible production and consumption, environmental protection, social projects, innovation and corporate governance.

The Sustainable Development Policy of TGC-1 adopted in 2022 is based on the principles of the Sustainable Development Policy of Gazprom Energoholding, LLC and bears to the UN Sustainable Development Goals.

The issues of increasing the reliability and safety of the stations, a reducing the negative impact on the environment remain a priority. The technical re-equipment of existing equipment as part of the implementation of the investment program of TGC-1 is carried out using innovative technologies and modern solutions that meet high environmental standards. Among the achievements of 2022 is the completion of the modernization

of the hydroelectric unit No. 3 of the Verkhne-Tulomskaya HPP, the third of the four upgraded ones.

To ensure the environmental safety of production and infrastructure in the regions of presence, TGC-1 implements a number of environmental investment projects. A large-scale program is being implemented for the reconstruction and modernization of local treatment facilities at the CHPP in St. Petersburg, the reconstruction of the wastewater system and the construction of treatment facilities at the Petrozavodsk CHPP. Works on ensuring environmental safety during the storage of reserve fuel (fuel oil) at the Avtovskaya CHPP are at the final stage.

Effective management of energy assets is facilitated by automation and digitalization of processes in all areas of activities of TGC-1. The advanced technologies and unique digital solutions, the commissioning of automated process control systems are aimed at reducing accident incidence rate, minimizing risks and increasing productivity. In 2022, an automated industrial environmental control system was brought into production, designed to improve business efficiency and the environmental friendliness of the operation of power energy equipment.

The status of one of the largest producers of “green” energy in the North-West allows TGC-1 to make a significant contribution to the

common cause of climate risk management. During the 2022, the Company's 40 hydroelectric power plants generated 11,550,196 MW·h of “green” energy. Industrial consumers, through cooperation with TGC-1, can significantly reduce the carbon footprint of products and comply with modern ESG standards. In 2022, production enterprises of SIBUR, PhosAgro Group and Teplocom joined the number of consumers of TGC-1's carbon-free energy, and the leading mining and metallurgical company Metalloinvest confirmed its long-term intentions regarding to cooperating for the production and purchase of “green” energy.

Implementing the Company's development strategy until 2027 and striving to maximize the development of hydro potential, TGC-1 continues to implement the project for the construction of the Arktika small hydropower plant on the Paz River in the Murmansk Region. In 2022, the project received a positive conclusion from the FAI Glavgosexpertiza of Russia. The capacity of the small HPP will be 16.5 MW. Commissioning of the station will increase the reliability and quality of power supply, and provide additional capacity for the development of the Murmansk region.

Responsible production is based on caring for the health of employees, creating conditions for efficient and safe work. At all Company facilities, special attention is paid to measures to ensure labor protection, industrial and fire safety to minimize accidents at work. The implementation of measures against the contagion of coronavirus infection, voluntary vaccination and revaccination of personnel has been organized. The HR policy is focused on the continuous improvement of employment relations, ensuring the career advance, supporting and developing high-quality professional education, and protecting labor rights.

Realizing all the responsibility to society and future generations, TGC-1 pays special attention to the social and economic development for the regions of presence. The Company's comprehensive charitable program includes initiatives in the fields of education, art, culture, sports, environmental education, as well as support for vulnerable social groups of the population, children's and youth movements, and non-profit grassroots organizations. Among the important projects aimed at protecting the environment and preserving biodiversity is the creation of eco-trails in the reserves of the Leningrad and Murmansk Regions.

The quality management system of TGC-1 is systematically developing and improving, helping to ensure the high quality of products and services provided, as well as improving the efficiency of corporate governance. In 2022, a surveillance audit was successfully undertaken regarding confirm the compliance of the Quality Management System with the requirements of ISO 9001:2015 (GOST R ISO 9001-2015) and of STO (Standard of Organization) Gazprom 9001-2018. The Company is also consistently ranked among the top five in the industry rating of openness of environmental information of fuel electric and heat generating companies in Russia, according to the results of 2022, TGC-1 took 4th place.

TGC-1 aims to build a sustainable business that meets the principles of social and environmental responsibility, effective corporate governance and ensures the creation of value for employees, shareholders and a wide range of stakeholders over a long-term horizon. While maintaining the achievements of previous years, we will continue to improve our sustainability performance.

BUSINESS MODEL

OUR CAPITAL

PRODUCTION CAPITAL

- Conventional generation – 12 CHPPs / 4 GW
- RES-hydrogeneration – 40 HPP / 2.9 GW
- Heat networks – 2.8 ths km
- Small HPP under construction

RESOURCE CAPITAL

- Natural gas
- Water energy
- Fuel Oil (5%)
- Bituminous coal (5%)

FINANCIAL CAPITAL

- Equity
- Borrowings
- Gazprom PJSC Cash-Pulling System

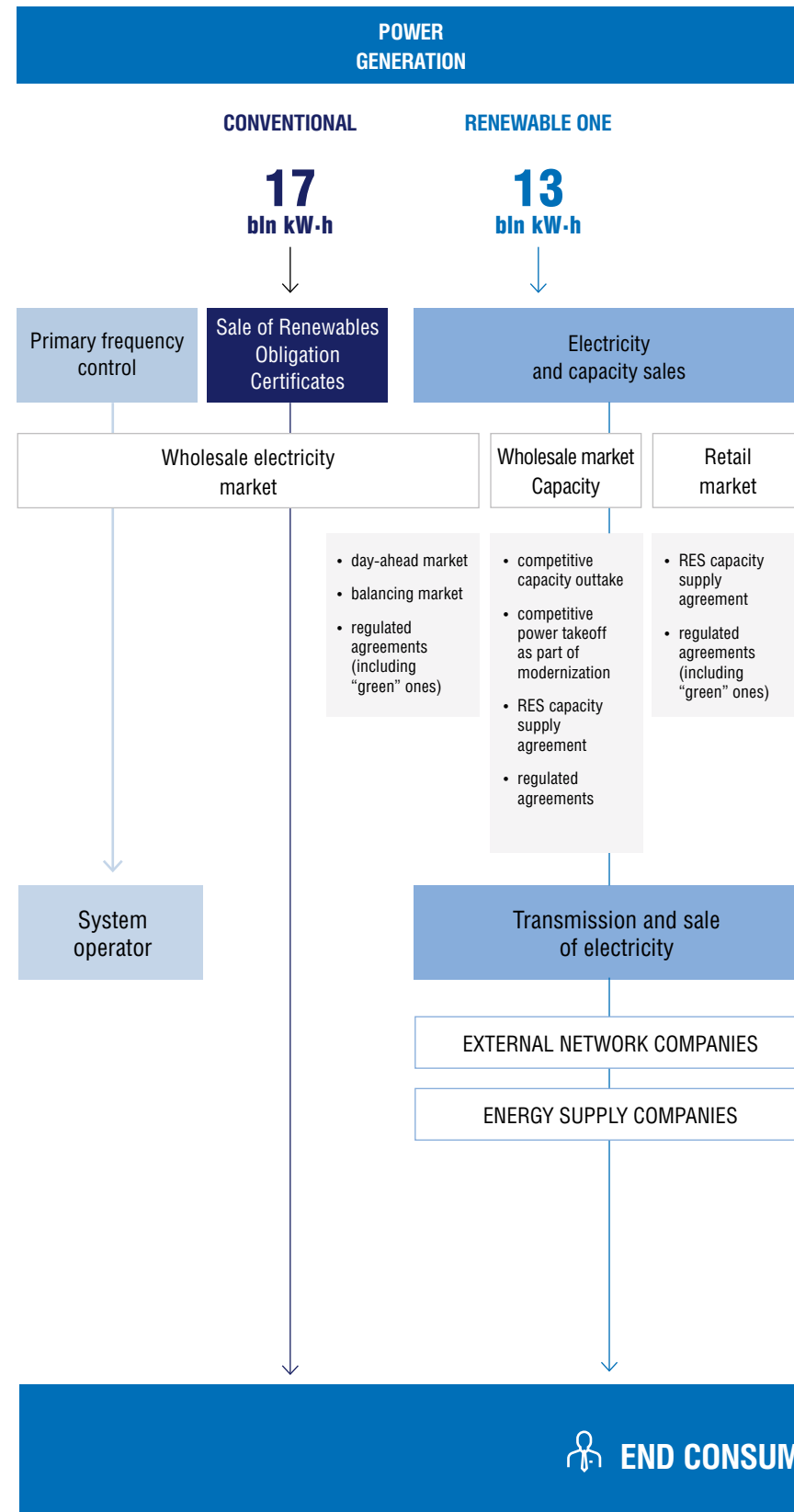
SOCIAL CAPITAL

- 7,449 employees
- Highly qualified technical personnel
- Experienced management
- A reliable partner for the state and business.

INTELLECTUAL CAPITAL

- SAP-based Enterprise Information Management System
- Digital complexes
- Own training center
- Own center of innovations
- Group-wide R&D program

OUR ACTIVITY



OUR CREATED VALUE

MANUFACTURING VALUE

- Uninterrupted power and heat supply of the North-Western region
- Construction of renewable energy sources
- Investments in modernization using innovative technologies

RESOURCE VALUE

- Implementation the potential of energy saving;
- Responsible water use and waste management;
- Environmental projects aimed at reducing emissions of harmful substances.

FINANCIAL ACTIVITIES

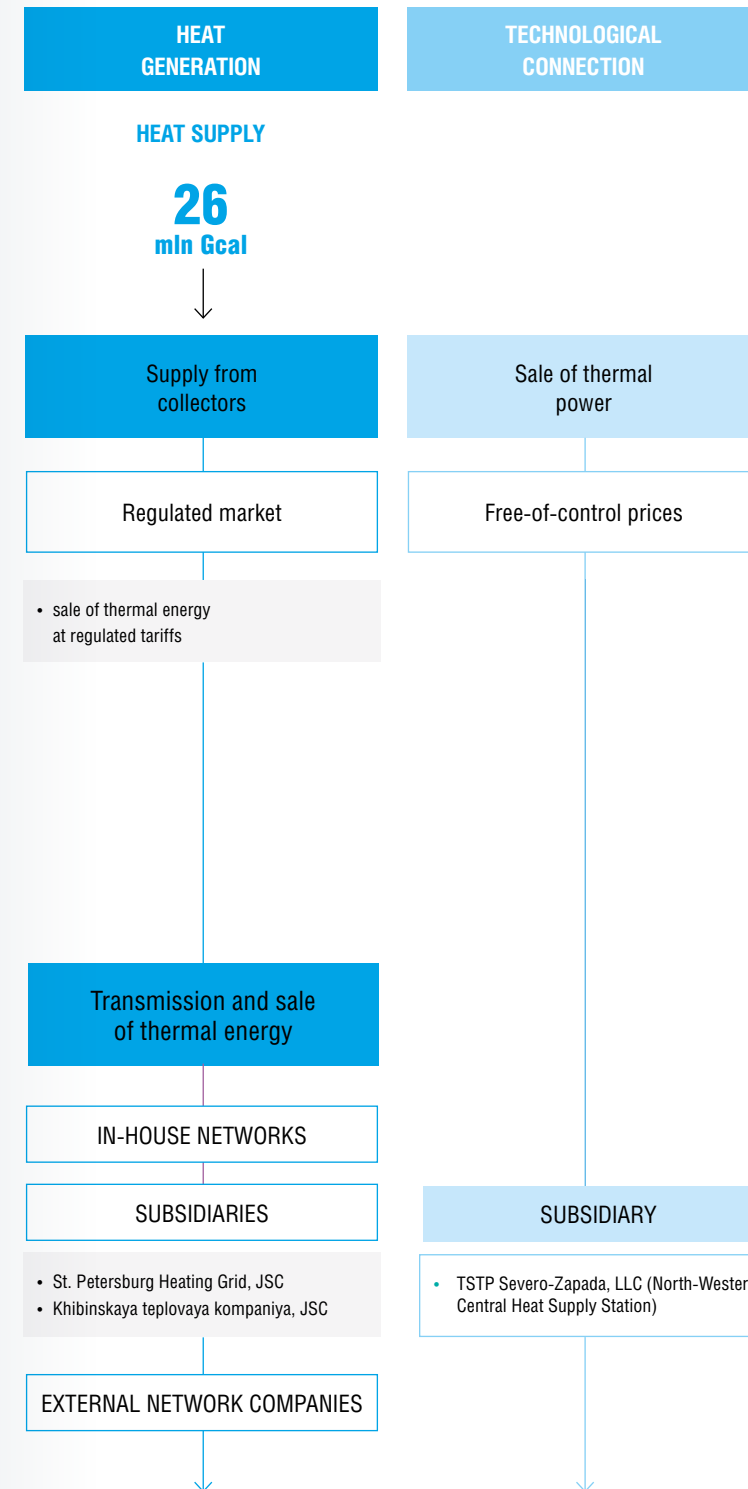
- Reducing the debt burden: Net Debt / EBITDA (2021/2022): 63.81% → 108.74%
- Revenue growth (2021/2022): 97,673 mln rubles → 98,824 mln rubles

SOCIAL ACTIVITIES

- Tax deductions – 3,595 mln rubles
- A major employer in the North-West
- Competitive social package
- Personnel development and training programs
- Charity

INTELLECTUAL ACTIVITY

- Participation in the development of strategic territorial planning documents;
- Partnership with leading institutes of higher education and research centers;
- Winner of industry competitions;
- A set of proprietary digital solutions for business that is replicated on the Group



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

STAKEHOLDERS

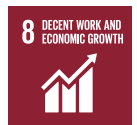
SHAREHOLDERS, INVESTORS AND CREDITORS

FORMATION OF VALUE IN 2022

- ⊕ growth of economic value
- ⊕ fulfillment of loan obligations
- ⊕ maintaining a credit rating

- ✓ Paid % against loans – **1.344 bln rubles**
- ✓ ACRA (AA+), outlook “Stable”

CONTRIBUTION TO THE ACHIEVEMENT OF UN GOALS



BUYERS OF ELECTRICITY AND HEAT AND CAPACITY

- ⊕ uninterrupted energy supply
- ⊕ low emissions of pollutants
- ⊕ supply of “green” electricity

- ✓ **5.3 mln rubles** – capacity of the repair program
- ✓ CO₂ emission intensity – **267.9 t/mlin kWt·h**
- ✓ **Electricity generation HPP – 13,136 mln kW·h**



EMPLOYEES OF THE ORGANIZATION*

* EXCLUDING MURMANSKAYA CHPP, JSC

- ⊕ timely and decent wages
- ⊕ health service
- ⊕ training and development
- ⊕ social support

- ✓ Wages fund 2022 > **6.8 bln rubles** (w/o social deductions)
- ✓ > **150 mln rubles**
- ✓ > **26 mln rubles**
- ✓ > **24 mln rubles**



EXECUTIVE AUTHORITIES

- ⊕ tax payments
- ⊕ execution of agreements on cooperation
- ⊕ strategic investments in infrastructure

- ✓ **Taxes paid – are 3,595 thou. rubles**
- ✓ The updating of the St. Petersburg heat supply scheme **has been funded**
- ✓ > 30 km of heat networks have **been reconstructed**
- ✓ Investments in infrastructure > **5.5 bln rubles**



LOCAL COMMUNITIES, POPULATION, AND EDUCATIONAL INSTITUTIONS

- ⊕ charity, social investments, and corporate volunteering
- ⊕ industrial safety, environmental protection and energy efficiency
- ⊕ partnership with higher educational institutions

- ✓ > **17.2 mln rubles** for charitable and social initiatives
- ✓ > **401 mln rubles** for environmental projects
- ✓ > **8.17 thou. tons** of standard fuel are savings by the implementation of the Company's energy saving program
- ✓ **Transition** to closed water supply systems



COMPETITIVE ENVIRONMENT



ELECTRIC POWER MARKET

The main space for competitive interactions within the wholesale electricity market for TGC-1 is the day-ahead market (DAM). For strengthening its competitiveness in the market, TGC-1 makes steps aimed at addressing the problem of pent-up capacities, optimizing the structure of electricity generation by CHPPs and HPPs, integrating new technologies, and retooling the production facilities.



The main competitive advantages of TGC-1 include:

- price advantage of CHPPs in terms of combined generation compared to condenser-type state district power plants (GRES);
- price advantage of HPPs compared to heat power plants due to the absence of fuel costs;
- geographical locations of the Company's plants making it possible to export electricity;
- possibility of selling "green" energy from renewable sources at a premium price for energy origination.

Electricity generation in St. Petersburg, the Republic of Karelia, Leningrad and Murmansk Regions, in addition to TGC-1 is carried out by Rosenergoatom Concern, JSC (represented by the Leningrad and Kola nuclear power plants), OGK-2, PJSC (Kirishskaya GRES), Yugo-Zapadnaya CHPP, JSC and Inter RAO – Electric Generation, JSC (North-West CHPP branch), which also supplies electricity for export, as well as by several other manufacturers.

Leningradskaya NPP

Leningradskaya NPP (LNPP) is a branch of Rosenergoatom Concern JSC, located 42 km to the administrative border of Saint Petersburg on the southern shore of the Gulf of Finland, the Baltic Sea, in the city of Sosnovy Bor. It is the largest producer of electric energy in the North-West of Russia. The plant covers more than 55% of energy demand in Saint Petersburg city and the Leningrad Region. Currently, the company is actively pursuing construction of replacement facilities – VVER-1200 pressurized water reactors of generation III+ at LNPP-2 site.

By the end of 2022, four power units (two RBMK-1000 LNPP-1 units and two VVER-1200 LNPP-2 units) and 6 condensing

steam turbines have been in operation. The installed electric capacity of the LNPP is 4,337.6 MW, and its heat capacity is 375 Gcal/h. Decommissioning of the last RBMK-1000 uranium-graphite channel-type reactors No. 3 and No. 4 is scheduled for 2031–2032, commissioning of VVER-1200 power unit No. 7 is scheduled for 2031. In total, in 2022, LNPP generated 31 bln kW-h of electricity.

Since the commissioning of electrical capacity at LNPP is of substitution nature in lieu of the equipment being decommissioned, the installed capacity will increase only slightly, which is not expected to have any significant impact on the competitive position of TGC-1.

Kolskaya NPP

Kolskaya NPP, a branch of Rosenergoatom Concern JSC, is located 170 km south of Murmansk and 11 km away from Polyarniye Zori settlement on the bank of Imandra Lake. Kolskaya NPP is the main electricity supplier for Murmansk Region (about 60%) and for the Republic of Karelia.

Currently, 4 power units are in operation with VVER-440 reactors and K-220 steam turbines with a total electric capacity of 1,760 MW, which is about 50% of the installed capacity in the region, and a heat capacity of 125 Gcal/h. In 2018–2019,

large-scale repair works were carried out extending the service life of power unit No. 1 and power unit No. 2 to 2033 and 2034, respectively.

During 2022, the Kolskaya NPP generated 10.4 bln kW-h, which is 11.4% more than last year.

The potential annual generation capacity of Kolskaya NPP is 14 bln kW-h of electricity. Today, the capacity of Kolskaya NPP is not fully used, which paves the way for further development of industry in the region.

Kirishskaya GRES

Kirishskaya GRES, located in the city of Kirishi in the Leningrad Region on the Volkhov River, 150 km south-east of Saint Petersburg, is the largest thermal power plant of the United Energy System of the North-West, providing about 6% of electricity generation in the country and the most similar in terms of production and technological cycles to the combined sources of TGC-1.

By the end of 2022, the total installed capacity of Kirishskaya GRES was as follows: electric capacity – 2,555 MW, heat capacity – 1,070 Gcal/h, including steam turbine output – 1,070 Gcal/h. The plant passed a competitive selection for capacity modernization and in 2022–2025. will be modernized in stages (the first stage, the reconstruction of the turbine generator TG-2T with a capacity of 65 MW, has been completed). In 2022, Kirishskaya GRES in total produced 4.9 bln kW·h of electric energy and 2,565 thou. Gcal of heat energy.

North-Western CHPP

North-Western CHPP of Inter RAO – Electric Generation, JSC located in the Primorsky District of Saint Petersburg on the coast of the Gulf of Finland, is the first power plant in the Russian Federation of the CCGT binary cycle.

The total electrical capacity of the North-Western CHPP is 900 MW, and the thermal capacity is 700 Gcal/hour. In 2022, electricity generation amounted to 5.7 bln kW·h, and heat output was 5,648 thou. Gcal.

South-Western CHPP

South-Western CHPP is the base source of heat and electricity for new districts in the south-west of the Primorsky District of Saint Petersburg and a multifunctional housing complex Baltiyskaya Zhemchuzhina (Baltic Pearl). Its sole shareholder is the constituent entity of the Russian Federation – the federal city Saint Petersburg, represented by the Property Relations Committee.

At the end of 2022, the installed electrical capacity of the plant was 460 MW, the heat capacity was 470 Gcal/h. In 2022, electricity output was 3 bln kW·h and heat output was 1,236 thou. Gcal.

New Generation Facilities

According to the approved Agenda and Program for Development of the UPS of Russia for the period up to 2028 and the results of the selection of RES projects conducted by ATS, JSC, the following generation is expected to appear in the presence regions of the Company:

- Kola WPP of Enel Rus Wind Kola LLC (commissioning of the second stage of the remaining capacity is scheduled for the 1st quarter of 2023), the design capacity of the wind farm is 201 MW, the capacity of the first stage put into operation is 170 MW;

- Beloporozhskaya HPP-1 and Beloporozhskaya HPP-2 of Nord Hydro, JSC in the Republic of Karelia (commissioning postponed to 2023), total installed capacity – 49.8 MW;
- SHPP “Segozerskaya HPP”, JSC of EuroSibEnergohydrogeneration in the Republic of Karelia (2024), installed capacity – 8.1 MW.

Including the plans that are not yet included in the calculation of load balancing at the North-Western IPS:

- WPP Svritsa, LLC, Leningrad Region, capacity – 69 MW (2024).

HEAT ENERGY MARKET

TGC-1 supplies heat energy to the territories in Saint Petersburg, Leningrad Region (Branch “Nevsky”), Murmansk Region (Branch “Kolsky”, Murmanskaya CHPP, JSC), and the Republic of Karelia (Branch “Karelsky”).

Saint Petersburg



Today, the main producers of heat energy in Saint Petersburg are as follows:

- TGC-1, PJSC;
- TEC of Saint Petersburg, SUE;
- Peterburgteploenergo, LLC;
- Branch “North-Western CHPP” of Inter RAO – Electric Generation, JSC;
- South-Western CHPP, JSC.

Structure of Heat Energy Market in Saint-Petersburg as of 31.12.2022

Heat Provider	Average annual installed heating capacity, Gcal/h	Connected heat load, Gcal/h	Heat output to consumers, thou. Gcal	Thermal energy generation, thou. Gcal	Market share, %
TGC-1, PJSC	11,150	10,445	19,787.26	19,571.18	42.3
TEC of Saint Petersburg, SUE	8,975	10,153	19,786.77	13,818.47	42.3
Peterburgteploenergo, LLC	2,297	1,669	3,039.1	3,041.19	6.5
Branch “North-Western CHPP” Inter RAO – Electric Generation, JSC	700	439	1,830	1,850.23	3.9
South-Western CHPP, JSC	470	445	1,224	1,236.46	2.6
TEPLOENERGO, LLC	927	686	1,089	1,077.80	2.3

In addition, there are some other heat providers in Saint Petersburg with a heat output of less than 1,000 thou. Gcal per year, their aggregate contribution to the useful output does not exceed 5%.

In order to develop the heat business and expand heat supply zones, TGC-1 together with St. Petersburg Heating Grid, JSC, continues to work on switching the heat supply zones for the boiler houses of TEC SPb, SUE to the heat supply zones of heat sources of the Branch “Nevsky”. Thus, the total heat load of the boiler houses of the TEC SPb, SUE planned for switching to the CHPP of the Branch “Nevsky” until 2025 is 393 Gcal/h.

In 2022, as part of updating the St. Petersburg heat supply scheme for 2023, TGC-1 was appointed as the unified heating supply company for the additional heat supply zone, the total heat load of consumers in which is about 37 Gcal/h.

Leningrad Region

In the Leningrad Region, TGC-1 is a heat provider for the Vsevolozhsky and Lodeynopolsky Districts.

In the Lodeynopolsky District, all heat energy generated by the electric boiler belonging to TGC-1 is sold to Leningrad Regional Heat and Power Company, JSC, a wholesale purchaser / reseller that supplies heat to consumers in Svirstroy settlement.

Severnaya CHPP-21 of Branch “Nevsky” of TGC-1 is the main source of heat for consumers in municipal structure “Murinskoe Rural Settlement” and municipal structure “Novodevyatkinskoe Rural Settlement” in the Vsevolozhsk Municipal District of the Leningrad Region.

Pravoberezhnaya CHPP-5 of the Branch “Nevsky” of TGC-1 is the main heating energy source for consumers in Kudrovo town.

Murmansk Region

Apatitskaya CHPP of the Branch “Kolsky” of TGC-1 is the sole source of heat for towns Apatity and Kirovsk.

In addition to Apatitskaya CHPP, another heat provider in the Murmansk Region is a subsidiary of TGC-1, the Murmanskaya CHPP, JSC, which is a strategic provider of heat energy in Murmansk; a share in heat sales is about 72%. Only Murmanenergosbyt, JSC can be considered a competitor of Murmanskaya CHPP, PJSC.

Republic of Karelia

Branch “Karelsky” is selling heating energy, including heat produced by Petrozavodskaya CHPP, to Petrozavodsk, as well as the Prionezhsky and Pryazhinsky Districts of the Republic of Karelia.

For improving its performance in the heat supply market, the Company makes continuous efforts to connect new consumers, maintain high quality of provided services, and reduce the amount of outstanding receivables.

Net supply of thermal energy in 2020–2022 , thou. Gcal

	2020	2021	2022
Net supply to consumers	19,242	21,663	21,190
Heat energy for loss compensation	2,182	2,343	2,272
Total	21,424	24,006	23,462



1. THE SUSTAINABLE DEVELOPMENT STRATEGY OF TGC-1

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SUSTAINABLE MANAGEMENT

system

GRI 2-22, GRI 2-23



STRATEGY OF TGC-1

The Company is guided by the **TGC-1 Sustainable Development Policy³**,

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 of Company operation, following the principles of environmental and social responsibility.



KEY OBJECTIVES:

- development of economic potential;
- efficient management of TGC-1 Group entities;
- responsible production and consumption;
- environmental protection;
- respect for human rights;
- assistance in socio-economic development of the regions of the Russian Federation.

³ Approved by Resolution Board of Directors of TGC-1, PJSC dated 04.10.2022, Minutes No. 37.



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

In 2022, the implementation of Gazprom, PJSC Electric Power Industry Strategy for 2018–2027 continued. It provides, in particular, 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.

THE SUSTAINABLE DEVELOPMENT STRATEGY OF TGC-1

The fundamental document that determines vectors of activities of TGC-1 in the field of sustainable development is the Policy of TGC-1, PJSC in the field of sustainable development, approved by the Board of Directors of the Company on 04.10.2022 (Minutes No. 37 of 04.10.2022). The Policy establishes the mission, goals, principles and obligations of TGC-1 in the field of sustainable development, fixes the main implementation mechanisms and the system for managing activities in the field of sustainable development, and also determines the mechanisms for monitoring and assessment of activities for TGC-1 in the field of sustainable development.

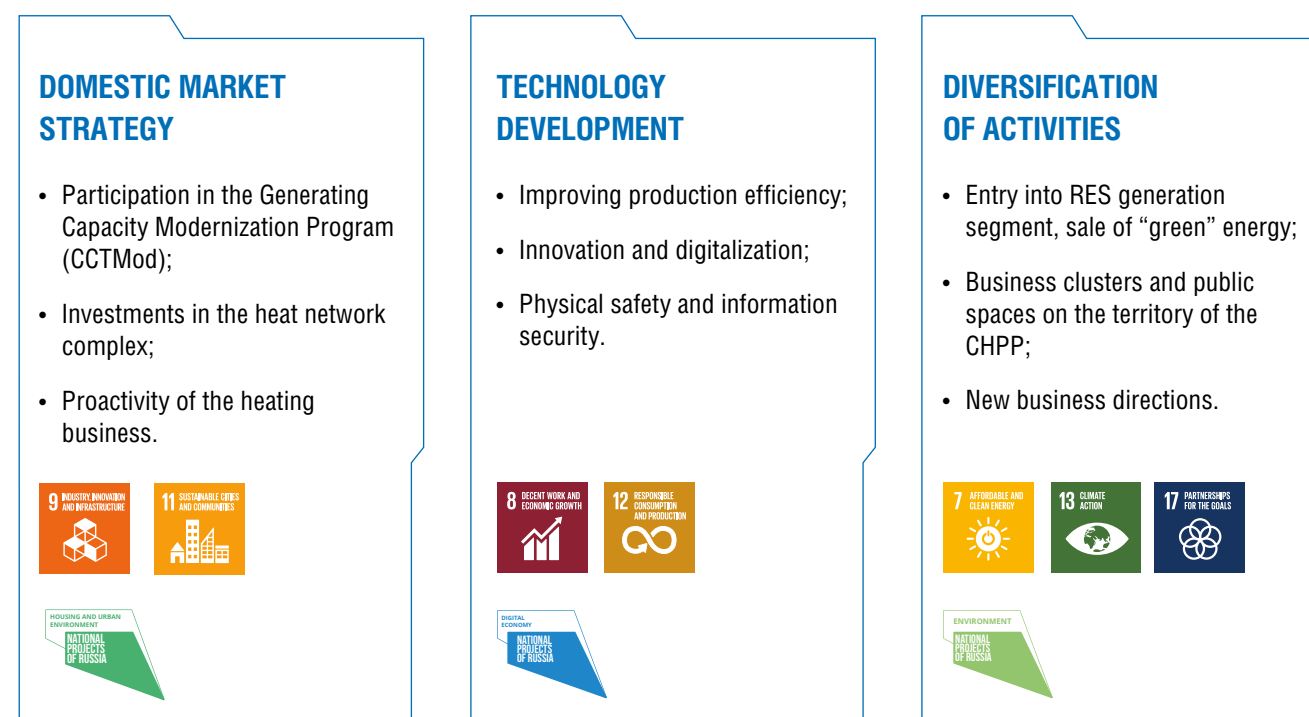
The main tool for planning activities for the long term is the Development Strategy of TGC-1 for 2018–2027, approved by the Company's Management Board, and 9 roadmaps for key areas of its implementation that are taken into account at the level of medium- and short-term planning when forming the budget and investment program of TGC-1, including a roadmap in the field of sustainable development, developed as a result of an audit of the business processes operating in the Company. The implementation of the roadmap contributes to the formation

of a competency governance system in the field of sustainable development of TGC-1 and to increase awareness and involvement of the Company's personnel.

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

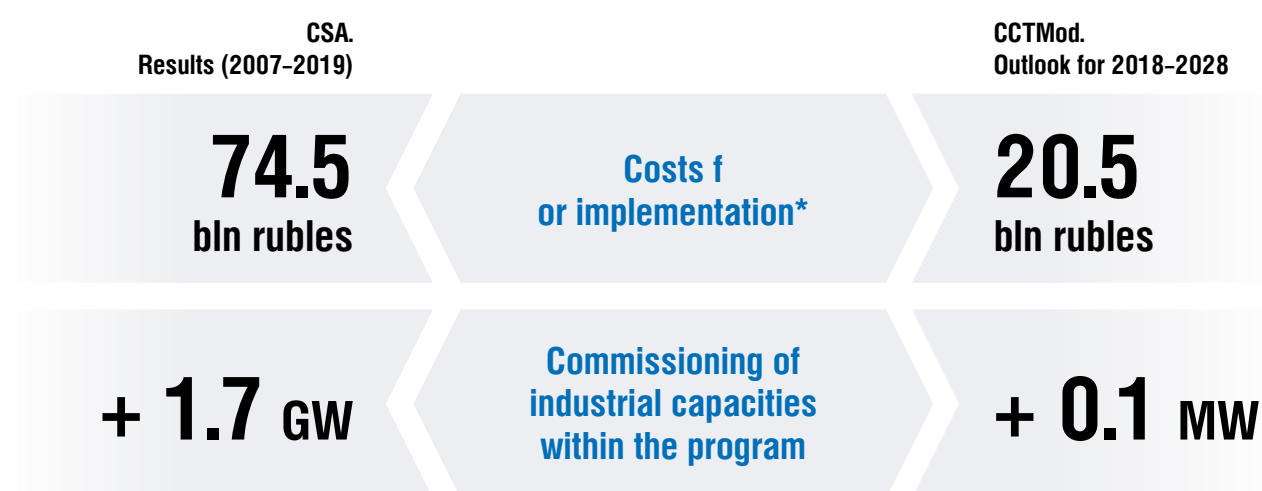
The strategy is presented in two scenarios of development, the conservative and optimistic ones. In any scenario, TGC-1 has a stable financial and economic situation. The choice of the scenario depends on the guarantees of return on investment from the electricity and capacity market.

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



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 business units of the governance company that are aimed at improving energy efficiency, introducing innovations and rationalization initiatives, reducing the carbon footprint, diversifying activities, and interacting with stakeholders.

PARTICIPATION OF TGC-1 IN A NEW CAPACITY CONSTRUCTION AND MODERNIZATION PROGRAMS



* VAT exclusive.

CONTRIBUTION OF THE COMPANY TO 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, staff development, to promote of socio-economic development of the regions of its presence and improving of corporate governance quality. The Company identifies 6 priority goals, the implementation of which contributes both based on its strategic priorities, and as part of the participation and support of projects aimed at improving the life quality in the regions of presence, the development of science and education, and environmental protection.

GOALS / NATIONAL PROJECTS



RESULTS

- In 2022, work was completed to modernize hydroelectric unit No. 3 at the Verkhne-Tulomskaya HPP. The plant's installed capacity increased by 8 MW to 292 MW.
- A project is being implemented to build the Arktika HPP with a capacity of 16.5 MW in the Murmansk Region as part of the mechanism for stimulating the use of RES in the wholesale electricity and capacity market.
- The volume of environmentally friendly generation as of January 31, 2022 amounted to 13,136,298.3 GW.
- The first stage of modernization of the Avtovskaya TPP has been completed as part of the CCTMod 22-24 program.
- As a result of the project implementation, we expect a cumulative fuel effect of ↓10%.
- Implementation of the Energy saving and energy efficiency program of TGC-1 for 2019–2023. Effect in 2022: 8,166 tons of standard fuel, 9,359 thou. kW·h and 281 Gcal; 55.1 mln rubles.
- Implementation of the Action Plan to increase operating efficiency and optimize costs. Effect in 2022: 448.4 mln rubles.
- The certificates of conformity of the QMS with the requirements of Organization Standard – STO Gazprom 9001-2018 and ISO 9001:2015 (GOST R ISO 9001-2015) standards were confirmed.



- We have launched a mobile application for customers to make comfortable payments in the App Store and NashStore. When using it, remote payment without commission, transmission of meter readings, getting of receipts and monitoring of accruals are available.
- The Net supply of “green” energy in 2022 is 11.6 bln kW·h.
- We sell our “green” energy through direct bilateral sales contracts in the wholesale and retail markets.
- During this time, our partners have become:



MANAGEMENT'S APPROACH TO ENSURING THE SUSTAINABLE DEVELOPMENT OF THE COMPANY IN THE ECONOMIC, ENVIRONMENTAL AND SOCIAL SPHERES

GRI 2-23, GRI 2-24, GRI 2-17

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' resolution dated 30.04.2021 (Minutes No. 3576), and the most relevant business goals in sustainable development are integrated into the system of strategic targets. TGC-1 endorses the initiative of Gazprom and plans to contribute to the achievement of the selected SDGs (sustainable development goals).

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 sustainability activities as a priority area for the Company (Minutes No. 22 dated 31.12.2021). Therefore, we are currently focused on the building of an effective sustainable development management system and have assumed corresponding obligations to shareholders. The Sustainability Policy of TGC-1, PJSC approved at the end of 2022 (Minutes of the Board of Directors No. 37 dated October 4, 2022) defines the mission, main goals and principles of the Company in this area.

In October 2022, the Action Plan ("road map") in the field of sustainable development was approved, developed as a result of audit of business processes operating in TGC-1. Among the activities carried out in 2022 in terms of the development and approval of key documents in the field of sustainable development is the adoption of the Policy of TGC-1, PJSC in the field of sustainable development (approved by the Board of Directors on 04.10.2022, protocol No. 37 of 04.10.2022), as well as activities aimed at disclosure of information in the field of sustainable development.

The Plan of Activities in the field of sustainable development also provides for monitoring the implementation of the Roadmap and consideration by the Board of Directors of annual reports on the results of activities in the field of sustainable development. The inclusion of issues related to the implementation of the sustainable development agenda in the Company's operations in the list of issues considered by the Board of Directors and Committees under the Board of Directors ensured maximum absorption of the members of the Board of Directors in ESG subject matter during the reporting period, allowing them to gain new knowledge and competencies, ex-

pand experience and develop skills, which gave impetus to the development of the Company in this trend.

Responsibility for the implementation of measures in the field of sustainable development is assigned to the Corporate Affairs Department in accordance with Order No. 134 of TGC-1, PJSC dated August 12, 2022. The same Order appointed structural units responsible for the implementation in business function areas.

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

→ Chief Engineer

environmental responsibility, energy efficiency and resource saving, energy and heat production;

→ HR Director

corporate social responsibility;

→ Head of the Training Center

staff training;

→ Branch directors, Deputy Managing Director for Development and Property Management, Head of the Public Relations Department

interaction with the state authorities in the regions of operating and creation of a favorable social climate for the Company's effective development;

→ Head of the Corporate Affairs Department

corporate governance;

→ Deputy Managing Director for Economics and Finance

economic prosperity;

→ Head of the Public Relations Department

charity.

RESPECT FOR HUMAN RIGHTS AND EQUAL OPPORTUNITIES

GRI 405-2, GRI 406-1, GRI 412-2

The Company guarantees employees protection against any form of discrimination, as defined by the current legislation of the Russian Federation and by accepted norms of international law. When administrating staffing policy, wage policy, social security policy, any preferences based on nationality, gender, age, etc. are prohibited.



An employee who believes that he is not protected from discrimination can apply for protection to the Commission on Corporate Ethics by:

1. messages by e-mail: kodeks-info@tgc1.ru;
2. by phone "hot line": +7 (812) 688-33-38.

The Company is guided by the principles in the field of human rights protection set forth in international and Russian documents: The Universal Declaration of Human Rights, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Labor Code of the Russian Federation, etc. Obligations to respect human rights are enshrined in the Code of Corporate Ethics and the Company's Sustainable Development Policy, which are binding for TGC-1 and its subsidiaries and recommendatory for contractors and other business partners.

In 2022, training was conducted workforce rights issues by the employer. The following training courses were organized:

- "Reform of labor legislation. Fundamental changes in law enforcement practice based on decisions of the Constitutional and Supreme Courts of the Russian Federation";
- "Currently central updates in labor legislation. Peculiarities of legal regulation of staff records management in 2022–2023".

Key activities implemented by the Company in the framework of ensuring compliance with observance of human rights:

- 1 ensuring a competitive level of wages and a social package for employees;
- 2 support and development of high-quality professional education for employees;
- 3 comprehensive motivation of each employee to achieve goals of TGC-1;
- 4 protection of labor rights, including freedom of association and the right to conduct collective bargaining;
- 5 guaranteeing employees equal rights and protection from any form of discrimination, including on gender, ethnicity, age and other grounds;
- 6 prevention of the use of child and slave labor;
- 7 creation and development of an objective and effective system for evaluating the personal contribution of each employee of TGC-1;
- 8 promotion of a healthy lifestyle and sports among employees and the population of the regions of presence;
- 9 ensuring compliance of the professional level of employees with the requirements of TGC-1.

There were no cases of discrimination, use of forced or child labor, or other violations of human rights in the Company in 2022.

KEY RESULTS OF THE STRATEGY

implementation in 2022

GRI 2-24

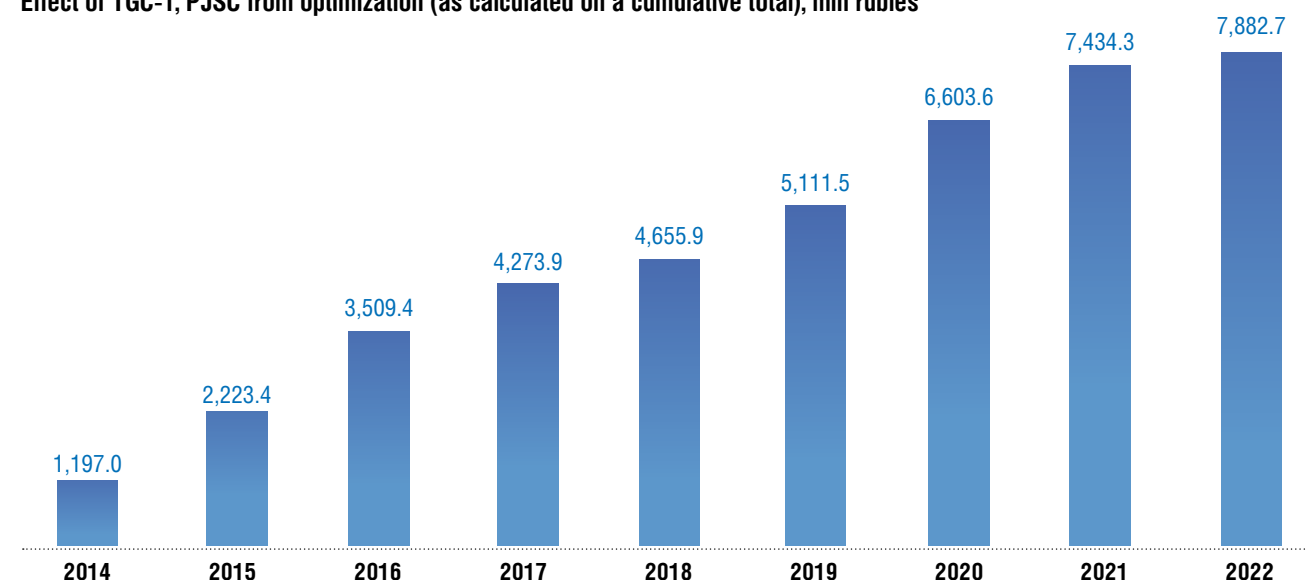
TGC-1 is continuously working to improve its operating efficiency and is implementing the cost optimization plans for improving its financial performance. The Company draws up and implements plans for a number of areas (measures) on an annual basis.

In 2022, the Company carried out the following activities to improve its 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;
- reduced cost of fuel, goods, works and services through the use of competitive procurement methods;
- fuel costs were optimized through participation of the Company in bidding on Saint Petersburg International Mercantile Exchange (SPIMEX, JSC);
- steps were taken to optimize warehousing: the inventories not demanded by production and the decommissioned equipment were sold;
- non-core assets were sold, etc.

The overall effect of the action plan aiming to increase operating efficiency and optimize costs of TGC-1 at 2022 year-end amounted to 448.4 mln rubles.

Effect of TGC-1, PJSC from optimization (as calculated on a cumulative total), mln rubles



Further actions to increase operating efficiency and optimize costs of TGC-1 will be taken in 2023.

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 support program for RES in the wholesale and retail electricity (capacity) markets.

In 2022, the construction project of a small HPP in the Murmansk Region, prepared by TGC-1, received a positive state expert conclusion report. The design documentation and the results of engineering surveys for the construction of a small hydropower plant of TGC-1 with a capacity of 16.5 MW on the Paz River in the Murmansk Region received a positive conclusion from the FAI Glavgosexpertiza of Russia. The developed technical solutions for the construction of a small HPP are recognized as meeting the requirements of the current technical regulations, including environmental and sanitary and epidemiological requirements, industrial safety requirements, regulatory and technical documentation and the Town Planning Code of the Russian Federation.

Design and survey work for the construction of a small HPP was carried out by "Vedeneev VNIIG", JSC. Based on the results of the work, the site of the future construction was examined, the optimal placement of facilities, the composition of power equipment and plant configuration for the new power plant were determined. During the development of the project, information modeling tools were used and modern technical solutions were applied in the field of construction of hydraulic structures and automation of the facility.

The small HPP will be equipped with Russian-made main and auxiliary equipment. The construction of the facility will make it possible to efficiently use the existing water and energy regime of the Paz River, improve the reliability and quality of energy supply, and provide additional capacity for the development of the economy of the Murmansk Region.

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 Region with an installed capacity of 24.9 MW. In 2022, as part of the implementation of this project, which is managed by TGC-1 design and survey work has begun.

In accordance with the decisions of the Government of the Russian Federation, the second stage of the RES support program 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 (wind power plants) and SHPPs (small hydro 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.

"GREEN" CERTIFICATES (ENERGY ORIGIN CERTIFICATES):

- In January 2022, TGC-1, PJSC entered into an agreement for the sale and purchase of "green" certificates with the engineering and production company Teplocom (IVTrade, LLC). As a result, Teplocom completely switched to the use of energy from renewable sources. TGC-1 carried out full support of the transaction, i. e. issued certificates of the international standard I-REC on its bank-account and canceled them in favor of the consumer. The certificates were supplied further to public price inquiry.
- In March 2022, the international certificate system, the I-REC, which confirms the production of electricity from renewable energy sources, suspended work in Russia due to sanctions imposed by the UK on Russia.
- As part of the implementation of the state comprehensive program of the Russian Federation "Energy Development", a Russian system for the circulation of certificates of origin of electricity for renewable energy sources and low-carbon generating facilities (including NPPs and large HPPs) is being created. It is planned that by 2024 this system will fully confirm the low-carbon nature of electricity generation (in the amount of at least 200 bln kW-h per year), which will contribute to the growth of the investment potential of the REI.

CORPORATE SUSTAINABLE

development management system



OUR POLICY

The Company is guided by the Policy of TGC-1, PJSC in the field of sustainable development, approved by the Board of Directors of the Company (Minutes No. 37 dated 04.10.2022),

in accordance with which:



THE CORPORATE MISSION

is to make a positive contribution to the social and economic development of the Russian Federation and other regions of Company operation, following the principles of environmental and social responsibility;



KEY OBJECTIVES:

- socio-economic development of the regions of operation;
- 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;
- environmental protection, resource and energy saving.

OUR VALUES

GRI 2-15, GRI 2-23

PROFESSIONALISM

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

SUCCESSION

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

LEADERSHIP ROLE

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

OPENNESS TO DIALOGUE

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

LEAN APPROACH

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

IMAGE

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

The corporate values of the Company are determined by the Code of Corporate Ethics of TGC-1, PJSC (approved by the decision of the Board of Directors dated 09.09.2022 Minutes No. 35 dated 09.09.2022), which establishes the Company's corporate values and regulates the most important rules of business conduct based on them and adopted by the Company, among which are issues of conflict of interest, joint work of relatives, receiving gifts, relations with competitors and counterparties, countering corruption, and others.

The Business Integrity Committee monitors compliance with the requirements and provisions of the Code. In accordance with the Regulations on the Commission on Corporate Ethics of TGC-1, PJSC dated 04.12.2019 (as amended on 30.10.2020), the Commission on Corporate Ethics, on the basis of applications received by it, makes decisions aimed at clarifying the provisions of the Code of Corporate Ethics and the procedure for its application, and also takes measures to prevent or eliminate a conflict of interest, and if it is impossible to eliminate a conflict of interest, it limits the conflict of interest and (or) its consequences. Based on

The main part of the procedures aimed at preventing and resolving conflicts of interest is carried out by the Department for the Protection of Corporate Interests.

TGC-1 pays special attention to incoming appeals from citizens and legal entities, including those submitted through law enforcement agencies (police, public prosecutor's office, FAS, etc.). In each particular case, the grounds for an appeal is objectively and comprehensively reviewed with the participation of the Responsibility Centers (of employees of the Company in respect of whom the appeal was sent) and of employees of the Corporate Protection Unit of TGC-1, PJSC.

If the reasons in support of a claim are confirmed, then an internal audit is carried out in relation to the employee who committed the violation of local regulations of the Company in order to ascertainment of guilt and to disciplinary action against.

No critical issues were identified through the Corporate Protection Unit requiring the attention of the Board of Directors of TGC-1 in the reporting period.

the results of processing received appeals, the Commission checks for signs of violations of the Code. The persons concerned may send applications to the Commission to the following e-mail address: kodex-info@tgc1.ru or notify by telephone hotline: +7 (812) 688-33-38.

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

The personnel of the organization study 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 programs for young workers. 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".

AS PART OF THE PROCEDURES APPLIED IN TGC-1 AIMED AT PREVENTING AND RESOLVING CONFLICTS OF INTEREST, ORDER NO. 225 DATED NOVEMBER 10, 2020 APPROVED:

- Regulations on the Conflict of Interest Commission of TGC-1, PJSC (this Commission operates regularly);
- 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.

CORPORATE GOVERNANCE CODE⁴

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 dd 10.04.2014.

⁴ Detailed information on compliance with the Corporate Governance Code can be found in the Annual Report of TGC-1, PJSC during 2022.

CORPORATE GOVERNANCE BODIES

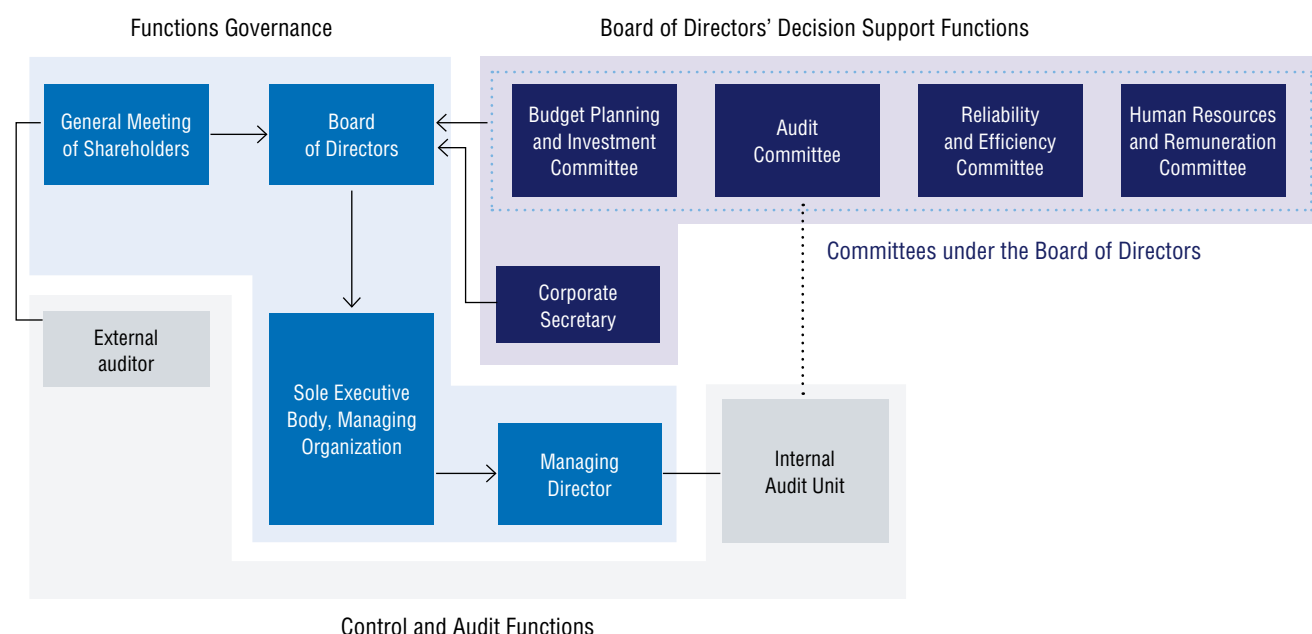
GRI 2-9, GRI 2-13

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, as well as about their activities can be found in the Annual Report of TGC-1, PJSC for 2022.

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.

Corporate governance structure



Detailed information about the structural units responsible for environmental, social and economic issues within the Company is provided in Appendix 6.

In June 2021, over the Managing Committee for Sustainable Development of Gazprom Energoholding Group 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, OGC-2 and MOEK.

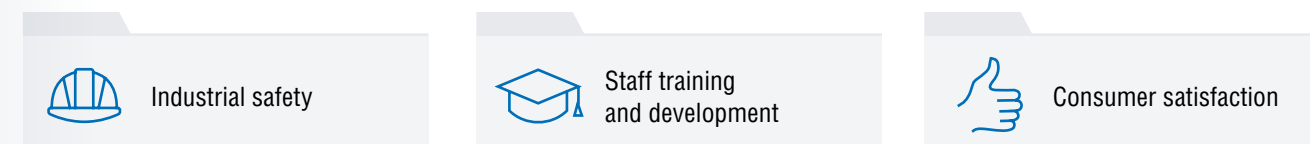
The created Committee has the following main tasks:

- ✓ defining the principles and key actions in the area of sustainable development in Gazprom Energoholding Group companies and procedure for their implementation;
- ✓ ensuring a unified policy and general coordination of the activities of Gazprom Energoholding Group companies in sustainable development.

KEY PERFORMANCE INDICATORS

In order to achieve long-term and short-term business objectives, the TGC-1 Group companies have introduced a unified motivation and incentive system for managers aimed at meeting Key Performance Indicators (KPIs).

SUSTAINABLE DEVELOPMENT KPIS INCLUDE:



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), which has been certified since 2021.

In the 4th quarter of 2022 the 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) for purposes of production and sale of electric energy and power, thermal energy, thermal power, heat carrier, heat transfer, and heat carrier.

Successful completion of an inspection audit of the QMS, the analysis of effectiveness of business processes carried out in the Company and an analysis of the functioning of the QMS as a whole:

- confirm 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;

- provide an opportunity for further integration of risk management system, energy management system and quality management system;
- witnesse an increase in the effectiveness of feedback from the consumer;
- contribute to improving the quality of operational management and the quality of managerial decision-making.

On ongoing basis, TGC-1 increases the involvement of employees in improvement activities, so in 2022 an electronic training course "Requirements of ISO 9001:2015 and STO Gazprom 9001-2018" was developed and launched.

ENERGY MANAGEMENT SYSTEM

TGC-1 successfully operates an Energy Management System (EnMS) that meets the requirements of ISO 50001:2018 and has been certified since 2020. 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 EnMS takes into account the legislative and regulatory requirements that the Company must comply with, and enables it to apply a systematic approach to the continuous improvement of its energy efficiency. The EnMS forms a management infrastructure on a systematic basis and creates organizational tools for assessing the current level of energy efficiency, determining the potential for its increase, developing and monitoring activities aimed at improving energy efficiency.

RISK MANAGEMENT

GRI 2-9, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-25

DESCRIPTION OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk Management and Internal Control System (RM&ICS) as a set of interrelated organizational measures and processes, organizational structure, local regulations of the Company, other documents, methods and procedures (regulations, acceptance criteria, standards and guidelines), corporate culture norms and actions taken by employees structural subdivisions of the Company, aimed at providing sufficient guarantees for achieving goals and solving problems.

The RM&ICS applies to all activities of the Company (including branches) and its subsidiaries, includes all levels of management and activities, all risks of the Company.

The Risk Management and Internal Control Policy (hereinafter referred to as the RM&IC Policy) approved by the decision of

the Company's Board of Directors dated September 9, 2022 (Minutes No. 35 dated September 09, 2022),⁵ which defines the unified basic principles and approaches to the organization of the RM&ICS, establishes the components of the system, its goals and objectives, and also determines the main tasks and distribution of powers of the RM&ICS participants.



In 2022, TGC-1 approved the main internal regulatory documents that regulate the principles and approaches to the construction and operation of an effective RM&ICS:

- Regulations on the Operational Risk Management (appr. by Order No. 146 of September 7, 2022);
- Foreign exchange risk management Regulation (appr. by Order No. 146 of September 7, 2022);
- Foreign exchange risk management Regulation (appr. by Order No. 146 of September 7, 2022);
- Foreign exchange risk management Regulation (appr. by Order No. 146 of September 7, 2022);
- Methodology of Reporting RM&ICS (appr. by Order No. 77 of May 11, 2022).

GOALS AND OBJECTIVES



THE GOALS OF THE RM&IC SYSTEM:

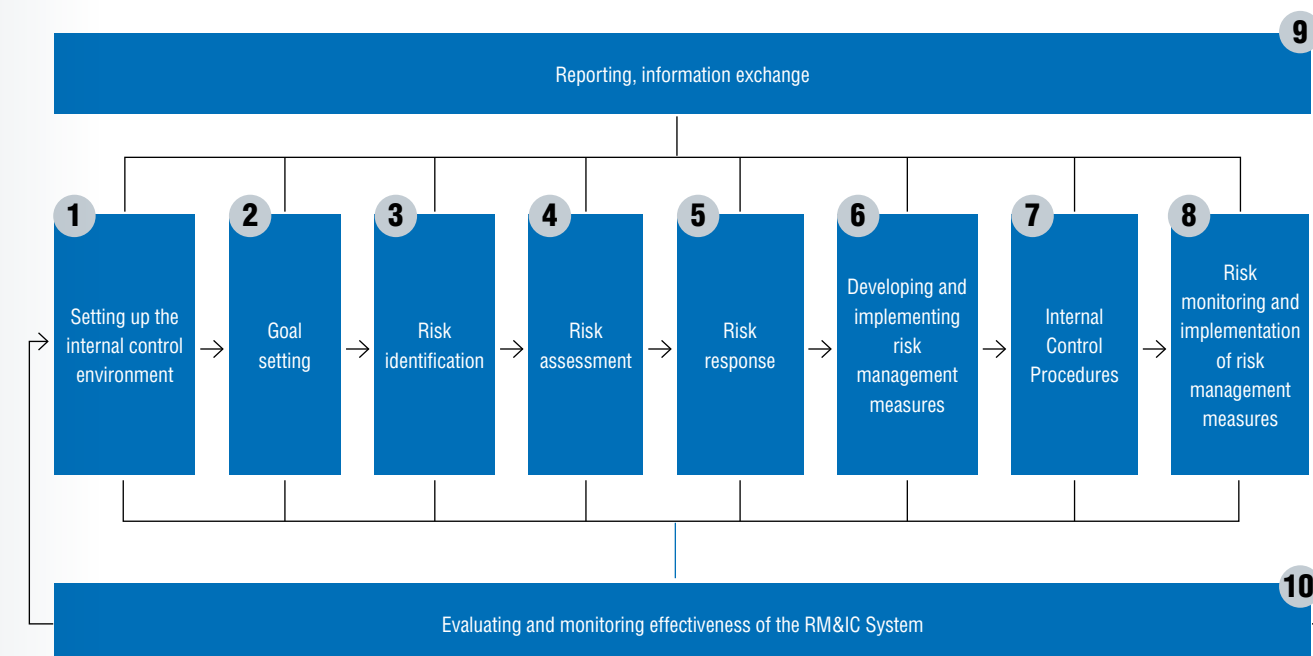
- Ensuring sufficient confidence in achievement by the Company of its objectives;
- Ensuring proper control over the financial and economic activities of the Company.



THE OBJECTIVES OF THE RM&IC SYSTEM ARE AS FOLLOWS:

- Supporting systematic risk identification and risk assessment processes;
- Enabling effective risk management and enhancing the risk management processes;
- Developing possible responses to risk and methods of risk monitoring;
- Establishing maximum tolerable and threshold risk levels;
- Developing Internal Control Procedures (ICPs) for timely response to risk;
- Timely identifying deficiencies, deviations, and violations in the ICPs;
- Developing a methodological basis for the RM&IC System;
- Producing the Company's regular and unified reporting on the RM&IC System.

RM&IC SYSTEM COMPONENTS



⁵ The RM&IC Policy of the Company is available on its corporate website of TGC-1, PJSC at: <http://tgc1.ru/about/governance/bylaws/>

PARTICIPANTS IN THE RM&ICS

In accordance with the RM&IC Policy, the participants of the Company's RM&ICS are:

at Gazprom, PJSC level:

- Risk Management and Internal Control Division (hereinafter referred to as RM&ICD);

at the Company level:

- | | |
|---|---|
| • Board of Directors of the Company; | • business process owners; |
| • Audit Committee of the Board of Directors; | • owners (co-owners) of risks; |
| • Sole executive body (hereinafter – SEB); | • responsible for the implementation of risk management measures; |
| • Collegial body (Operating Committee of the Company); | • risk coordinators; |
| • Center of Responsibility for Risk Management and Internal Control (RM&IC CR); | • owners (co-owners) of internal control procedures; |
| • structural divisions and employees of the Company; | • responsible for monitoring the implementation of internal control procedures. |

THE MAIN FUNCTIONALITY OF THE KEY PARTICIPANTS OF RM&ICS

at Gazprom, PJSC level

RM&ICD

(structural subdivision of Gazprom, PJSC)

- it forms a unified risk management and internal control policy for Gazprom, PJSC and Gazprom Group companies, methodological support for its implementation;
- it coordinates the risk management and internal control activities of Gazprom Group companies.

at the Company level

BOARD OF DIRECTORS

- approves the general policy on Risk Management and Internal Control (RM&IC), including principles and approaches to the organization, functioning and development of the system;
- establishes the maximum tolerable and threshold risk levels;
- shall consider issues associated with organization, functioning and efficiency of the RM&IC, including the results of assessment and self-assessment and, if necessary, gives recommendations on improvement of the system.

AUDIT COMMITTEE UNDER THE BOARD OF DIRECTORS

- monitors the reliability and efficiency of the system operation;
- makes preliminary reviews and provides recommendations to support the Board of Directors in decision-making on issues related to the RM&IC System.

SEB

(managing organization is Gazprom Energoholding, LLC)

- it ensures the maintenance of an efficient RM&IC in the TGC-1 Group;
- it reviews information on critical risks faced by the Company and risk management activities and, if necessary, makes recommendations for improving risk management and monitoring practices;
- it approves the thresholds, financial risk limits for the Company.

COLLEGIAL BODY

(Operating Committee)

- carries out a preliminary review before the Management Bodies of the Company of LNA (local normative act) projects in the field of RM&IC, the results of self-assessment of the effectiveness of the RM&ICS, proposals of the RM&IC CR for the appointment of owners (co-owners) of risks from among the structural divisions of the Company.

RM&IC CR

(Risk Management and Internal Control Department)

- it coordinates the activities of structural divisions for risk management and internal control, determines the risk management and internal control guidelines, and provides consolidated reporting on the system for the management bodies.

BUSINESS PROCESS OWNERS

- ensure functioning of RM&ICS within the frames of a business process.

RISK OWNERS (CO-OWNERS)

(appointed deputy managing directors, area directors, SEB)

- they carry out the implementation of the stages of the risk management process (identification, assessment and monitoring of risk, development, implementation and monitoring of risk management measures, preparation and reporting).

In accordance with the RM&IC Policy, the responsibility for addressing tasks and performing functions in the process of risk management and internal control, as well as methodological support for the implementation of the RM&IC Policy is assigned to the Center of Responsibility for Risk Management and Internal Control (RM&IC CR). The RM&IC CR is the Risk Management and Internal Control Department of the Company (hereinafter referred to as the department of RM&IC). In order to ensure the effective functioning of the RM&ICS in the Company, on July 1, 2020, a Risk Management and

Internal Control Department of the Company was established, which is responsible for solving problems and performing functions in the RM&IC process. The RM&IC-Department is administratively subordinate to the Deputy Managing Director for Economics and Finance, which makes it possible to structurally distinguish the activities of this unit from the activities of structural units that manage risks in their operational activities. The activities of the RM&IC-Department are structurally separate from those of the internal audit, economic security and control-and-audit units.

KEY RISKS

The effective functioning of the RM&IC System is a necessary condition for the achievement of strategic goals by TGC-1.

The Company continues developing and improving its RM&IC System, which enables early identification and analysis of external and internal risks, and development of effective responses to minimize risks.

The Company identifies insignificant, significant and critical risks. Key risks include critical and significant ones.

The Company's risk register for 2022 was reviewed at a meeting of the Company's Operational Committee (minutes of the meeting dated January 27, 2022 No. 01/121-5-ps), included 15 significant risks.

In the second half of 2022, the identification / inventory of risks by business processes for 2022 was updated, taking into

account the actual implementation of risk events for the 1st half of 2022, the assessment of the impact of risk events on the financial performance of the adjusted business plan of the Company for 2022 was updated, the evaluation of risk events for non-financial indicators (health and life of people, environment, reputation) was also updated.

The Company's risk register for 2022 as of June 30, 2022 included 19 significant risks (minutes of the meeting of the Company's Operational Committee dated October 31, 2022 No. 01/121-36-ps).

In 2022, the key risks of the Company were governed by the risk owners through organize measures to governance of key risks.



SUSTAINABLE DEVELOPMENT RISKS

In TGC-1, by decision of the Board of Directors of the Company on October 04, 2022 (minutes dated October 04, 2022 No. 37), the Sustainable Development Policy was approved, which is a public fundamental document that determines the business-functions of TGC-1 in the field of sustainable development, establishes the mission, goals, principles and obligations of the Company, fixes the main mechanisms for the implementation, monitoring, evaluation and management system of activities in the field of sustainable development.

Governance of activities in the field of sustainable development is integrated into the corporate governance system of TGC-1 and is implemented within the framework of the Company's pan-corporate RM&ICS. RM&ICS in TGC-1 includes the identification, monitoring and risk governance, including risks in the field of sustainable development.

As part of achieving the goal of effective governance of the organizations of the TGC-1 Group, the Company systemati-

cally identifies and reduces the impact of risks in the field of sustainable development arising in the course of the activities of the TGC-1 Group. Recognizing that the implementation of activities is subject to and economic, environmental and social factors, TGC-1 takes risk governance measures in order to provide sufficient guarantees to achieve the goals set for the Company by its management bodies.

INFORMATION SECURITY RISK

- ▶ **Risks of failure in the operation of information systems, which can immediately lead to financial losses**
- ▶ **Risks of failure in the operation of information systems not directly related to financial losses**

Characteristics of the risk group

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 (person), which defines a set of requirements, rules, organizational and engineering solutions and practical techniques aimed at protecting the Company's information resources.

Risk governance

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

- increasing the security of information infrastructure;
- 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 the Company, 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;
- raising awareness of employees in the field of information technology and information security, improving the skills of employees of information security and information technology units.

ENVIRONMENTAL RISKS

- ▶ **The risk of sanctions imposed by regulatory authorities for violations of environmental law**
- ▶ **The risk of increased payments for the use of natural resources and the environmental impact**

Risk governance

In order to minimize environmental risks, the Company:

- timely designs environmental documentation and obtains permits;
- implements environmental protection measures to reduce the negative 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;

Characteristics of the risk group

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

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.

- 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.

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.

Taking into account the peculiarities of the operating capacities and regions of the Company's presence, the Board of Directors approved the Environmental Policy of TGC-1, PJSC.

NATURAL AND CLIMATIC RISKS

- ▶ **Natural and climatic risk**

Characteristics of the risk group

The risk of adverse impact of natural and climatic factors (floods, earthquakes, storms and hurricanes, abnormally low /

high outdoor temperatures), which can lead to the following consequences:

- interruptions in the production process of supplying consumers with electricity and heat;
- introduction of gas consumption limits, switching to reserve / emergency types of fuel;
- environment pollution;
- harm to the life and health of employees;
- damage to equipment, accidents.

Risk governance

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, assessment of the impact of economic activity on the environment;
- participation in environmental programs and projects aimed at achieving sustainable development in the regions of presence;
- stimulating research and implementation of innovative projects aimed at improving energy efficiency, using of renewable and alternative energy sources;
- applying the best available technology to the various stages of production activities, including the procurement of technology, materials and equipment.

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

ASSESSING THE EFFECTIVENESS OF THE RM&ICS

TGC-1 assesses and monitors the effectiveness of the RM&ICS through self-assessments, internal and external audits.

Self-assessment of the RM&ICS efficiency is carried out by risk owners in order to improve the reliability and efficiency of the RM&ICS operation, as well as to provide sufficient guarantees for achieving the Company's goals and its task solution. The internal assessment of RM&ICS performance is carried out 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. External evaluation of the effectiveness of the RM&ICS is carried out by the decision of the Company's management bodies.

TGC-1 annually conducts a self-assessment of the effectiveness in accordance with the approach approved by the Methodological Recommendations for self-assessment of the effectiveness of the RM&ICS to determine the directions for the development of the system by business processes. Self-assessment of the effectiveness of the RM&ICS consists of a self-assessment of the risk management system (hereinafter – RMS) and self-assessment of the internal control system (hereinafter – ICS), which is carried out by filling out questionnaires by risk owners. Consolidation and generalization of the results of the self-assessment of the effectiveness of the RM&ICS is carried out by the Risk Management and Internal Control Department⁶.

RM&ICS Self-Assessment Results

The development level of the RM on a whole ensures effective functioning and requires further development.

Grade point is
“GOOD”

Coefficient of concordance
0.77

The level of the ICS development on the whole ensures the effective functioning and requires further development.

Grade point is
“GOOD”

Coefficient of concordance
0.69

The level of development of the ICS (process RM&ICS(N)2) corresponds to the level of “managed” one, the processes, standards of the ICS are integrated with other business processes.

out of 100 possible
71 grade points

The Internal Audit Service assessed the reliability and efficiency of the RM&ICS of TGC-1 for 2021. The results of the assessment of the reliability and efficiency of the RM&ICS were reviewed by the Audit Committee of the Board of Directors (Minutes No. 7 dated May 23, 2022) and the Board of Directors (Minutes No. 29 May 30, 2022) of TGC-1, PJSC and confirm the reliability and efficiency of the RM&ICS of TGC-1.



⁶ Self-assessment made in accordance with the requirements of Order No. ED-7-23/518@ of the Federal Tax Service of Russia dated May 25, 2021.

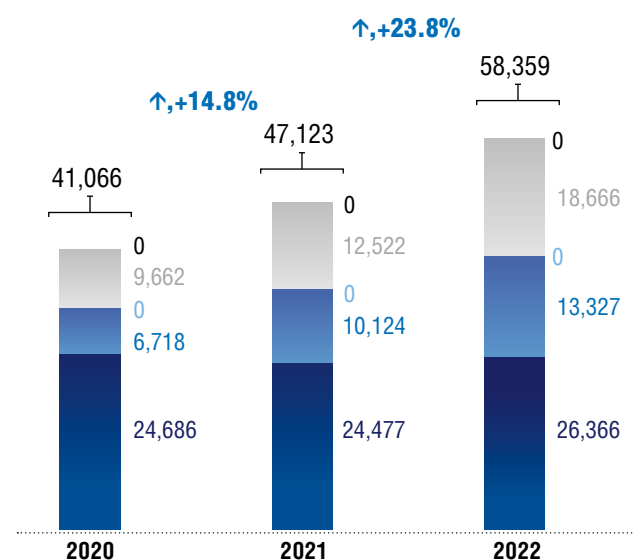
SYSTEM OF REMUNERATION

GRI 2-19, GRI 2-20

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 resolution 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.

Other remunerations
Salaries
Commission fees
Bonuses
Remuneration for participation in the management body activities

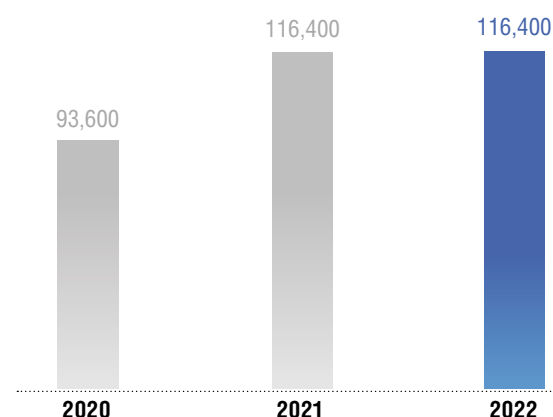
Remuneration for members of the Board of Directors paid in 2020-2022, thou. rubles



By the resolution of the Extraordinary General Meeting of Shareholders of TGC-1, held on 27.09.2019, the powers of the General Director of TGC-1 have been transferred to the management company since 30.09.2019.

The remuneration policy for members of the supreme governance body and senior managers (top managers) is based on the Policy for managing the remuneration of employees of Gazprom, PJSC entities, approved by Order No. 133 of Gazprom, PJSC, dated March 20, 2015. For top managers, a time-based individual remuneration system has been established, i. e. based on salaries assigned to a position with the possibility of paying bonuses for performance results and other payments determined by the relevant Regulations and contracts of employment concluded with employees. The salary includes a fixed part (salary assigned to a position, premiums and increments (bonuses)) and a variable part (regular premiums based on the results for the quarter-, year-results-based and lump-sum payments: premiums for performing a particularly important task / work, non-recurring premiums under awarding state, industry and corporate awards).

Remuneration paid to the management company, thou. rubles, VAT included



Top management remuneration systems are approved by the Board of Directors.

GRI 2-21

The material encouragement systems for top managers, based on the granting of bonus payments for achieving KPIs, is aimed at improving the efficiency of management of production, property and finances of the Company, the expression of interest of top managers in achieving the strategic goals of the Company.

KPIs should motivate employees to achieve the goals set for the Company, objectively evaluate the performance results of top managers and the Company as a whole. The following principles apply when ascertaining KPIs:

- coherence of the KPI system of top managers with the Company's strategy;
- hierarchy of goals, i. e. KPIs of top managers should ensure the fulfillment of the objective and purposes of the Company;
- mandatory availability of KPIs for execution during each period of bonus accrual;
- individuality of KPI is the personal responsibility of top managers for the activities of the specific functional unit;
- measurability and verifiability KPI is a procedure for assessing the performance of indicators, and, as a rule, it is clearly formalized.

The decision to establish premium conditions (the list and target values of KPIs, methodologies for assessing the achievement of indicators, etc.), as well as the decision to assess the achievement of KPIs, can be made by:

- in relation to top managers of TGC-1– the Sole Executive Body (governance organization) of the Company,
- in relation to the top managers of Murmanskaya CHPP, JSC – the Board of Directors of the Company.

KPIs are approved annually according to the procedure established by the Company's local Regulations.

KPIs and reports on their performance are agreed upon by core business centers of Gazprom Energoholding, LLC before approval.

The ratio of annual total reimbursement amount for the highest top-paying employee of the Company to the average annual total compensation for all employees (excluding the highest paid employee) for 2022 is 25.3⁷.



⁷ The data was obtained on the basis of reports on the wages of employees of TGC-1, PJSC and Murmanskaya CHPP, JSC for 2022.

COMBATING CORRUPTION.

Anticompetitive behavior

GRI 2-15, GRI 2-25, GRI 2-26, GRI 2-29, GRI 205-1, GRI 205-2, GRI 205-3

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.

All the anti-corruption measures are implemented in strict compliance with the applicable Russian law.

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 divisions and officials responsible for the prevention of corruption violations have also been assigned. The personnel, when hiring, gets acquainted with the Code of Corporate Ethics related, among other things, to combating corruption issues.

Society in accordance with the requirements of Art. 13.3., Federal Law No. 273-FZ dated December 25, 2008 "On Combating Corruption", the following set of measures in order to prevent corruption (i. e. to reduce the level of corruption risks) has been developed and is being implemented:

- By the decision of the Board of Directors of TGC-1, PJSC dated September 17, 2019, the Code of Corporate Ethics was approved (it was approved in a new edition by the decision of the Board of Directors dated September 9, 2022 (Minutes No. 35 dated September 9, 2022)); its observance and implementation of measures to combat corruption and fraud, and settle conflicts of interest are kept under supervision.
- The management of TGC-1, PJSC took measures to comply with the new requirements of the Corporate Code of Conduct: a Corporate Conduct Commission was set up, a designated email address (kodeks-info@tgc1.ru) and a hotline

(telephone number +7 (812) 688-33-68) were established for receiving information about actions of the Company employees that show signs of corruption and other violations of corporate ethics principles, training was organized for Company employees to familiarize them with the Corporate Code of Conduct.

- The Company makes continuous efforts to prevent corruption and other offenses among its employees.

The Company requires that legal entities participating in procurement procedures disclose information on the chain of ownership, including beneficiaries (and ultimate beneficiaries), as well as the composition of their executive bodies. This makes it possible to identify and manage potential conflicts of interest, including elimination of relationships between the beneficiaries (executives) of a potential counterparty legal entity and the Company's employees with high corruption risk. The Company's employees shall avoid conflicts of interest (a situation

In 2022, there were no confirmed cases of corrupt behavior of the Company's employees.

in which a personal direct or indirect interest of a Company's employee affects or may affect the proper (fair and impartial) performance of their job duties and observance of the Company's interests in general). The procedure for preparing and making a decision on concluding an employment contract with an individual also implies a check to ensure absence of the conflicts of interest.

The Company's Internal Audit Service is assigned a task of verifying that the Company's employees comply with the laws and the Company's internal policies relating to anti-corruption.

The Company's ongoing interactions with the law enforcement authorities are carried out by the departments within the Corporate Protection Division functioning in the Company's Head Office, Branches "Karelsky" and "Kolsky", as well as in the subsidiaries of TGC-1, PJSC. One of the top-priority tasks of the Corporate Protection Business Unit is the prevention and de-

tection of corrupt practices both on the part of the Company's employees and counterparties. During the reporting period, no corrupt practice events and confirmed corruption incidents were identified.

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, PJSC employees have access to these courses. The training includes classes conducted both in person and using remote technologies.

The Company conducts specialized training for profession-oriented employees responsible for the prevention of corruption violations. In total, in 2022, 35 employees of the Company's core business units focused on protecting corporate interests were trained in combating corruption policies and methods.

GRI 2-26

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 2022, the regulatory authorities recorded 1 violation of labor legislation in TGC-1, PJSC. The Prosecutor's Office of the Kemsy district of the Republic of Karelia, upon the appeal of an employee of the Branch "Karelsky", revealed a violation of labor legislation in the Branch activities, namely a violation of Article 62 of the Labor Code of the Russian Federation. The revealed violation occurred for the improper performance of official duties by a HR specialist of the Kemskiye HPPS Cascade of the Branch "Karelsky", in respect of which a disciplinary penalty was applied.

In 2022, the Labour Disputes Commission of TGC-1, PJSC 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 2022, the district courts of Murmansk received 3 appeals from employees of Murmanskaya CHPP, JSC (on the wage debt collection for overtime hours and monetary compensation for delayed payment are partially satisfied; on the cancellation of disciplinary punishment are not satisfied; on the recognition of the Company's order to remove the employee (in connection with the refusal to vaccinate) as illegal are not satisfied).

A list of documents regulating anti-corruption activities at the Company is disclosed in Appendix 8.

PROCUREMENT ACTIVITIES

GRI 2-6, GRI 2-23, GRI 3-3, GRI 204-1

The main purpose of activities of TGC-1, PJSC in the field of procurement is to satisfy the Company's needs for goods, works and services in a timely and complete manner, to enhance the procedure and improve the efficiency of procurement activities.

The key principles of TGC-1, PJSC policy in the field of procurement in 2022:

- creating conditions for satisfying the Company's needs for goods, works, services in a timely and complete manner, and finding a supplier (a contractor, a provider) capable to meet the demands of the customer efficiently and in due time with price, quality and reliability as requested;
- ensuring safe operation of hazardous electric power facilities;
- disclosure in the field of procurement;
- equality, justice, non-discrimination and no undue competition restrictions towards bidding participants;
- targeted and economically efficient expenditure of the Company's cash funds for procurement of goods, works and services (taking into account the life cycle costs of purchased products when necessary) and implementation of measures to reduce the customer's costs and minimize tax risks;
- no restrictions on eligibility for participation in the procurement by establishing unmeasurable requirements for procurement participants;
- creating conditions for competition between business entities in the procurement process in order to obtain the best conditions to meet the Company's needs in terms of price, quality and delivery times in the relevant commodities market;
- maintaining the balance of costs for organizing and conducting procurement procedures and expected economic benefits from their results.

Total volume of procurements planned in 2022 ACPP (excluding purchases under the "Fuel" section) in various production and economic lines amounted to 25,791,560.52 thou. rubles, excluding VAT (with consideration of the readjustments made).

The actual fulfillment of the Company's ACPP in 12 months of 2022 comprised 99% versus the planned procurement volumes.

Out of 1,040 procurement procedures scheduled for 2022, 1,040 procedures, or 100%, were carried out on a competitive basis.

The initial cost of lots amounted to 14,610,620.66 thou. rubles. Competitive procurement procedures allowed for a reduction in prices for the purchase of commodities and materials, works and services for the Company.

The economic effect of the procurement procedures on a competitive basis (excluding purchases under the "Fuel" section) in 2022 amounted to 275,090.00 thou. rubles (2%).

275,090

thou. rubles

The economic effect of the procurement procedures on a competitive basis

Comparative Figures for Competitive Procurement Volumes in 2021–2022

Excluding purchases under the "Fuel" section

Year	Procurement Planned	Procurement took place	% of planned procurement	Initial cost of lots, thou. rubles, ex-VAT	Economic effect of competitive procurement, thou. rubles, ex-VAT	% of initial cost
2021	1,041	1,041	100%	32,061,700.16	537,424.26	1.68%
2022	1,040	1,040	100%	14,610,620.66	275,090.00	1.88%

When conducting procurement in 2022, the Company complied with the legal requirements for procurement announcement, namely:

- all information about planned purchases (Procurement Plan) was posted on the official website <http://zakupki.gov.ru> in the prescribed form;
- all open procurement procedures on a competitive basis were conducted on the official website <http://zakupki.gov.ru>.

Pursuant to the Russian Federation Government Decree No. 616 of June 21, 2012 "On Approval of the Range of Goods, Works and Services for Procurement in Electronic Format", and the Annual Complex Procurement Program, approved for 2022, 100% of the open procurement procedures were conducted in the electronic format on the electronic trading platform ETP GPB <https://etpgpb.ru/>.

Copies of all publications on procurement were posted on TGC-1, PJSC official website www.tgc1.ru, in the Procurement section.



SUPPLY CHAIN

GRI 2-6, GRI 2-29, GRI 301-1

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

The main resource for the production of electric and thermal energy is fuel. Fuel costs also dominate the variable costs⁸.



The structure of fixed costs prevail over the 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 Apatitskaya CHPP of TGC-1, to which coal is supplied under long-term contracts from the Chernogorskoye and Beyskoye coal deposits (Republic of Khakassia), the Sayano-Partizanskoye coal deposit (Krasnoyarsk Territory) and the Karakanskoye coal deposit (Kemerovo Region).

There were no significant changes in the supply chain during 2022.

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 generally selects its suppliers and contractors 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.

⁸ The data in the table are given taking into account subsidiaries included in the accounts of reporting under IFRS.

SUPPLIER CODE (PROVISIONS OF THE CODE OF CORPORATE ETHICS)

The Company builds relationships with contractors on the principles of responsible partnership.

The Company aims to maintain long-term, stable, mutually beneficial relations with consumers and (or) contractors, for which the Company is constantly take measures to improve the stability and reliability of supplies, transparency of pricing.

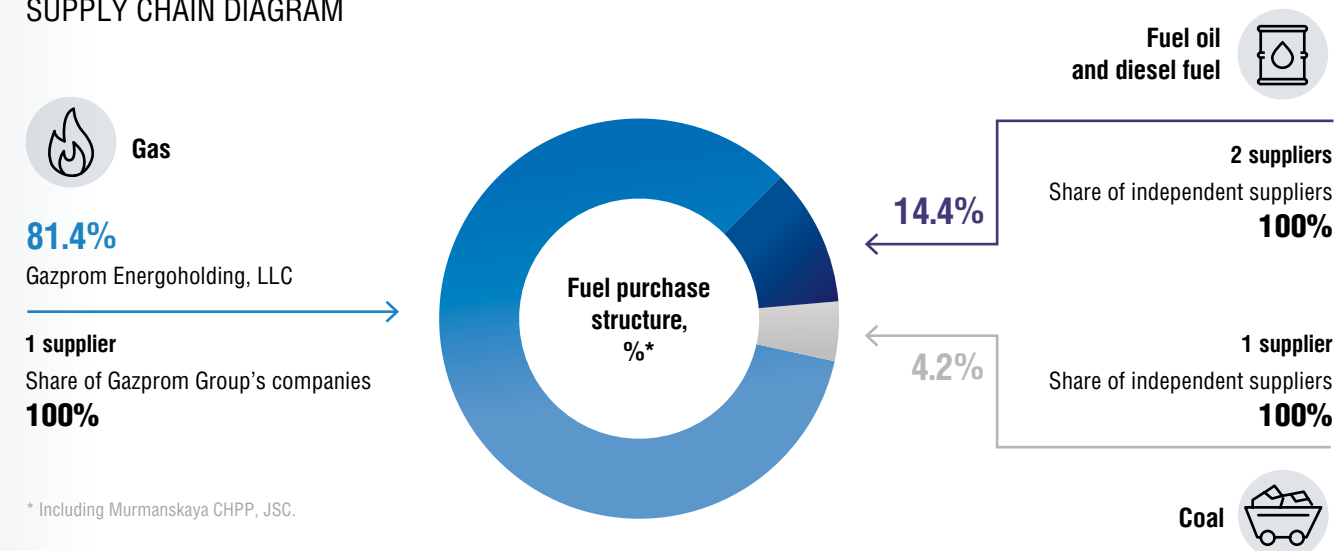
The Company generally selects its suppliers and contractors on a competitive basis. The main principle in the selection of suppliers and contractors is to ensure fair competitive practice.

es. At the same time, the Company's employees do not have hidden preferences and do not create advantages for individual suppliers or contractors.

The Company seeks to work with contractors that have an impeccable reputation, comply with the law, as well as generally accepted standards of corporate and business ethics.

The Company does not allow violations of the antimonopoly laws of the countries of presence, including facts of unfair competition.

SUPPLY CHAIN DIAGRAM



PURCHASES FROM SMES

GRI 204-1

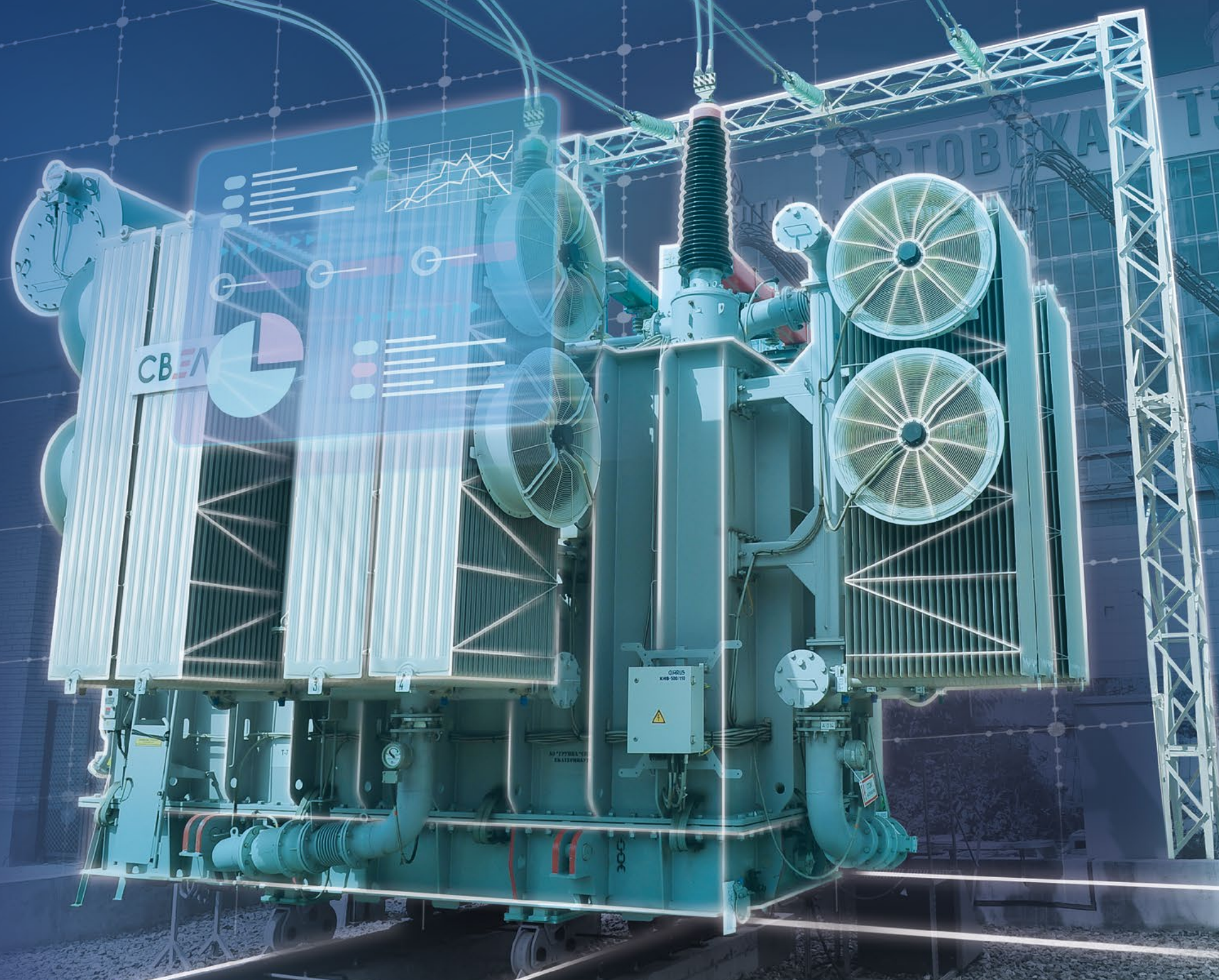
From 2015, the Regulations on Purchasing of Goods, Works and Services of TGC-1, PJSC were amended to allow for purchasing that only involves small and medium enterprises (hereinafter SMEs) and for purchasing that requires SMEs to be involved in contract execution as sub-vendors (subcontractors, associate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



⁹ Local suppliers' in the regions of operation means suppliers, which are located (legal address) in the regions where TGC-1 operates.

2. STAKEHOLDER ENGAGEMENT

Stakeholder map	56
Engagement with stakeholders on a regular basis	58
Interaction with state authorities and other market participants	63



STAKEHOLDER MAP

GRI 2-29

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

- ✓ **Timely informing**
- ✓ **Open productive cooperation**
- ✓ **Respect for the opinion and consideration of the interests of all participants**
- ✓ **Mutual fulfillment of the obligations assumed**
- ✓ **Interactions on a regular basis**

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.

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 goals;



tools used by the Company to interact with them.

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



Shareholders, investors and analysts



Lenders and rating agencies



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



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



Industry-based federal and regional executive authorities, regulatory bodies and associations



Suppliers of goods and services



Environmental organizations



Employees, trade union organizations and profession-oriented higher educational institutions

ENGAGEMENT WITH STAKEHOLDERS

on a regular basis

GRI 2-29



SHAREHOLDERS, INVESTORS AND ANALYSTS

TOPICS OF INTEREST

- Financial and production indicators;
- Investment program;
- 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 meetings of shareholders of TGC-1, during which all the most important issues of the Company's activities are brought up for discussion:
 - Annual General Meetings of Shareholders (it are conducted once a year);
 - Unscheduled 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 are organized, compromises are sought and agreements are reached on the most pressing issues.

When preparing to 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 nominations for members of the governing 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).
 - 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 to depository banks in accordance with the requirements of 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 programs;
- Debt indicators and debt portfolio structure;
- Credit policy;
- Business development strategy.

Engagement formats and frequency

- Holding meetings of TGC-1's management with representatives of rating agencies (ACRA) and providing all information requested by them to change or confirm ratings:
- Holding negotiations when placing bond issues and obtaining bank loans.



CONSUMERS OF THERMAL ENERGY AND CAPACITY under heat supply contracts and services for maintaining reserve thermal power (including heating 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, PJSC

TOPICS OF INTEREST

- Uninterrupted heat and power supply;
- Production indicators;
- Investment programs;
- Connection conditions;
- Increase in efficiency;
- Business development strategy.

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), in terms of concluding and executing heat supply and technological connection contracts, preparation for autumn and winter season, upon requests, etc.:
 - direct contracts with end users: heating 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, PJSC;
 - maintaining feedback with consumers: Personal account of the subscriber, Customer Service Center, where you can send requests by e-mail clients_spb@tgc1.ru, call +7 (812) 688-32-88 or sign up for a face-to-face appointment;
 - improving energy efficiency: installation, replacement, operation of heat energy metering units, inspection of hot water and heating meters.



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.
- Regular participation in the development of heat supply systems of settlements, urban districts, including by ordering the development / updating of heating schemes (St. Petersburg, Petrozavodsk) in order to meet the demand for thermal energy, heat carrier and ensure reliable heat supply in the most economical way with minimal harmful impact on the environment.
- 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 as of year-end the of each year, containing information on ongoing investment and social projects, including projects aimed at developing the regions where the Company's production facilities located.
- At least once a month, holding cultural and educational events to raise awareness among the local population on the following issues in the regions of presence:
 - heat and power generation;
 - the Company's activities 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 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' 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.



INDUSTRY-BASED FEDERAL AND REGIONAL EXECUTIVE AUTHORITIES, REGULATORY BODIES AND ASSOCIATIONS

TOPICS OF INTEREST

- Compliance with the requirements of the current legislation;
- Compliance with environmental requirements;
- Uninterrupted heating and power supply;
- Payment of taxes;
- Production and financial indicators;
- Investment programs;
- 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 (state information system) of FES (Fuel and Energy Sector), etc.);
 - participation in meetings, working groups, expert consultations, meetings on regional development under the municipal government;
- placement on the official website of the Company of information affecting the interests of the population, other enterprises, as well as local authorities in the regions of presence on occasion of the newsworthy events;
- participation of the Company in actions organized by local authorities and public organizations.
- 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.



SUPPLIERS OF GOODS AND SERVICES

TOPICS OF INTEREST

- Creditworthiness;
- Procurement rules and transparency;
- Investment programs;
- Environmental, engineering and other regulations and standards in the selection of suppliers;
- 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 in the Unified Information System in Procurement (<http://zakupki.gov.ru/>), as well as at Electronic Trading Platform GPB (<http://etp.gpb.ru/>) and 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 constantly stored in the public domain in the Unified Information System in the field of procurement (<http://zakupki.gov.ru/>).



TOPICS OF INTEREST

- Compliance with environmental regulations and standards;
- Reduction / increase of all types of environmental impact of production;
- Investment programs;
- Carrying out programs and measures relating to environmental protection;
- 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.
- Participation in specialized competitions and ratings (All-Russian environmental dictation, etc.)
- The company enters into direct supply contracts for “green” (carbon-free) energy 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.



EMPLOYEES, TRADE UNION ORGANIZATIONS AND PROFESSION-ORIENTED HIGHER EDUCATIONAL INSTITUTIONS

TOPICS OF INTEREST

- Uninterrupted heating 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: compulsory medical examinations, certification of workplaces, briefings on safety at the workplace;
 - sports and cultural activities;
 - employee social security: voluntary health insurance (VHI), 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.

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.

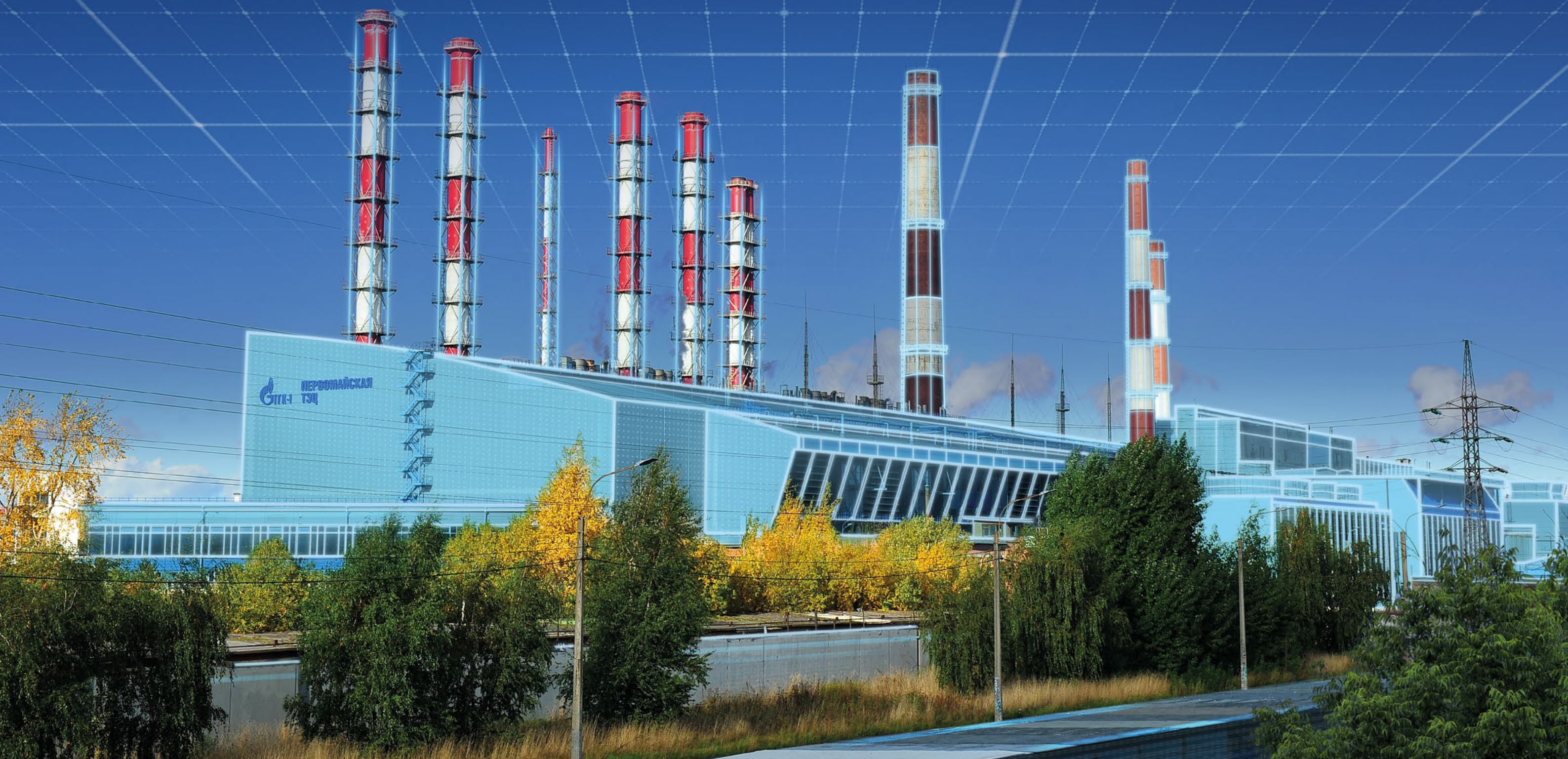
In 2022, the Company's representatives participated in defending corporate interests in the development of amendments to legislation on the following issue lines:

- receipt by generating companies of state support during the implementation of strategically important projects in the form of a tax deduction for income tax and property tax benefits;
- improving the mechanisms of the wholesale electricity and capacity market;
- interaction with the state executive bodies concerning issues of formulation documents for the territorial planning and strategic development;
- participation in annual discussions of law enforcement practice that are conducted by state control (supervision) bodies, including the territorial bodies of Rostekhnadzor (Federal Environmental, Industrial and Nuclear Supervision Service), FAS (Federal Antimonopoly Service) of Russia, etc.



3. ENVIRONMENTAL PROTECTION

Environmental policy and standards	66
Waste generation and disposal	74
Efficient water use	78
Biodiversity protection	81
Contribution to combating climate change	82
Energy efficiency and energy saving	86



ENVIRONMENTAL POLICY

and standards

GRI 2-27, GRI 3-3



Realizing the responsibility to society for the preservation of a favorable environment and ensuring environmental safety, TGC-1, PJSC assumes obligations in accordance with the objectives set by the Environmental Policy approved by the Resolution 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.

OBJECTIVES AND OBLIGATIONS IN LINE WITH THE ENVIRONMENTAL POLICY



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.



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 is of particular importance.



Precautions and preventive measures

Implementing preventive action to avoid adverse environmental impacts, which means that adverse impact preventive measures have a priority over measures aimed at mitigating such impacts.



Employee involvement

Employees involvement in activities to reduce environmental risks.
Striving for continuous improvement in environmental performance.



Efficiency and rational use of resources

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



Adverse impact reduction

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



Openness

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



Training

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



Use of the latest technologies

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

TGC-1, PJSC 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.

GRI 2-23, GRI 2-24

The TGC-1, PJSC 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, PJSC 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, PJSC was put into effect.

EXTERNAL INITIATIVES

GRI 2-23

TGC-1, PJSC participates in meetings of the Coordinating Committee for Environmental Protection of Gazprom Energoholding Group subsidiaries, as well as 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;
- RSPP Committee for Environmental Protection;
- RSPP Committee for Energy Policy and Energy Efficiency;
- Environmental Protection Section under the Science and Technology Council of the Unified Energy System;
- Environmental Group of the Energy Producers' Council Association;



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

GRI 2-27

The TGC-1, PJSC 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 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 atmo-

sphere, discharges into water bodies, accumulation and disposal of waste; inspection of territories, waste accumulation sites, station water intakes).

The TGC-1, PJSC 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.

GRI 2-27

Information on administrative fines imposed on the Company for violation of environmental legislation

Indicator title	2020	2021	2022
Number of violations detected in the reporting year that resulted in penalties and were paid in the same year, pcs	8	2	8
Number of sanctions imposed, pcs	2	3	1
Total amount of penalties imposed, thou. rubles	1,122	220	600 ¹⁰
Number of cases of non-compliance resolved through dispute resolution mechanisms	12	1	4

¹⁰ The amount of fines that were issued to the Company: of which 10 thou. rubles were paid for Murmanskaya CHPP, JSC; all other fines were canceled in court.

ENVIRONMENTAL PROTECTION COSTS

The TGC-1, PJSC 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 10 and 11.

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

Indicator title	2020	2021	2022
Development and approval of permits	12,381	13,376	16,277
Industrial environmental control and monitoring	14,188	13,033	14,585
Fixed capital investment allocated to environmental protection, including:	50,499	3,334,080	401,486
- protection of water resources	50,499	3,322,644	399,360
Current (operating) costs for environmental protection, including:	88,231	95,509	106,558
- protection of the atmosphere air and prevention of climate change	9,763	9,197	9,973
- collection and treatment of wastewater	41,569	42,975	51,087
- waste management	9,994	13,907	13,643
- protection and rehabilitation of soils, surface water and ground water	1,240	2,327	2,699
- protection of the environment from noise, vibration and other physical impacts	1,070	737	787



MONITORING OF COMPLIANCE BY SUPPLIERS AND CONTRACTORS WITH ENVIRONMENTAL LEGISLATION

GRI 308-1

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 2022.

The total number of environmentalists at TGC-1 is
39 PERSONS

In order to encourage environmental specialists 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.

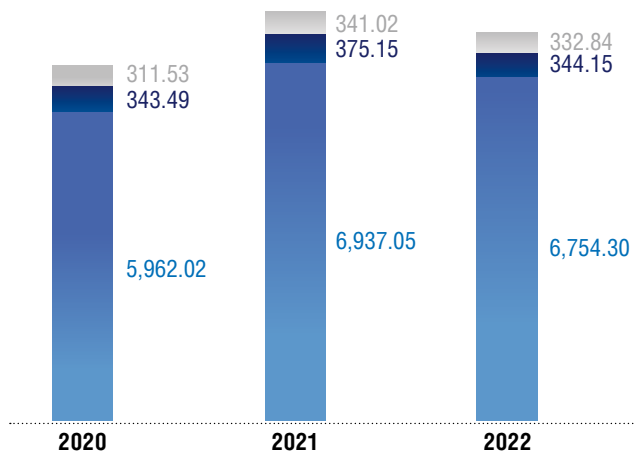


In 2022, the competition was held in September based at OGK-2, PJSC. Ecologists of TGC-1, PJSC were making the podium: 1st place in the team standings as part of the combined team of Subsidiaries and Affiliates of Gazprom Energoholding, LLC; 3rd place in the individual all-around.

FUEL USE

GRI 302-1

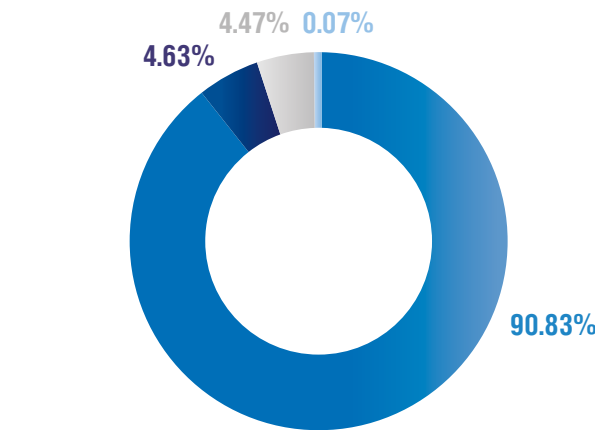
Fuel balance, e. f. t*



■ Gas ■ Fuel oil ■ Coal

* Including Murmanskaya CHPP, JSC.

Fuel balance of TGC-1, PJSC, %**

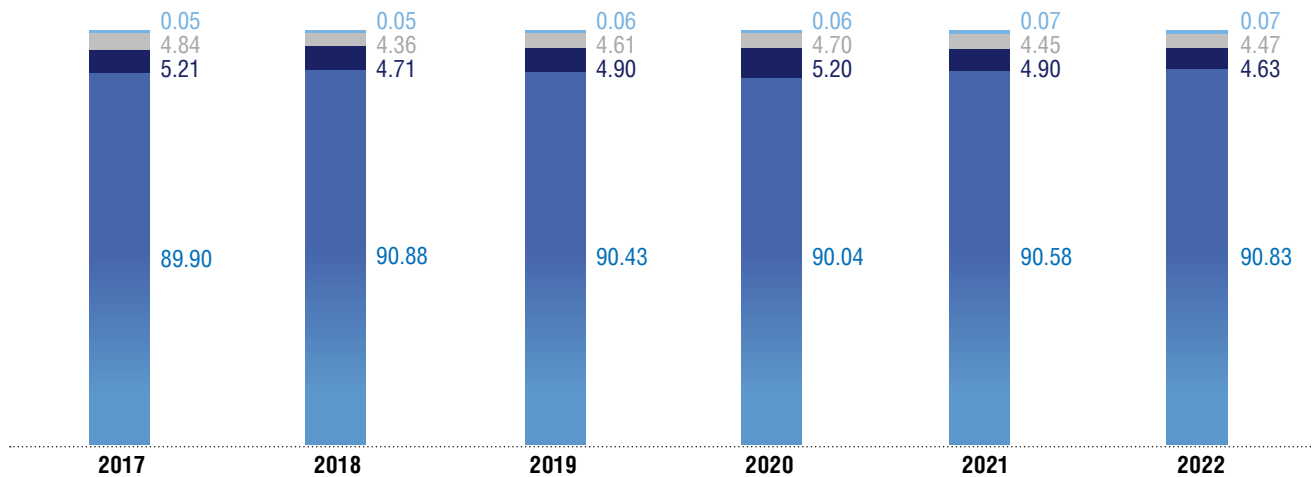


■ Gas ■ Fuel oil ■ Coal ■ Other fuel

** Including Murmanskaya CHPP, JSC.

In 2022, total fuel consumption from non-renewable sources was 7.4 mln tons of standard fuel.

Dynamics of fuel use, %



■ Gas ■ Fuel oil ■ Coal ■ Firewood

Total energy consumption for own needs¹¹

Indicator title	Unit of measure	2020	2021	2022
Total power consumption	mln kW-h	1,869	1,946	1,917
	mln GJ	6,730	7,006	6,902
	thou. tons of standard fuel	230	239	236
Total heat consumption (economic needs)	thou. Gcal	62	39	64
	mln GJ	260	163	268
	thou. tons of standard fuel	39	24	40
Total gas consumption	mln m³	5,140	5,981	5,810
	mln GJ	174,740	203,317	197,953
	thou. tons of standard fuel	5,962	6,937	6,754
Total	mln GJ	181,730	210,486	205,123
	thou. tons of standard fuel	6,231	7,200	7,030

Information about the Consumption of Energy Resources of Each Type by TGC-1, PJSC in 2022 in Physical and Monetary terms¹²

Type of energy resource	Consumed volume in physical terms	Unit of measure	Consumed volume (thou. rubles, ex-VAT)
Car petrol	594.6	thou. liters	24,918.11
Automotive diesel fuel	646.9	thou. liters	32,066.30
Fuel oil	2,564.8	tons	39,881.13
Diesel process fuel	11.8	tons	414.68
Natural gas	5,810,591.7	thou. m³	33,920,148.04
Hard coal	466,356.5	tons	1,654,174.51
Firewood	19,141.1	solid m³	62,108.15

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

¹¹ Excluding MTPP, JSC and St. Petersburg Heating Grid, JSC.

¹² Other types of energy resources in addition to those indicated in the Table were not consumed or used in the reporting year.

WASTE GENERATION

and disposal



WASTE MANAGEMENT POLICY

GRI 3-3

The waste management process is therefore strictly monitored in all of the Company's structural units. 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, in accordance with environmental requirements. In the future, the waste is transferred to specialized enterprises for disposal, neutralization and processing. The volume of waste transferred for disposal is reduced as much as possible. The priority types of waste management are processing and disposal.

Work has been organized for the management of waste whose disposal is prohibited, including separate accumulation of waste by their separate storage by types of waste, groups of waste, groups of homogeneous waste for their further transfer to third-party organizations for the purpose of recycling and neutralization.

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 waste generated and are classified as Hazard Class 5 waste; they are virtually non-hazardous. Ashes and slags are deposited in their own facilities, i. e. ash and slag ponds.

WASTE GENERATION AND DISPOSAL

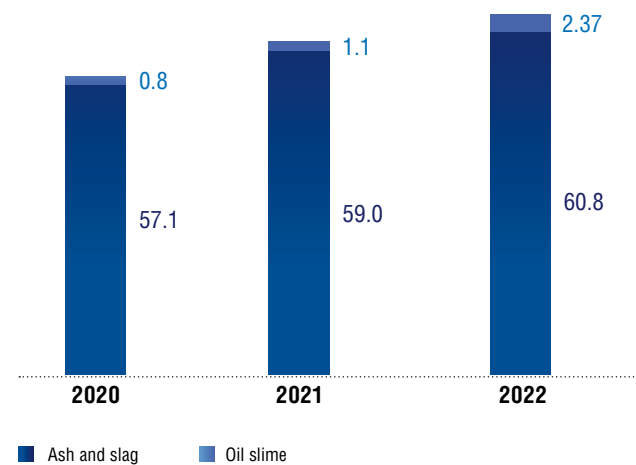
GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

All power plants are equipped with waste accumulation sites, have contracts for their transportation and disposal, and keep records of 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.

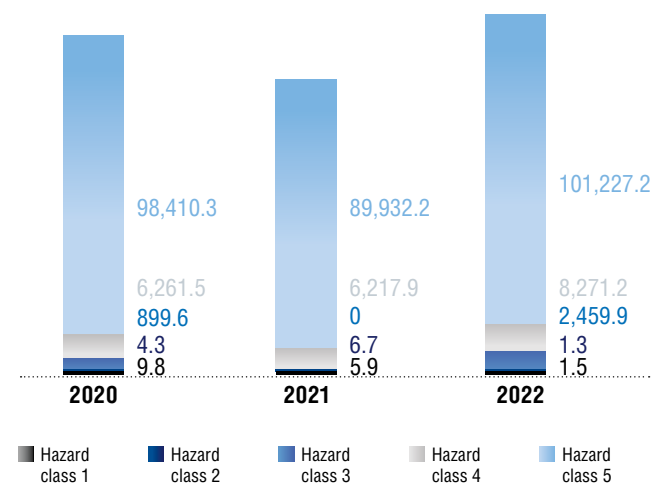
For Company's facilities of NEI (Negative Environmental Impact), category I, draft waste generation standards and waste disposal limits (permissions) have been developed and approved by the state supervisory authorities. For Company's facilities of NEI, category II, environmental impact declarations 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).

The cumulative generation of waste in 2022 amounted to 111.9 thou. tons, which is 15% higher than in 2021, mainly due to hazard class 5 waste, the amount of which increased by 12% via repairing and earthmoving work at St. Petersburg Heating Grid, JSC.

Waste generation, thou. t



Waste generation by hazard classes, t



Waste management activities of hazard classes 1–4 in Murmanskaya CHPP, JSC are carried out on the basis of an indefinite license No. (51)-510782-T/P dated 31.03.2021.

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

Ash and slag waste generation at the Company's facilities decreased by 2.3 times in 2022 compared to 2016.¹³

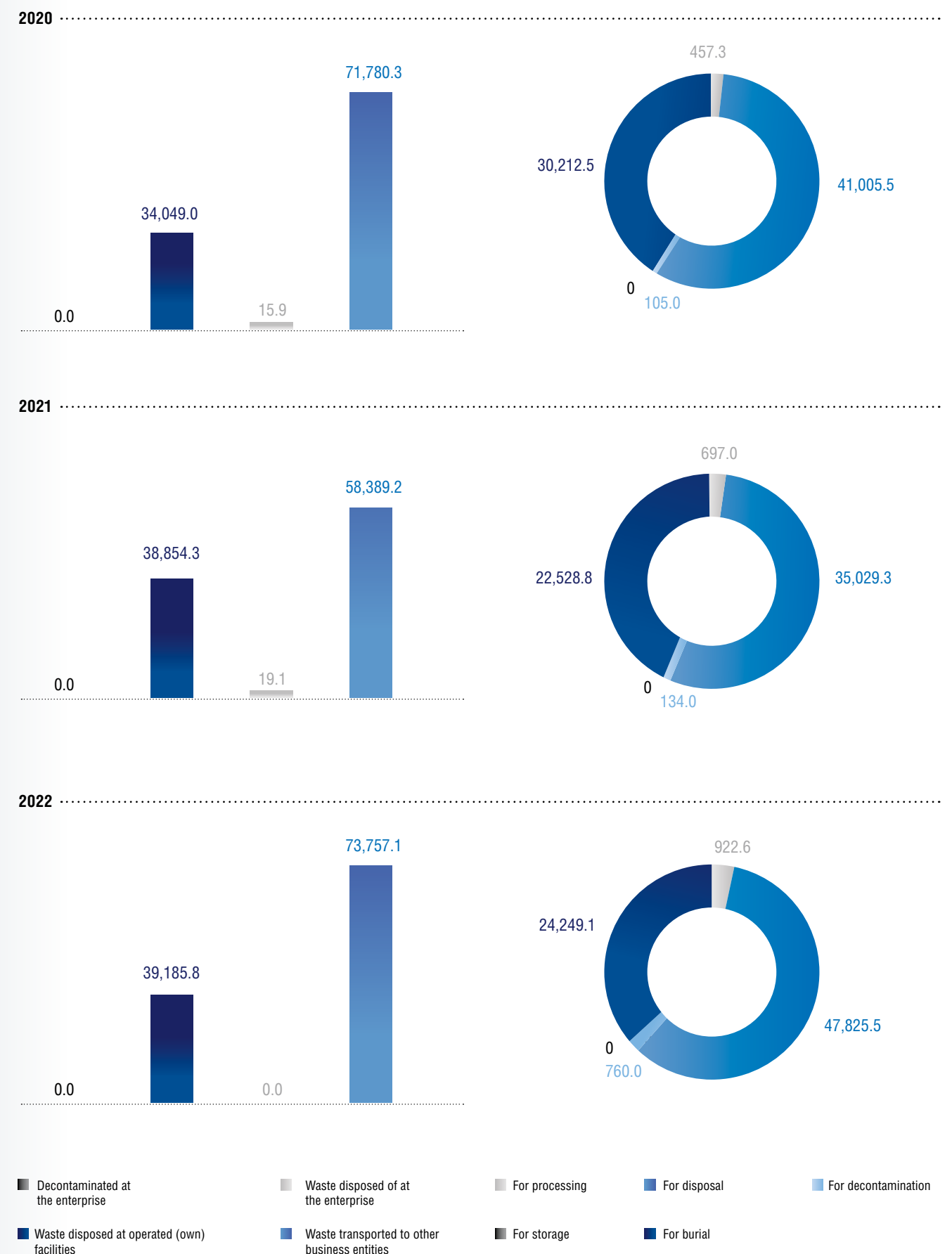
WASTE DISPOSAL

At the end of 2022, in order to ensure the possibility of operating ASWs (Ash and slag wastes without their expansion), are used for reclamation of waste landfills (Apatity CHPP).

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

¹³ On January 1, 2016, the world officially launched the 2030 Agenda for Sustainable Development, i. e. the program for proactive transformation based on the 17 Sustainable Development Goals, to address pressing global challenges over the next fifteen years: Sustainable Development Goals – Sustainable Development (un.org)

Waste disposal



EFFICIENT WATER USE

GRI 303-1, GRI 303-2, GRI 303-3

When using water resources, TGC-1, PJSC is guided by the requirements of Russian 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.

GRI 203-1

TGC-1, PJSC and its subsidiaries, in coordination with municipal authorities and with the support of volunteer organizations, hold campaigns for green landscaping urban areas, community work days for cleaning parks, river banks, social and environmental events, such as competitions, fairs, urban sports events (for example, the annual action "Amiable ice rink" in Petrozavodsk).

Every year, employees of the Company and its subsidiaries participate in the Ecological dictation in order to form an environmental culture, popularize environmental knowledge, and improve environmental awareness as a measure to prevent environmental offenses.

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.

Murmanskaya CHPP, JSC:

- they annually participate in the Water of Russia campaign. In June 2022, a community work day was held as part of the Water of Russia campaign on the coast of the Kola Bay, as a result of which 1.5 tons of waste was removed;
- they had taken part as expert in the All-Russian competition Big School-Break on the basis of the children's technology park Quantorium-51;
- in the framework of solving problems of career guidance for graduates of higher educational institutions, there was conducted an excursion with conversation on environmental safety for students of the Federal State Educational Institution of Higher Education MSTU in the profession line of Technosphere safety.

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, PJSC 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.

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, PJSC 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 mining collector; monitoring of water bodies, determination of morphometric and hydro-

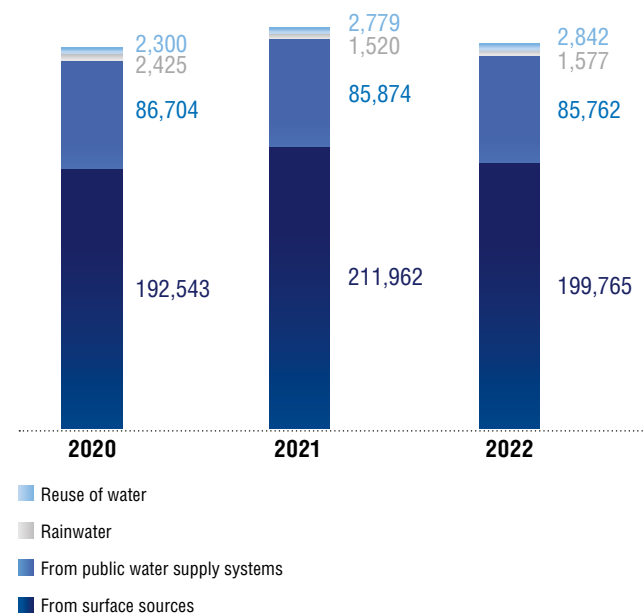
logical characteristics; monitoring of groundwater regime, and analysis of sediment samples;

- development of current individual balance norms and standards of water consumption and sanitation;
- carrying out the cleaning of the water-retaining grilles and HPP ante-chambers from garbage;
- maintenance service of equipment;
- cleaning of filters in the system of well-handled diverting of surface water from the territory of Narvskaya HPP;
- maintenance service of the environmental monitoring system to prevent the discharge of petroleum products from the Vyborgskaya CHPP;
- purchase and installation of Sewer-Mag flow meters at outlets 3a and 3b of Pravoberezhnaya CHPP;
- modernization of local treatment facilities at the discharge to the Pervomaiskaya CHPP municipal collector;
- 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;
- construction of the reverse system of technical water supply of Avtovskaya CHPP;
- reconstruction of sewerage networks of Vasileostrovskaya CHPP (building and installation works).

WATER CONSUMPTION AND WATER WITHDRAWAL VOLUME

GRI 303-3

Water intake, thou. m³



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

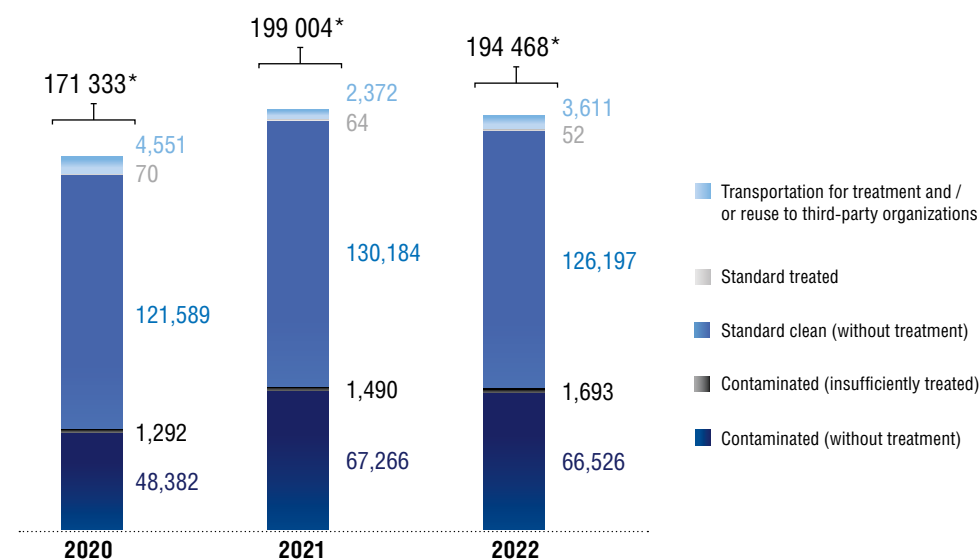
- The procedure for keeping records by owners of water bodies and water users of the volume of intake (withdrawal) of water resources from water bodies and the volume of wastewater incl. drainage water discharge and their quality, approved by Order No. 903 of the Ministry of Natural Resources of Russia dated 09.11.2020;
- Instructions for completing Form 2-TP (water use), approved by Rosstat (Federal State Statistics Service) Order No. 815 dated 27.12.2019 "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 Agency for Water Resources".

The total amount of water withdrawn by source and water recycled is provided in Appendix 19.

WASTEWATER DISCHARGE

GRI 303-4

Wastewater discharge, ths m³



* Excluding the volume transported for cleaning and / or reuse to third parties.

GRI 203-1

Wastewater treatment system at the Pravoberezhnaya CHPP of the Branch "Nevsky" 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 thou. 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 20.

BIODIVERSITY PROTECTION

GRI 304-2, GRI 304-3

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

- water intakes of combined heat and 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 Scientific 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 Branch "Kolsky". According to this report the work on the spillway reconstruction does not have an additional impact on the water biodiversity 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 thou. fish individuals pass through the fish-path.

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

CONTRIBUTION TO COMBATING

climate change

GRI 201-2

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.

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 planned 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, PJSC did not carry out emissions trading in 2022 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 pollutants in 2020–2022

Indicator title	2020		
	Volume		Intensity (per unit of generation)
	tons	CO ₂ -eq	tons / thou. MW·h
Gaseous and liquid	46,271	-	-
Carbon dioxide (CO ₂)	11,078,187	11,078,187	0.202
Methane (CH ₄)	1.784	-	-

Indicator title	2021		
	Volume		Intensity (per unit of generation)
	tons	CO ₂ -eq	tons / thou. MW·h
Gaseous and liquid	-	41,207	-
Carbon dioxide (CO ₂)	0.202	12,804,251	12,804,251
Methane (CH ₄)	-	1.759	-

Indicator title	2022		
	Volume		Intensity (per unit of generation)
	tons	CO ₂ -eq	tons / thou. MW·h
Gaseous and liquid	37,760	-	-
Carbon dioxide (CO ₂)	12,443,596	12,443,596	267.9
Methane (CH ₄)	1.617	-	-

EMISSIONS OF GREENHOUSE GASES AND AIR POLLUTANTS INTO THE ATMOSPHERE

Gross emission of harmful substances into the atmosphere air for TGC-1, PJSC and Murmanskaya CHPP, JSC in 2021 decreased by 3 ths tons, or 7.6%, due to a decrease in yield. Accordingly, emissions of almost all types of pollutants have decreased.

In total emissions, the amount of excess emissions was almost halved (by 41%), including gaseous and liquid emissions by

41%, nitrogen oxides by 51%, carbon monoxide by 38%, VOCs by 21%, other gaseous and liquid substances by 25%.

There are no excess emissions of solids and sulfur dioxide, as in the previous year.

The number of entrapped and neutralized substances remained almost at the same level.

GRI 305-1, GRI 305-4

The dynamics and intensity of greenhouse gas emissions are disclosed in Appendix 15.

Determination of the mass of greenhouse gas emissions is performed in accordance with Appendix 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 of Russia dated June 30, 2015 (lost effect on March 01, 2023) and since 2023 by Order of the Ministry of Natural Resources of Russia dated May 27, 2022 No. 371.

GRI 305-5

Greenhouse gas (CO₂) emissions from stationary fuel combustion decreased by 2.8% in the reporting year due to decrease in generation and reduction in the amount of fuel burned.

TGC-1 includes 40 HPPs located in other regions of operation – the Leningrad and Murmansk Regions, 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 of greenhouse gases in accordance with Order No. 300 of the Russian Ministry of Natural Resources dated June 30, 2015 (lost effect on March 1, 2023) and since 2023 in accordance with Order No. 371 of the Russian Ministry of Natural Resources dated May 27, 2022.

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.

GRI 305-6

The Company uses and produces no ozone-depleting substances.



Measures to reduce the volume and intensity of air pollutant emissions in 2022

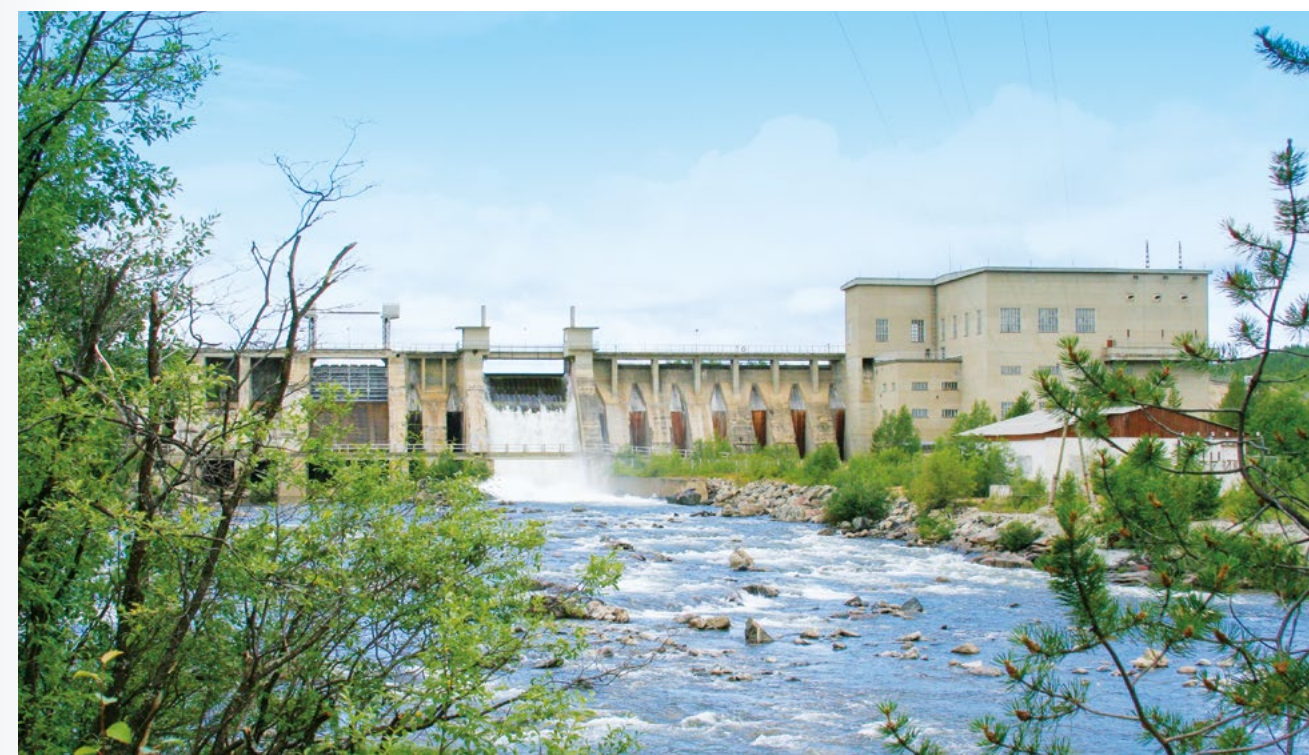
Operational and technical measures in the field of energy efficiency: in accordance with the requirements of Federal Law No. 261 dated November 23, 2009, an Energy Saving and Energy Efficiency Improvement Program of TGC-1, PJSC for 2019–2023, aimed at reducing the consumption of fuel and energy resources 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 burning coal and fuel oil);
- fuel oil ash (produced by burning fuel oil);
- ash (produced by burning at the Apatity CHPP).

GRI 305-7

Data on air emissions of NO_x, SO_x and other significant pollutants can be found in Appendix 16.



ENERGY EFFICIENCY AND ENERGY SAVING

ENERGY SAVING AND ENERGY EFFICIENCY PROGRAMS

GRI 302-1, 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 Program of TGC-1, PJSC for 2019–2023, as amended to be consistent with the requirements of Gazprom Energoholding, LLC, was approved by the Management Board of TGC-1, PJSC (Minutes No. 261 dated June 11, 2019).

Following the results of 2022, due to the implementation of energy saving programs, savings of fuel and energy resources in general for TGC-1, PJSC amounted to

55.078

mln rubles

The Energy Saving and Energy Efficiency Programs of TGC-1, PJSC and Murmanskaya CHPP, JSC for 2022 (hereinafter referred to as the Programs) envisage:

- 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 programs 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 traction mechanisms;
- other measures aimed at improving the efficiency of the use of fuel and energy resources.

Energy-saving measures and savings achieved at TGC-1, PJSC

Energy-saving measures	Savings achieved			
	thou. tons of standard fuel	mln kW·h	thou. Gcal	mln rubles
Modernization of lighting systems using LED technologies (7 measures)	-	1.322	-	
Implementation of retrofitting and reconstruction projects (5 projects)	0.921	0.102	0.281	55.078
Improving the energy efficiency of the CHPP operation as a result of the implementation of technology and maintenance engineering measures (26 measures)	7.245	7.935	-	
Cumulative effect from the implementation of energy-saving measures	8.166	9.359	0.281	55.078

Energy-saving measures and savings achieved at Murmanskaya CHPP, JSC

Energy-saving measures	Savings achieved			
	thou. tons of standard fuel	mln kW·h	thou. Gcal	mln rubles
Modernization of lighting systems using LED technologies (0 measures)				
Implementation of retrofitting and reconstruction projects (1 project)		0.064		0.545
Improving the energy efficiency of the CHPP operation as a result of the implementation of technology and maintenance engineering measures (1 measures)			0.055	
Cumulative effect from the implementation of energy-saving measures	0	0.064	0.055	0.545

The implementation of measures set forth in the Program in 2022 helped achieve the following estimated fuel and energy savings:

► for TGC-1, PJSC

8.17 tons of standard fuel | 9.36 thou. kW·h | 281 Gcal

► for Murmanskaya CHPP, JSC

55 Gcal | 0.064 thou. kW·h

DECREASE IN SPECIFIC FUEL CONSUMPTION FOR
ELECTRICITY SUPPLY AND HEAT OUTPUT

212.6
g/kW·h

Key performance
indicator

168.5
g/kW·h

Decrease in specific fuel consumption
for electricity supply

205.2
g/kW·h

Actual
performance
index

Decrease in specific fuel consumption
for heat output

168.9¹⁴
g/kW·h

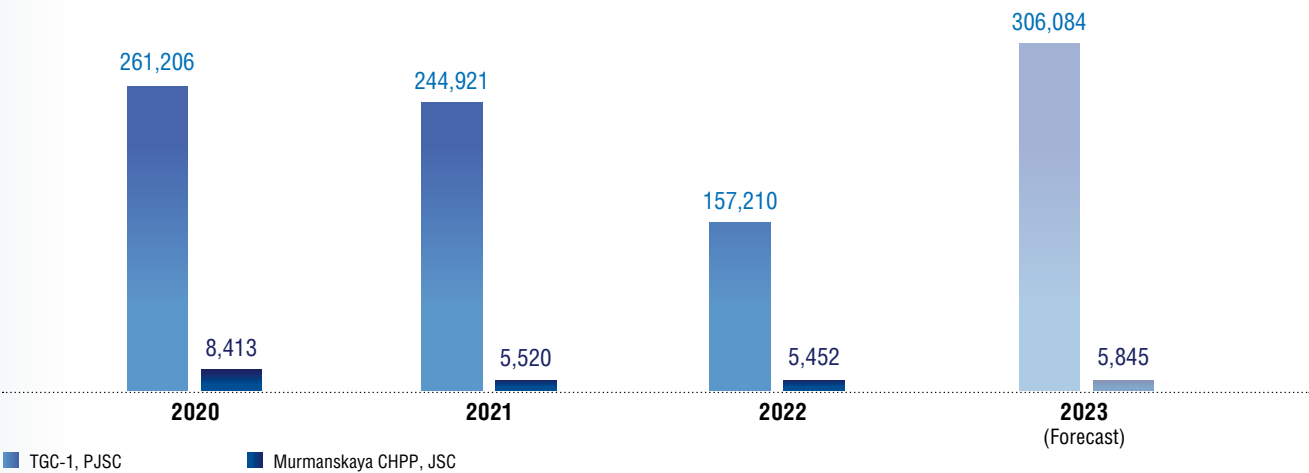
The increase in fuel efficiency in 2022 was mainly achieved through maintenance and repair of existing power equipment.

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.

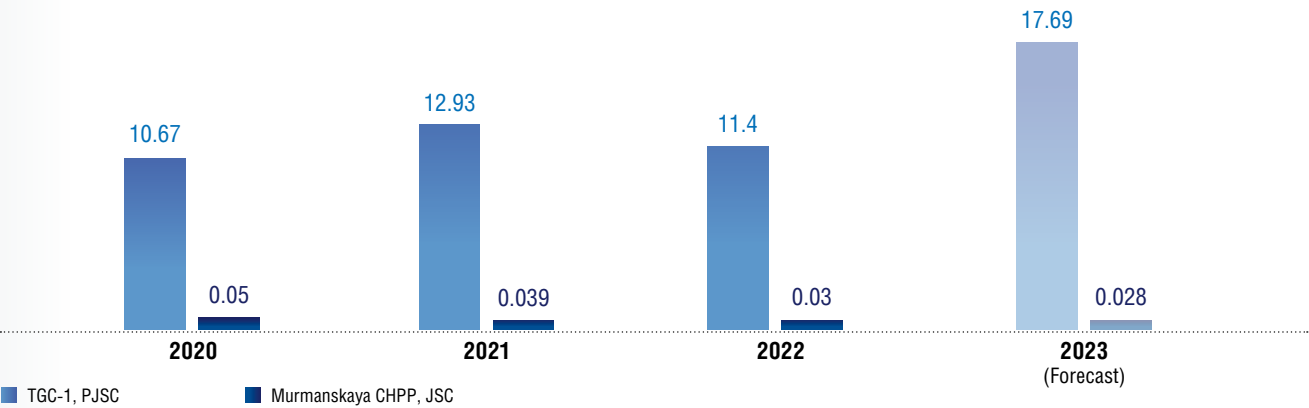


¹⁴ The excess of the specific fuel consumption for the supply of thermal energy is caused by the difference between the indicators of the planned production program and the actual mode of operation, namely, an increase in the share of heat generation.

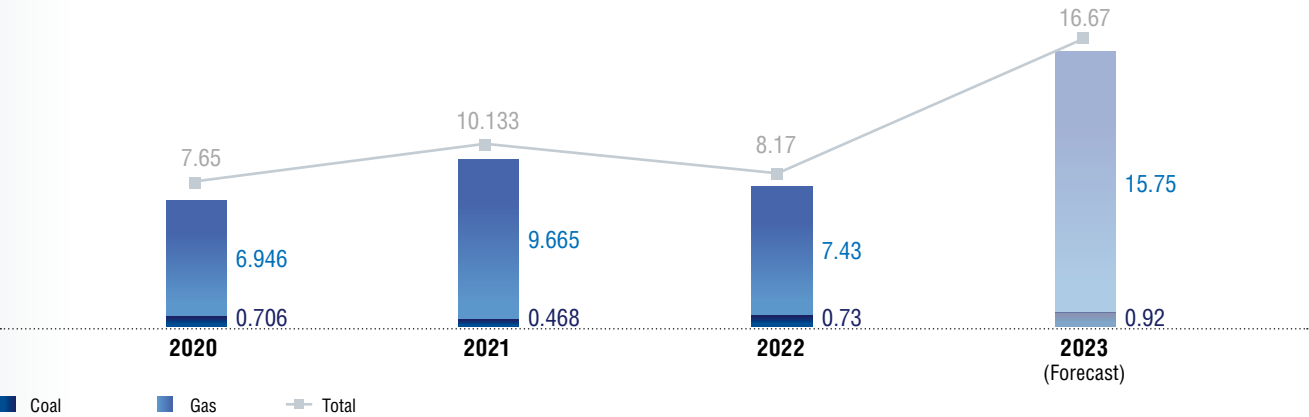
Costs for energy saving and energy efficiency measures (VAT exclusive), thou. rubles



Fuel and energy saving due to implementation of the energy saving program, total, thous. equivalent fuel tons

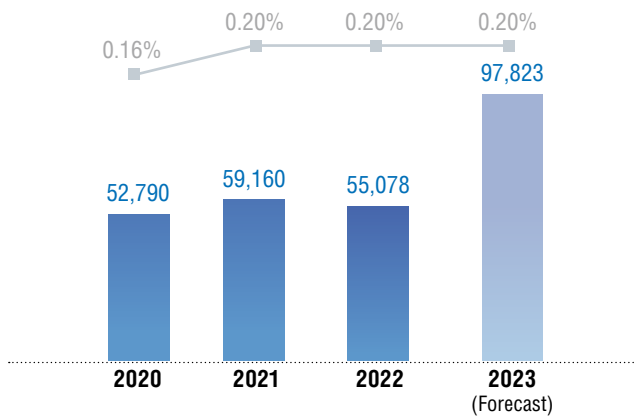


Fuel savings, thou. tons of standard fuel*



* Excluding Murmanskaya CHPP, JSC.

Fuel savings in TGC-1, PJSC

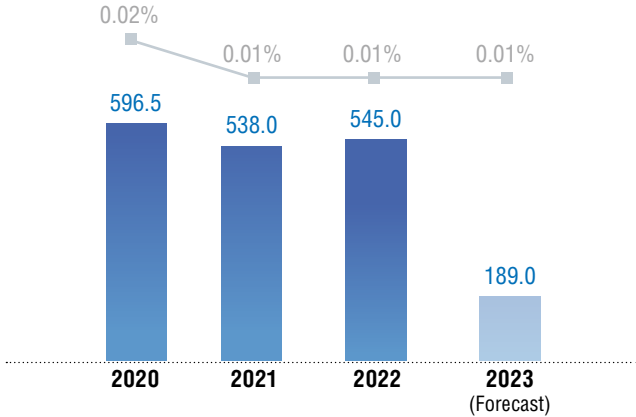


■ Cost of energy resources saved due to implementation of the energy saving program, thousand rubles
—■ Share of saved energy resources cost in the total cost of used fuel and energy resources, %

The results of energy saving and energy efficiency TGC-1 activities, as well as the performance of the Energy Saving Program in 2021–2022 are given in Appendices 13 and 14.

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

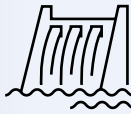
Fuel savings at Murmanskaya CHPP, JSC



Management in the area of energy consumption and energy efficiency is governed by the requirements of Federal Law No. 261-FZ dated November 23, 2009 On Energy Saving and Energy Efficiency 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, PJSC	A-1 Energo, LLC	019-012-1172/400	October 2016
Murmanskaya CHPP, JSC	Megapolis, LLC	EP 26/02-18	February 2018
St. Petersburg Heating Grid, JSC	A-1 Energo, LLC	E-015/274-18	November 2018



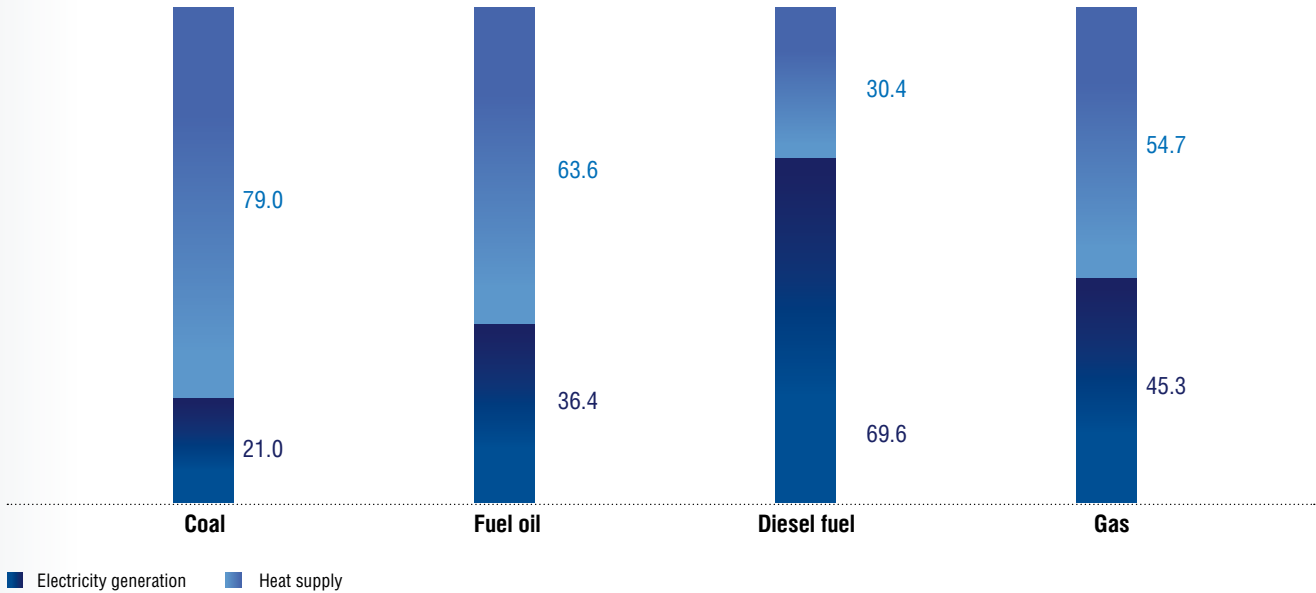
Thanks to the unique structure of production assets (40% of the installed capacity is accounted for by hydrogenation and is about 3 thou. MW) TGC-1 has the ability to supply carbon-free electricity to industrial consumers.

In November 2022, TGC-1, PJSC and Metalloinvest signed an agreement of intent to cooperate on the production and purchase of “green” energy produced at TGC-1 hydroelectric power plants. The parties intend to conclude transactions for the purchase and sale of “green” electricity through the mechanism of direct contracts on the WECM. This will allow Metalloinvest’s enterprises to reduce the carbon footprint of their products delivered.

TGC-1 provided the mining and refining facility of the PhosAgro Group in Apatity with “green” energy.

TGC-1 has free contracts for the purchase and sale of electricity with the brewing company AB InBev Efes. Environmentally friendly electricity is supplied from Niva HPP-3 and Yovskaya HPP-10 in the Murmansk Region, as well as from Lesogorskaya HPP-6 and Volkhovskaya HPP-6 in the Leningrad Region.

Structure of fuel consumption for electricity generation and heat supply of TGC-1, PJSC in 2022, %



4. OCCUPATIONAL HEALTH

Workplace safety management	94
Professional development and social support for personnel	104
Charitable activities and support for the regions of presence	122



WORKPLACE SAFETY

management

GRI 3-3, GRI 403

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 403-1, GRI 403-8

The Company has developed and implemented the Policy of TGC-1, PJSC in the field of labor protection, industrial and fire safety, road safety¹⁵, Regulations on the Occupational Safety Management System¹⁶ (OSMS), which take into account the structure of the Company, the main mechanisms of work and allocation of responsibilities.

The reasons for the OSMS introduction:

- compliance with legal requirements (Article 214 of the Labor Code of the Russian Federation);
- the requirement of the order of the Ministry of Labor and Social Protection of the Russian Federation dated October 19, 2021, On approval of the Model Regulation on the occupational safety management system.

¹⁵ It approved by the order of TGC-1, PJSC dated October 20, 2020 No. 95-uk.

¹⁶ STO TGC-1 001-2020 (OT), is approved by Order No. 96 of TGC-1, PJSC dated 02.06.2020.

The OSMS applies to all structural divisions and all employees of the Company

The safety provisions established by the OSMS relating to the presence and movement at the facilities of TGC-1, PJSC apply to all persons located on the territory, in buildings and structures, including representatives of supervisory and control authorities and employees of contractors admitted to performance of work and other activities on the territory and facilities of TGC-1, PJSC in accordance with the requirements of the applicable regulatory legal acts.

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

GRI 403-3

OSMS 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.

OSMS provides for the planning of indicators of working conditions and occupational safety and their control, the implementation of preventive measures to prevent injuries and oc-

cupational diseases, verification and analysis of the results of the functioning of the management system 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.

The Company's own initiatives in the field of labor protection and industrial safety:

- holding Occupational Health and Fire Safety Days;
- functioning of the "Risk management system for the professional behavior of employees (RMS of PBE), (conducting behavioral audits, i. e. checking compliance by personnel with labor protection rules);
- electronic system "Management of Professional Risks";
- electronic system "Knowledge Monitoring" (designed for additional training of operational personnel using a preparatory test and monthly control testing in order to determine the degree of readiness of operational personnel to perform their labor functions on maintenance and operation of equipment, labor protection and fire safety);
- electronic system "Event" (designed to control the implementation of measures based on the results of external and internal checks (audits));
- video recording of switching operations, access to work permits for electrical works.

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

The employee participation in the OSMS is achieved through:

- involving employees and representatives of occupational health and safety department workers in consultations; and informing and improving their skills on all aspects of occupational health and safety related to their work, including measures to eliminate possible accidents;
- allocation of time and opportunities for active participation of employees in organizational processes, planning and implementation of actions to improve the OSMS, evaluation of its efficiency;
- creation, formation and effective functioning of the Occupational Safety Commission, recognition and enhancement of the authority of representatives of occupational health and safety department workers;

- setting requirements for the necessary competence of employees in occupational health and safety.

Employees are informed in the following forms:

- 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 familiarising with the results of a special assessment of working conditions at their workplaces;
- familiarization of employees with the levels of occupational risks in the workplace;
- placement of summary data on the results of a special assessment of working conditions in the workplace;
- 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;
- conducting briefings, placing stands with the necessary information;
- training in occupational health;
- placement of information on labor protection in public places.

The employer, together with representatives of employees, creates public occupational safety management bodies.

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

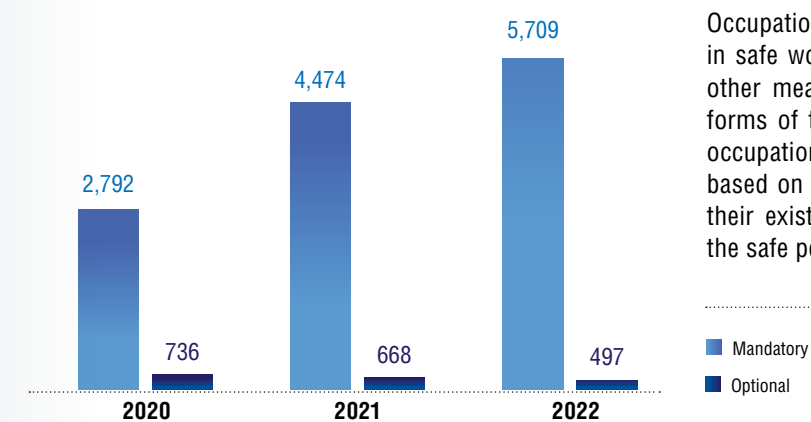
The activity objectives of this OSMS element in its area of responsibility are the following:

- ensuring the implementation of Occupational Safety Policies;
- analysis of the state of occupational safety in the Company as a whole and in structural units and OSMS operation efficiency;
- development of proposals for amendments to the OSMS;
- consideration of draft local regulations on labor protection and the formation of proposals for their adjustment in order to avoid contradictions with the requirements of the current legislation or infringement of the rights of employees;
- participation in a special assessment of working conditions and occupational risks and consideration of the results for this assessment;
- 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.

TRAINING IN OCCUPATIONAL HEALTH AND TESTING OF KNOWLEDGE

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

Training of employees in occupational health & safety, persons



Occupational health training and testing (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.



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.

The Company has developed, implemented and maintains procedures for assessing and managing professional risks in order to develop measures to reduce them.

The occupational risk management process includes the identification of hazards, the formation of a register of hazards, the assessment of occupational risks, the formation of measures to eliminate or reduce the level of occupational risk, depending on the priority established for each occupational risk.

To improve the level of labor safety, prevention and prevention of hazards as part of the work in the Occupational Risk Management System (ORMS), hazard identification and occupational risk assessment are carried out on an ongoing basis. Roadmaps are formed in each structural unit annually with measures to eliminate the identified hazards.

OCCUPATIONAL INJURIES

Occupational injury level among staff

GRI 403-9, GRI 403-10

Indicator title	2020	2021	2022
FAR	0	0	9.03
LTIFR	0	0	0.09
ODR	0	0	0
LDR	0	0	0

In 2022, the goals in the field of labor protection were not achieved, so a fatal accident occurred at the Putkinskaya HPP (HPP-9) of the KKHPP of the Branch “Karelsky”

Causes of fatal accident:

- violation by the employee of the requirements of the “Rules for labor protection during the operation of electrical installations” and instructions for labor protection;
- unsatisfactory organization of work, expressed in the failure to ensure the safe conduct of work, namely in the absence of constant control of the work foreman over the members of the work team.

Investigative mechanisms were identified::

- for accidents – in Articles 227–231 of the Labor Code of the Russian Federation (No. 197-FZ dated December 30, 2001), as well as in the Regulations on the peculiarities of the investigation of accidents at work in certain areas of industries and organizations, approved by Order of the Ministry of Labor and Social Development of the Russian Federation, No. 223n, of April 20, 2022;
- to account for microdamages (microtraumas), consideration of the circumstances and reasons that led to their occurrence – in the Order No. 87 of TGC-1, PJSC dated May 24, 2022 “Procedure for accounting for microdamages (microtraumas) of employees” RG 100 003-2022 (OT);
- 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 (Rostekhnadzor) dated December 08, 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 403-1, 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, fire and industrial 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 safety 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 2022, 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 safety management system to eliminate injuries and reduce risks when performing work.

OCCUPATIONAL HEALTH AND SAFETY COSTS

GRI 403-2, GRI 403-3, GRI 403-6, GRI 403-7

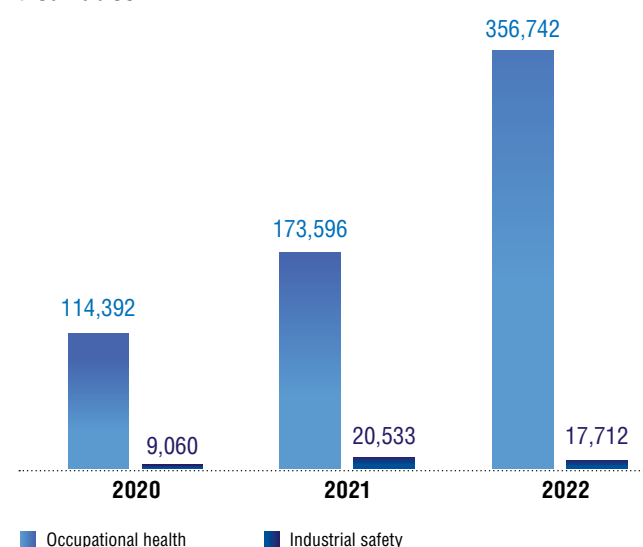
THE COSTS OF ENSURING SAFE WORKING CONDITIONS AND OCCUPATIONAL HEALTH INCLUDE:

- 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 repairs 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 program (agreement).

INDUSTRIAL SAFETY COSTS INCLUDE:

- special activities licensing;
- registration of hazardous production facilities;
- industrial safety expert review;
- civil liability insurance for damage caused by an accident at a hazardous production facility;
- training and certification of employees in industrial safety;
- other costs.

Allocation of occupational health and industrial safety costs,
thou. rubles



Based on the results of the reporting year, the Occupational Safety Management System (OSMS) functions in accordance with the established internal and external requirements, complies with the policy of TGC-1 in the field of occupational safety, fire safety and road safety.

PREVENTION OF EMERGENCY SITUATIONS

GRI 403-5

In 2022, 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 2022, preventive visits were made to organize inspections in 2023 by the Departments of Supervisory Activities and Preventive Work of the Main Departments of the EMERCOM of Russia for the Leningrad and Murmansk Regions and the Republic of Karelia in the field of civil defense, protection of the population and territory from emergencies at generating facilities located on territories of the Branches "Nevsky", "Kolsky" and "Karelsky".

The Company developed civil defence and emergency response training programs 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.

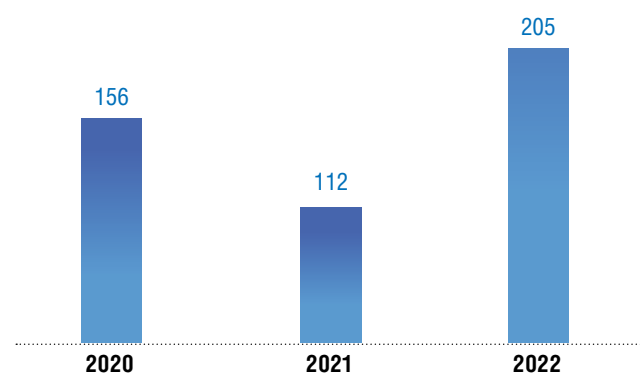
In order to prevent emergency situations in 2022 at the Educational and Methodological Centers of the constituent entities of the Russian Federation, as well as at civil defense courses, the following persons were educated and trained (retrained):

Position	Number of people trained / retrained, pers.
Chairmen of the Commissions for Emergency Situations and Fire Safety	5
Executive of civil defense	3
Members of the Commissions for Emergency Situations and Fire Safety	19
Civil protection specialists	5
Members of the evacuation commissions	4
Members of commissions to improve the sustainability of functioning	8
Head officers and specialists of duty and dispatch services	29
Head officers of non-staff formations for support the implementation of civil defense measures	19
Managers of conducting civil defense classes	19
Authorized personnel of non-staff formations for support the implementation of civil defense measures	455
Head officers of distribution points for personal protection equipment	5

In order to improve preparedness to respond to emergencies and accidental situations, employees stage drills and trainings. In 2022, the Company had the following:

21	Tabletop exercises	41	Special tactical training exercises
107	Facility-based trainings	29	Joint trainings in preparation for the autumn-winter period
6	Trainings for oil spill response.	1	Training during the regular inspection of hydraulic structures

Emergency drills and exercises conducted in 2020–2022, pcs



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

There were no emergencies in the Company in 2022, and 2 man-made fires were recorded at generation facilities:



On February 24, 2022 at 08:20 at Pervomaiskaya CHPP of the Branch “Nevsky”, there was a fire on the 4th floor of an unused laboratory household building of the old part of the CHPP.

The cause of the inflammation was the careless handling of fire by unauthorized unidentified persons.

There are no dead, injured or material damage from the fire.



On April 05, 2022 at 16:45 at the Avtovskaya CHPP of the Branch “Nevsky”, there was a fire in the storage room of the electrical shop. During the hot work on the dismantling of heating registers, according to the safe work permit, the contractor did not provide for measures to prevent sparks from falling to the underlying marks. Sparks fell into the gap between the cross-bar and the wall, which led to inflammation on a rack standing in the storeroom.

The cause of the fire was a violation of fire safety rules by the contractor during fire hazardous work.

There are no dead, injured or material damage from the fire.

RELIABLE ENERGY SUPPLY AND CONSUMER SAFETY IN A PANDEMIC CONDITIONS

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, i. e. 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.

PROFESSIONAL DEVELOPMENT

and social support for personnel

GRI 2-23, GRI 2-24

HR MANAGEMENT POLICY

The personnel management policy of TGC-1 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 KEY COMPETITIVE ADVANTAGES:

 **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

 **FINANCIAL STABILITY AND FOCUS ON LONG-TERM DEVELOPMENT**

 **LARGE-DIMENSION OF THE COMPANY AND DEVELOPED PRODUCTION INFRASTRUCTURE**

 **EFFECTIVE MANAGEMENT SYSTEM AND COMPETENCE OF EMPLOYEES**

THE PURPOSE OF THE HUMAN RESOURCE MANAGEMENT POLICY IS TO CREATE AN ORGANIZATIONALLY EFFICIENT COMPANY WITH A TRANSPARENT CORPORATE GOVERNANCE SYSTEM PROVIDING AMPLE OPPORTUNITIES FOR THE EMPLOYEES TO REACH THEIR FULL POTENTIAL.

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.

The internal documents are designed to meet the requirements:

- the provisions of Russian law;
- Human resources management policies of Gazprom, PJSC, its subsidiaries and organizations (approved by Resolution No. 49 of the Gazprom Management Board dated November 07, 2006).

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

Current documents in HR management::

- HR Management Policy;
- Code of Corporate Ethics;
- The model of corporate management, personal and business competencies of TGC-1, PJSC;
- Regulations on the work with the talent pool for promotion to managerial positions in TGC-1, PJSC;
- Regulations on the personnel certification by current position in TGC-1, PJSC;
- Regulations on staff onboarding at TGC-1, PJSC;
- Regulations on work with students and young specialists of TGC-1, PJSC;
- The procedure for training at the TGC Training Center of the Branch “Nevsky” of TGC-1, PJSC;
- Procedures for working with personnel of TGC-1, PJSC;
- 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, PJSC and its subsidiaries;
- Comprehensive action plan on the application of occupational standards at TGC-1, PJSC and its subsidiaries.

In 2022, the Company continued its work on the application of occupational standards. Regular work is carried out in accordance with the annual plans of Gazprom, PJSC and Gazprom Energoholding, LLC. In total, TGC-1, PJSC uses 48 occupational standards.

Occupational standards used in TGC-1

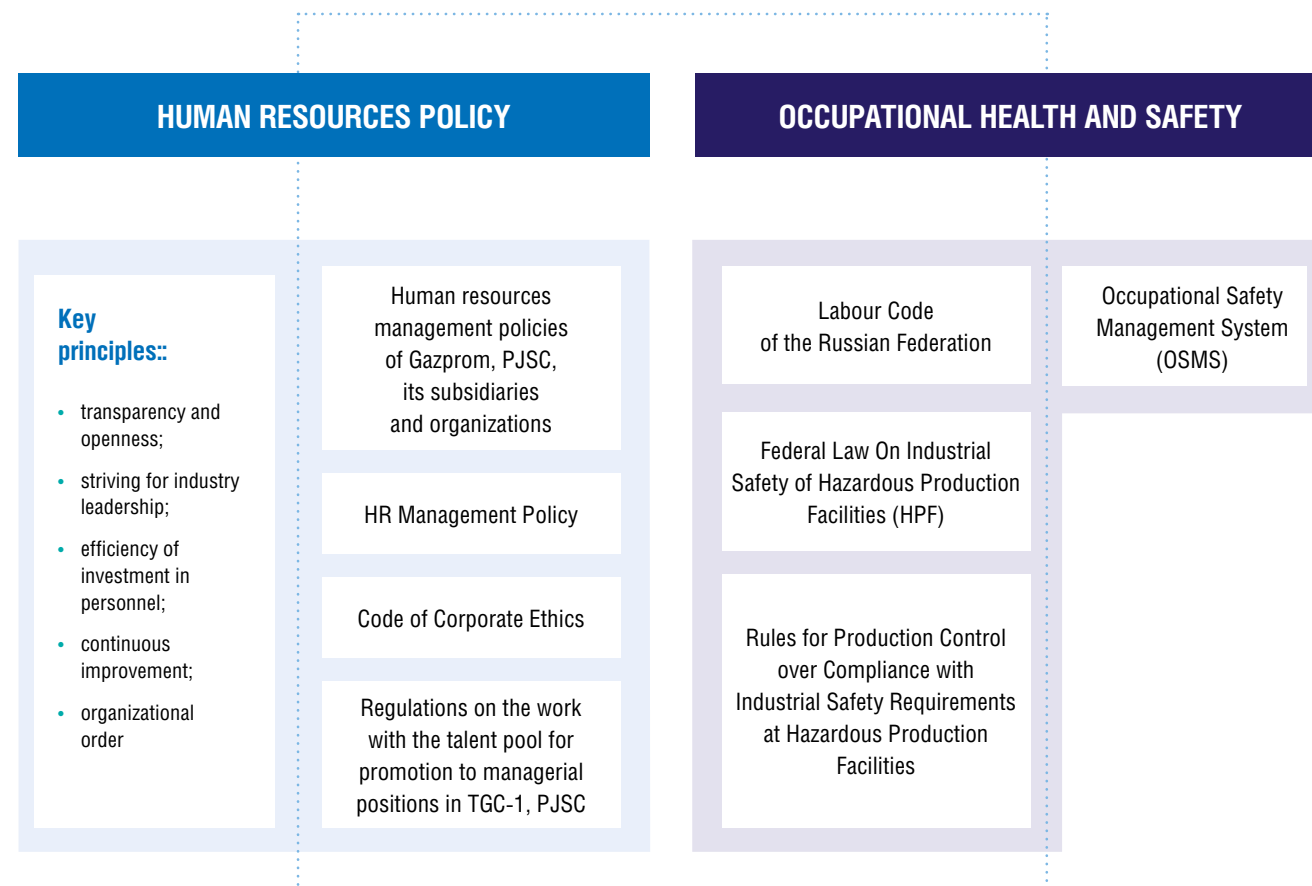
18 Occupational standards for which mandatory application has been established

30 Occupational standards for which mandatory application has not been established

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

The Company provides for transparency and openness in staff 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.

HR MANAGEMENT SYSTEM



LABOUR RESOURCES

GRI 2-7



As of 31.12.2022, the Company's number of employees (including persons engaged under civil law contracts and part-time employees) amounted to 7,449 persons (as of December 31, 2021 – 7,328 persons). From December 31, 2021 till December 31, 2022, the number of staff decreased by 1.65% or 121 persons.

Total number of staff by type of employment contract and gender, persons

Gender	Full-time employees						Freelance employees		
	Employment contract with a payroll employee			Employment contract with a part-time employee			Civil law contract (CLC)		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Women	2,334	2,354	2,465	24	26	31	14	14	17
Men	5,077	4,897	4,901	13	26	22	12	11	13

GRI 405-1

Total number of staff by type of employment contract (continuous / provisional) and region of activity, persons

Region	Full-time employees												Freelance employees					
	Employment contract with a payroll employee						Employment contract with a part-time employee						Civil law contract (CLC)					
	2020		2021		2022		2020		2021		2022		2020		2021		2022	
	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.	Contin.	Provis.
Saint Petersburg	3,540	83	3,523	78	3,639	85	6	1	9	1	19	0	0	4	0	1	0	7
Leningrad Region	606	14	576	11	596	16	0	3	0	10	0	0	0	1	0	0	0	0
Murmansk Region	1,435	10	1,389	9	1,389	19	0	0	3	0	2	0	0	9	0	11	0	10
Republic of Karelia	993	26	969	23	969	27	0	16	0	17	0	17	0	12	0	13	0	12
Murmansk	698	6	664	9	664	8	11	0	12	0	14	1	0	0	0	0	0	1

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

	Full-time employment								Part-time employment			
	2020				2021				2022			
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
TGC-1	2,320	5,067	2,333	4,884	2,438	4,886	14	10	22	12	26	16

NEWLY HIRED EMPLOYEES

7.449 persons

The total number of full-time employees as of December 31, 2022

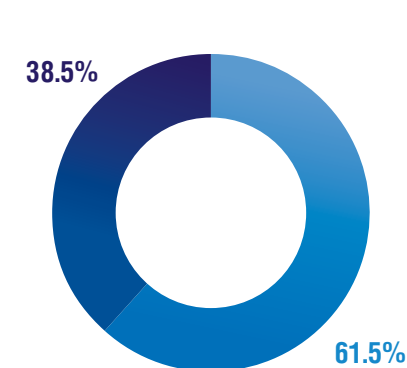
1.237 persons

The total number of newly hired employees during the reporting period January 1, 2022 – December 31, 2022

16.7%

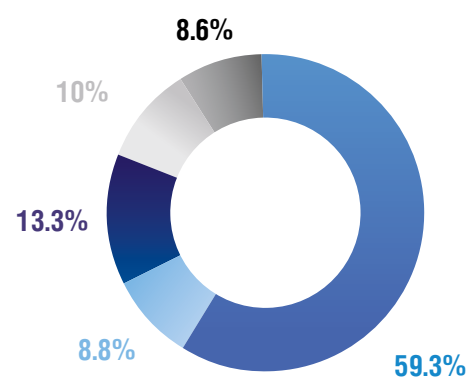
The share of newly hired employees from the total number of full-time employees

Distribution of newly hired employees by gender, %



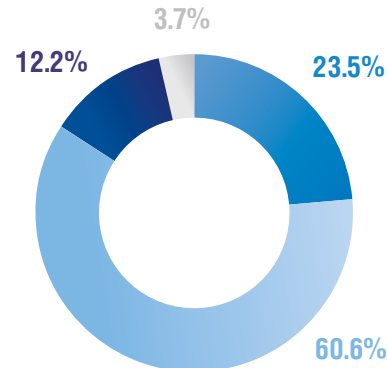
■ Men
■ Women

Distribution of newly hired employees by region, %



■ Saint Petersburg
■ Leningrad region
■ Murmansk region
■ Republic of Karelia
■ Murmansk

Distribution of newly hired employees by age, %



■ Up to 25 years
■ 25-50 years
■ From 50 years to pension age
■ Working pensioners

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

	Managers		Specialists and officers		Workers	
	Women	Men	Women	Men	Women	Men
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
2022						
< 30 years	38	71	218	167	61	508
30–50 years	293	782	740	462	225	1,101
> 50 years	223	491	346	241	320	1,079
Total	554	1,344	1,304	870	606	2,688

Detailed information on the personnel is provided in Appendices 23 and 24.

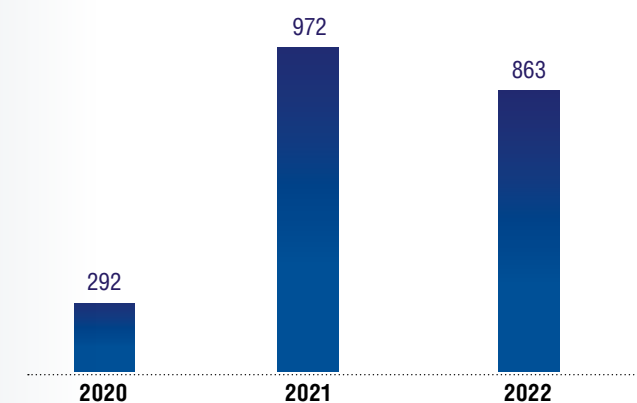
PERFORMANCE ASSESSMENT

GRI 404-3

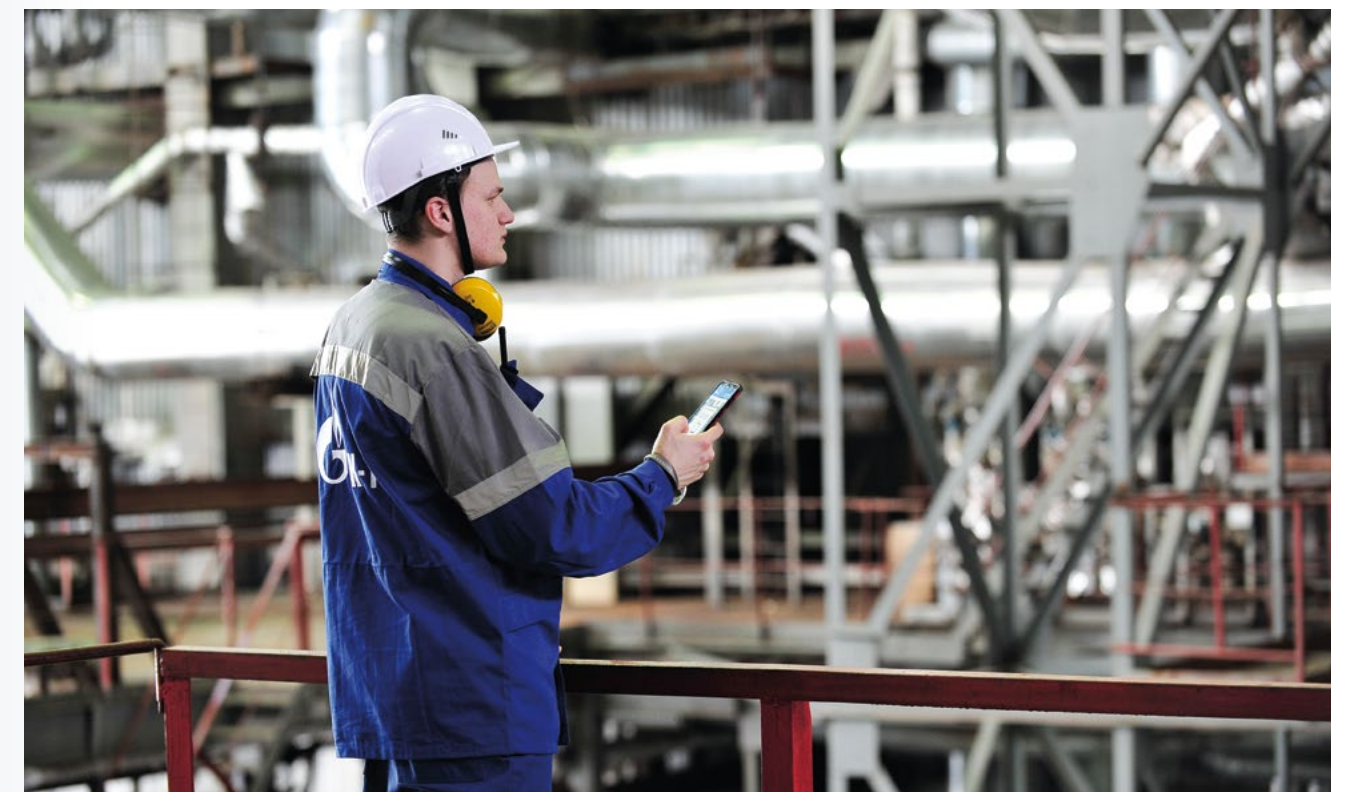
In 2022, performance of 863 employees was evaluated in the Company by monitoring the achieving of bonus indicators / KPIs, individual goals and objectives.

Including 475 people who are in the personnel reserve and / or participating in other development programs, were assessed and trained according to individual training plans. The performance assessment process consisted of aptitude tests, structured questionnaires and an assessment centre. Based on the results of the assessment, key competencies that require development were identified, plans for organizing training and developmental trainings were worked up.

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



388 people passed certification for compliance with their positions. Professional and personal-business competencies, administrative and managerial skills, indicators and results of work were assessed. In 2022, the certification was carried out in accordance with the plan.



STAFF TURNOVER

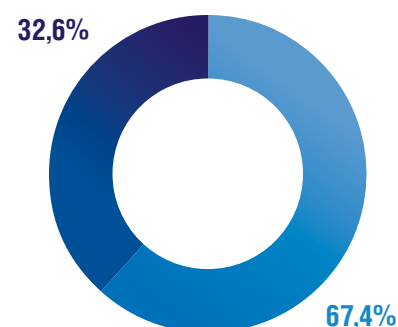
GRI 401-1



During 2022, staff turnover¹⁷ in the Company averaged approximately 10%.

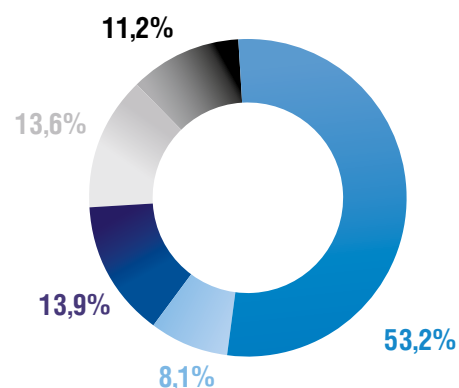
Detailed information on staff turnover is provided in Appendix 25.

Distribution of staff turnover by gender, %



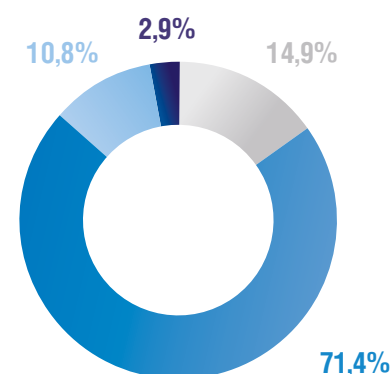
■ Men
■ Women

Distribution of staff turnover by region, %



■ Saint Petersburg
■ Murmansk
■ Republic of Karelia

Distribution of staff turnover by age, %



■ Up to 25 years
■ 25-50 years
■ From 50 years to pension age
■ Working pensioners

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

The main tool 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:

- corporate health insurance and pension schemes;
- staff training and development programs;
- 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 program. For employees who are hired with a probationary period, a task is drawn up for the period of the probationary period, following which the assessment procedure is conducted.

¹⁷ 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.

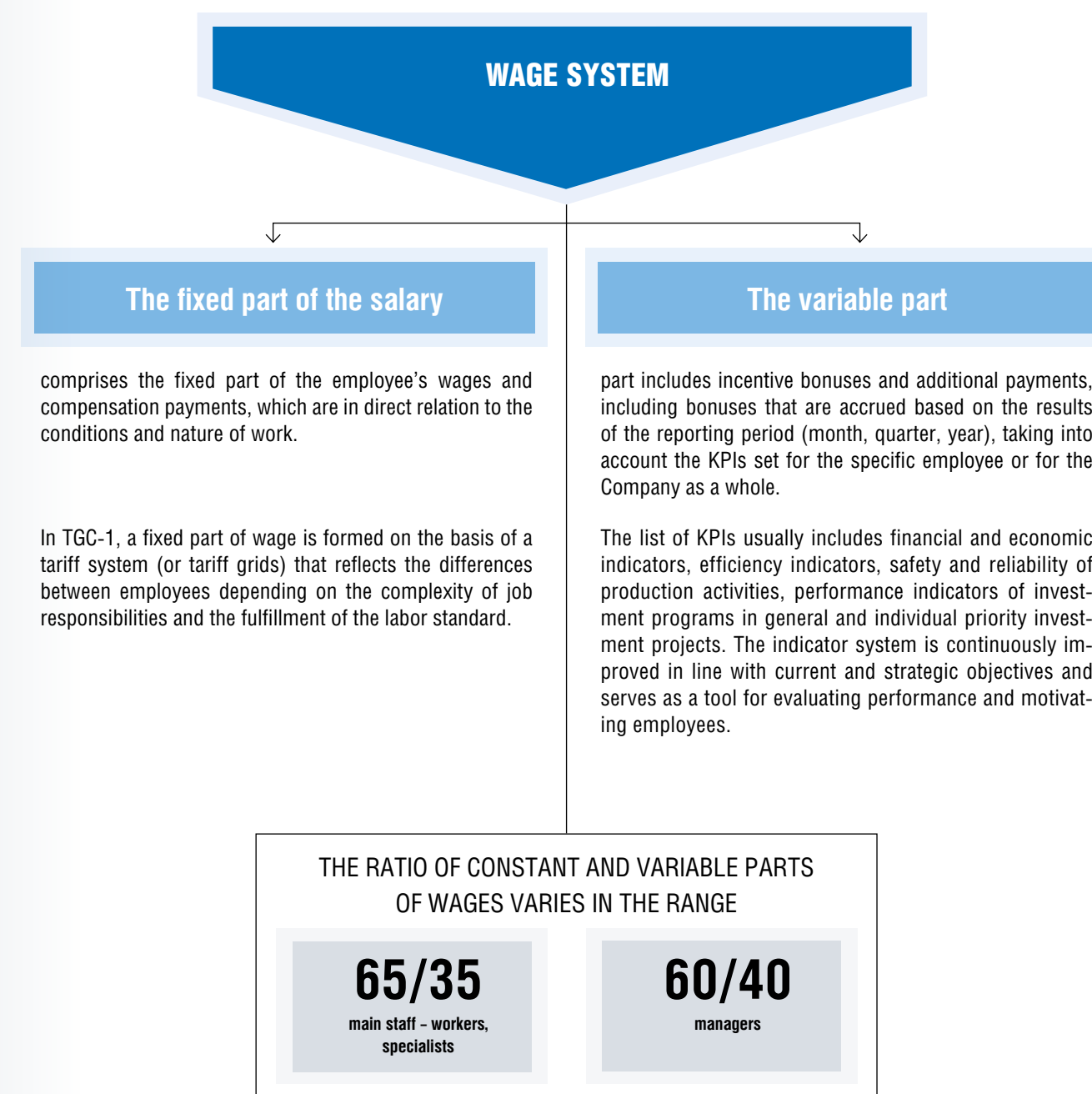
STAFF REMUNERATION

GRI 2-19

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.



GRI 202-1, GRI 405-2

In the regions of activity, in accordance with the legislation of the Russian Federation, a minimum wage (MW) 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 wage in the regions of operation is given in Appendix 26.

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

The staff 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).

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

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

Branches	2020	2021	2022
Saint Petersburg	1.33	1.41	1.24
Leningrad Region	1.72	2.06	1.92
Murmansk Region	1.09	1.06	1.1
Republic of Karelia	1.08	1.09	1.09
Murmansk	1.03	1.03	1.03

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

Regions of operation	Managers			Specialists and officers			Workers		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Saint Petersburg	1.06	1.08	1.09	1.11	1.1	1.08	1.21	1.21	1.22
Leningrad Region	1.15	1.13	1.14	1.15	1.11	1.14	1.21	1.24	1.23
Murmansk Region	1.22	1.27	1.23	1.14	1.16	1.17	1.16	1.16	1.15
Republic of Karelia	1.07	1.07	1.06	1.1	1.1	1.11	1.17	1.19	1.16
Murmansk	0.74	0.72	0.78	1.06	1.05	1.06	1.14	1.14	1.14

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:



THE SYSTEM OF CONTINUOUS CORPORATE EDUCATION.



ONBOARDING of newly hired employees and mentoring system;



INTRODUCTION OF UNIFIED APPROACHES and methods of training and evaluation of personnel;



TRAINING OF THE EMPLOYEE POOL and a transparent system for the promotion of promising employees on the career ladder;



CORPORATE CONCURRENCES AND COMPETITIONS of professional skills and innovative projects;

Continuous training is necessary to achieve the goals, objectives and long-term development of the Company: there are dedicated programs 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.

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 (SCCPE) of Gazprom, PJSC Personnel, on the basis of which professional education and development of managers, specialists, professional training of workers during their labor activity in the Company is organized on the basis of their existing level education (in the interests of the employee and the employer).

The Training Center of TGC-1, PJSC develops new training programs and, if necessary, updates existing training programs 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 programs and teaching materials for them.

THE TRAINING CENTER OF TGC-1, PJSC HAS ORGANIZED TRAINING PROGRAMS FOR:

- vocational training;
- additional vocational education;
- pre-certification and pre-examination conditioning preparation;
- permits for workers to work at facilities under the jurisdiction of Rostekhnadzor;
- simulator training;
- distance courses;
- training courses.

IN 2022, NEW PROGRAMS HAVE BEEN DEVELOPED FOR:

Vocational training and advanced training of workers (with consideration to professional standards):

- Machinery Repairman for equipment of Boiler Accessories and Pulverized Coal Shops;
- Pumping Unit Operator of II Labour Grade;
- Power Generation Plant Operator of VII Labour Grade;

Advanced training of managers and specialists:

- Energy Fundamentals;
- Rules for the selection and processing of samples for testing in the laboratories of CHPPs and HPP's;
- Labour protection requirements;

Programs for all categories of personnel:

- Energy of Security;
- New regulatory legal acts containing labor protection requirements that entered into force on March 1, 2022;
- New regulatory legal acts containing labor protection requirements that entered into force on September 1, 2022.

ELECTRONIC COURSES FOR E-LEARNING HAVE BEEN DEVELOPED:

- Requirements of ISO 9001:2015 and STO Gazprom 9001-2018;
- Fundamentals of the risk management and Internal Control System of TGC-1, PJSC.

In 2022, the employees were trained in accordance with the Rules of Work with Personnel in the Entities of the Power Industry of the Russian Federation (approved by the order of the Ministry of Energy No. 796 of September 22, 2020, amendments to Order No. 1271 of November 30, 2022) and other regulations governing the procedures for personnel training.

39 TRAINING PROGRAMS HAVE BEEN UPDATED, INCLUDING 5 PROGRAMS BASED ON OCCUPATIONAL STANDARDS:

- Skills training program "Electrician of the main control panel of heat power plants";
- Advanced training program for workers in the profession "Chemistry lab technician";
- Advanced training program for workers in the profession "Equipment operator for chemical water treatment of power plant";
- Advanced training program for workers in the profession "Operating of the main electro-technical equipment";
- Advanced training program "Requirements for the organization and conduct of switching in electrical installations of TGC-1, PJSC".

Staff training was conducted according to the programs of compulsory, intentional and recurring training.

In 2022, the share of learning using e-learning technologies was 66%.

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

Types of programs	Managers, person-course			Specialists and officers, person-course			Workers, person-course		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Compulsory training	3,262	3,157	3,959	1,853	1,428	1,827	4,674	4,629	4,491
Intentional training	1,615	451	1,091	2,192	466	1,434	2,210	1,459	383
Recurring training	408	618	505	713	841	534	122	218	197
Total	5,285	4,226	5,555	4,758	2,735	3,795	7,006	6,306	5,071

GRI 404-1

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

Indicator title	Managers			Specialists and officers			Workers		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Average number of training hours per employee per year, total	51	52	61	51	52	61	64	63	64
Average number of training hours per employee per year, female	51	52	61	51	52	61	64	63	64
Average number of training hours per employee per year, male	51	52	61	51	52	61	64	63	64

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 specialized professionals, of education of employees in educational institutions of higher and secondary vocational education vocational level training (in the field of engineering) 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.

In 2022, at the expense of TGC-1 were trained in higher education programs

27 employees ,
of which 9 people graduated, 3 began
training in September 2022.

The amount of
training costs
amounted to

1,390.7
thou. rubles.

An annual professional skills competition is held for operating staff. The main objectives 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 control of thermal power plant equipment, and to improve forms and methods of work aimed at ensuring the quality and safety of equipment maintenance.

In 2023, the Company plans to use positive experience in the implementation of reserve training programs using remote technologies and the development of simulator training in the Training Center and structural units of the Company.

SUPPORT FOR CERTAIN CATEGORIES OF EMPLOYEES

Regulations on financial assistance to employees are in order to increase the level of social protection of employees of TGC-1, in force.

Employees whose total income per family member is less than the minimum monthly wage rate for workers of I grade employed in the operation, repair and construction of electric power industry facilities, established in TGC-1, can be provided financial assistance in the amount of 5,000 rubles.

ATTRACTING AND ONBOARDING YOUNG PROFESSIONALS

One of the strategic objectives 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;
- system of practices for students of specialized higher and secondary vocational educational institutions; competitions of diploma projects among students of higher educational institutions;
- Company's days, roundtables with the Company's leading experts;
- course of lectures "The Present and Future of Energy";
- 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 programs for the onboarding and development of young specialists.

Every year, the Managing Director approves a work plan with young professionals, consisting of activities aimed at attracting, onboarding and improving the professional, personal and business competencies of young professionals in the following areas:

- onboarding;
- training and development;
- unlocking of scientific, technical and creative potential;
- internal and external communications;
- increasing social responsibility of young specialists.

COUNCIL OF YOUNG SPECIALISTS

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. Members of the Council are involved not only in the corporate life of the Company, but also take an active part in joint projects of young specialists of the Gazprom Energoholding, LLC Group companies and Gazprom, PJSC.

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

In 2022, 18 young specialists completed training at the School.

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.

In 2022, a team of young professionals took 3rd place in the CASE-IN International Engineering Championship among 11 teams from all over Russia and first places in the Control and Automation section and the Technical section of the Competition for Young Professionals and Innovators of Gazprom Energoholding, LLC.

COMPETITIONS AND EVENTS

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

Qualifying rounds of the Contest of Young Professionals and Innovators of Gazprom Energoholding, LLC

Development of youth projects within the framework of the Young Professionals' School of TGC-1, PJSC

Solving cases on topical problems of the energy industry during the International Engineering Championship "CASE-IN";

Competition for the best diploma project among students of the North-Western Federal District.

In 2022, TGC-1 approved the Order on awarding the status of Young Professional and the formation of individual development plans. In 2022, 109 employees were given the status of Young Professional and individual plans were formed for professional development and the manifestation of scientific and technical potential.

Young professionals 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 #VmesteYarche (Together is Im-

pactful) and socially significant projects of the Gazprom Group and Gazprom Energoholding Group.

In 2022 TGC-1 was awarded a 3rd degree diploma of the St. Petersburg Working Youth Video Contest in the Workshop Session from Professional nomination.

Young specialists of TGC-1 conduct career guidance work with students of the Gazprom-class of Gymnasium No. 426 of the Petrodvorets district of 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.



PROTECTING THE INTERESTS AND RIGHTS OF WORKERS

GRI 403-4

One of the key areas of the Company's policy in the personnel sphere is to ensure the social security of employees.



SOCIAL PARTNERSHIP

The basic principle is social partnership, which is carried out by providing employees with various types of social benefits, personal insurance, medical and non-state pension provision.

THE MAIN SOCIAL BENEFITS AND PAYMENTS PROVIDED



VOLUNTARY HEALTH INSURANCE FOR EMPLOYEES



NON-STATE PENSION PROVISION



ACCIDENT INSURANCE



SUPPORT FOR RETIRED VETERANS OF TGC-1, PJSC INCLUDING THE FOR SECOND WORLD WAR ONES AND HOME FRONT WORKERS



ORGANIZING HOLIDAYS FOR EMPLOYEES AND / OR THEIR CHILDREN

Cooperation with trade union organizations 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.

52% of employees of TGC-1, PJSC and Murmanskaya CHPP, JSC are members of a trade union organization.

GRI 2-30

The Company has collective agreements 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 labor and technological discipline, requirements for occupational health and safety and industrial sanitation.

In 2022, a new Collective Agreement for 2022–2023 was concluded, based on the text of the previous Collective Agreement, which was in force from February 01, 2020 to January 31, 2022. The changes made were aimed at bringing the articles of the Collective Agreement in line with the changed legislation, the Policy for managing the remuneration of employees of Gazprom, PJSC Companies and improving social and labor relations.



Percentage of company employees covered by Collective bargaining agreements, is equal to 100%.

However, there are peculiarities in the regulation of working conditions for certain categories of employees (employees of the administrative apparatus), which are established by other local acts adopted by TGC-1, PJSC in addition to the Collective Agreement, in the manner regulated by labor legislation.

Percentage of workers covered by the Collective Agreement and the proportion of workers who are members of a trade union

	Percentage of employees covered by the Collective Agreement	Percentage of employees who are trade union members	Trade unions of companies
TGC-1	100%	52%	The primary trade union organization of the Public Organization All-Russian Electrical Trade Union

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, 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 and safety: the employer’s obligations in terms of ensuring safety, conducting medical examinations, handing out clothes / shoes, accident insurance, etc.;
- benefits, guarantees and compensations.

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

GRI 402-1

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 Branches “Nevsky”, “Karelsky”, “Kolsky” of TGC-1, PJSC, Murmanskaya CHPP, JSC provide the joint commission of the trade union and the employer with the right to con-

sider 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.

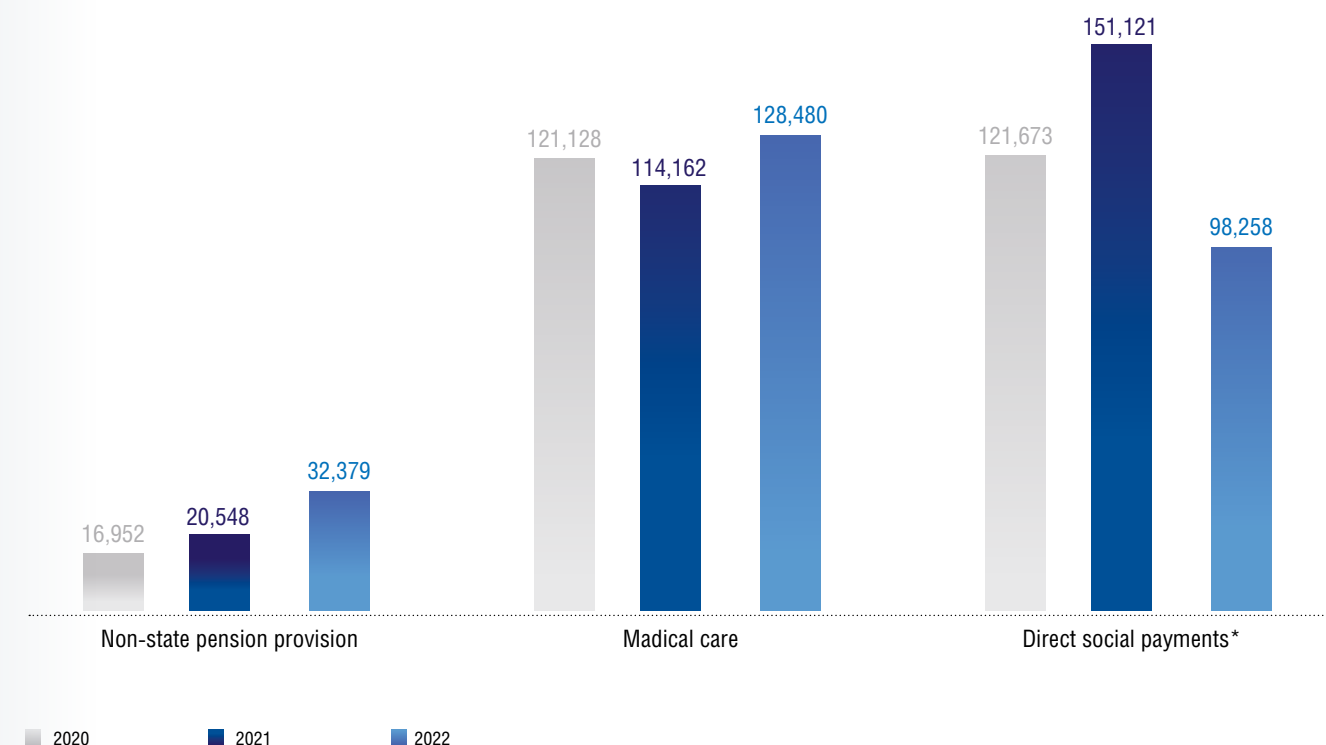
SOCIAL BENEFITS
AND PENSIONS

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 programs.

Structure of social payments, thou. rubles



* Direct social payments for 2022 correspond to the data of the reporting form No. 161-gaz. In previous periods, in addition to social payments, social payments to employees from the payroll bill were included. The data on form 161-gaz for 2021 amounted to 98,147 thou. rubles, for 2020 the form for this expense item was not filled out.

CHARITABLE ACTIVITIES

and support for the regions of presence

GRI 203-1, GRI 413-1

As one of the leading energy companies in the North-Western Federal District, TGC-1 makes a significant contribution not only to improving the energy efficiency and energy security of the region, but also to minimizing the negative impact on the environment of the regions of its presence: St. Petersburg, Leningrad and Murmansk Regions and the Republic of Karelia, as well as the creation of favorable living conditions for almost 9 mln of their inhabitants.

Every year, as part of its charitable and sponsorship activities, the Company promotes various initiatives in the field of education, art, culture, sports, environmental education, and also provides support to organizations of the disabled, children's and youth movements, religious and non-profit public organizations.

To form uniform standards for charitable activities, the Company has developed and adopted a Charity Policy and Regulations on the Committee for Charity and Sponsorship. The total amount of charitable assistance provided in 2022 amounted to about 17.2 mln rubles.

The largest projects implemented in 2022 with the support of TGC-1:

In the field of culture, art and preservation of historical heritage:

Since 2015, TGC-1, PJSC has been cooperating with the State Hermitage Museum in terms of funding the program of modernization of museum lighting systems for permanent exhibitions and premises of restoration laboratories, as well as an energy saving program. 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 17–18 centuries, the School Corridor, the Rastrelli Gallery,

the Oriental Gallery and the Large Italian ceremonial halls, with “overhead lighting”, in the building of the New Hermitage.

In 2022, the Company also began cooperation with the St. Petersburg State Museum of Theatrical and Musical Art, allocating funding for the restoration of a unique exhibit – the stage costume of Princess Volkhova for N. I. Zabela-Vrubel to the opera by N. A. Rimsky-Korsakov “Sadko”, designed according to the sketches of the artist Mikhail Vrubel. The costume is an outstanding artifact of arts and crafts and artistic culture and is included in the State Museum Fund of the Russian Federation.



In addition, in order to patriotically educate the younger generation, search, collect and preserve information about the events of the Great Patriotic War, the Company supported the volunteer project Military Memory Paths in the Paz River Valley to install a memorial plaque on the building of Janiskoski HPP-5 in memory of soldiers 11 rifle regiment of the 83rd rifle division, who died and were inside the territory of the power plant.

In education:

Realizing the importance of the development of the national engineering school, as well as the need to create additional incentives for scientific and educational work among the teaching staff of higher educational institutions, since 2005, TGC-1 has been annually paying educational grants named after Semyon Armenakovich Kazarov to students and teachers of the FSAEI HE “St. Petersburg State University of Industrial Technologies and Design” and FSAEI HE “Peter the Great St. Petersburg Polytechnic University”.

In addition, since 2018, the Company has been cooperating with Gymnasium No. 426 of the Petrodvorets district of St. Petersburg, providing comprehensive assistance to the profession-oriented Gazprom-class, from financing trips to scientific and practical conferences and student gatherings to visiting energy facilities with excursions and holding thematic lectures

In the field of sports and healthy lifestyles:

Support for youth amateur sports and a healthy lifestyle is an integral part of TGC-1 corporate culture. Therefore, for nine

years, the Company, with the participation of the Youth Initiatives public organization and the Volunteering Resource Center

experienced power engineers. 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 order to motivate students of general education schools, as well as students and teachers to participate in research and development that are relevant to the Company, in 2022 TGC-1 supported the projects of organizing a laboratory for the discipline “Power plants and substations” at FSAEI HE “Murmansk State Technical University” and the purchase of computer equipment for the Girvas Secondary School named after the Hero of the Soviet Union A. N. Afanasyev in stlmt. Girvas of the Kondopoga municipal district in the Republic of Karelia.

of the Republic of Karelia, has been creating a public space in the Governor's Park of Petrozavodsk, the public skating rink and art platform for street sports games and holidays.

In the field of ecology and environmental education:

As one of the leaders in the Russian renewable energy industry, TGC-1 supports projects and organizations aimed at protecting the environment and preserving biodiversity.

Thus, in 2022, in the Leningrad Region, thanks to the active participation of the Company, a touristic trail was equipped on the territory of the Nizhne-Svirsky State Nature Reserve, designed taking into account the requirements for the conve-

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

A significant role in the Company's charitable activities is played by the formation of a favorable environment in the regions of its presence. Power engineers pay special attention

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

In St. Petersburg, the Company provides sponsorship support to the Zenit football club and the SKA hockey club.

nience of movement of children's organized groups along it, incl. with disabilities.

In the Murmansk Region, the Federal Research Center "Kola Scientific Center of the Russian Academy of Sciences (Institute for Industrial Ecology Problems of the North)", with the support of TGC-1, has begun designing an ecological trail in the area of the Nizhne-Teriberskaya HPP.

to supporting public initiatives related to helping the disabled, orphans and children in difficult life situations.

Thanks to the co-financing of TGC-1:

- equipment was purchased and new jobs created at the Professiya printing house for people with disabilities as part of the New Life program in St. Petersburg;
- books for blind and visually impaired children were purchased from the Municipal Preschool Educational Institution "Child Development Center – Kindergarten No. 4" (Vsevolozhsk, Leningrad Region), State Regional Budgetary Educational Institution "Murmansk Correctional Boarding School No. 3" (Murmansk), the Karelian Republican Library for the Blind (Petrozavodsk);
- the Help Route program of the charitable foundation "Arguments and Facts. Good Heart" for accompanying families with seriously ill children, which includes legal assistance, psychological support and medical examination of each applied family;
- the wards of the Pelican Center charitable public organization and the Hope for Mercy foundation received the necessary medical and rehabilitation assistance;
- charitable events were organized and held for children with disabilities from the Kindergarten No. 108 of the Vyborgsky

District, children from orphanages and boarding schools within the framework of the programs of the Fortuna Center for Assistance to Children with Disabilities, the Ursa Major regional public movement and the Sunbeam Regional Charitable Non-governmental Organization in the Leningrad Region and St. Petersburg;

- speech therapy equipment was purchased for the prevention and correction of speech disorders among pupils of Municipal Budgetary Pre-school Educational Institution No. 48 in the city of Apatity and developmental aids for inclusive education in Kindergarten No. 104 of the Nevsky District of St. Petersburg;
- stage equipment was purchased for the Center for the Development of Creativity and Scientific and Technical Initiatives of Children and Youth of the Kalininsky District of St. Petersburg;
- landscaping of the community and cultural area Art-Village was carried out in the urban-type settlement Pryazha, Pryazhinsky District of the Republic of Karelia.

CORPORATE VOLUNTEERING

The participation of volunteers from among the Company's employees in city, regional and sectoral public initiatives reflects the commitment of the team to corporate values and is one of the important areas of internal corporate life of TGC-1.

So, as part of the annual Good Help campaign, about 300 employees of the Company in St. Petersburg from administrative and production staff united to collect gifts for disabled children, orphans, as well as lonely elderly people on the eve of Children's Day and the New Year, as well as for assistance to shelters for homeless and sick animals.

Structure of costs for charitable projects of TGC-1 in 2022

Area of support	Amount, thous. rubles
Targeted medical care	4,365
Support for public and religious organizations	680
Support for cultural projects	4,470
Support for sports and healthism initiatives	979
Support of local communities, social initiatives and disadvantaged groups of society	2,075
Support for science and education	2,747
Support of environmental projects	1,884
Total	17,200



5. ENSURING SUSTAINABLE DEVELOPMENT IN THE PRODUCTION AND ECONOMIC SPHERE

Ensuring uninterrupted and reliable power supply	128
Repair Program	134
Tariff regulation	135
Investments activities	136
Innovative development	144



ENSURING UNINTERRUPTED

and reliable power supply

GRI 2-6, GRI 3-3

At the end of 2022, the installed capacity of the Company's power plants (including Murmanskaya CHPP, JSC) was 6,919.7 MW of electric capacity and 13,568.58 Gcal/h of heat capacity.

THE BACKBONE OF PRODUCTION CAPACITIES OF TGC-1 IS MADE BY

52

power plants

including



40

hydroelectric power plants (HPP)



12

combined heat and power plants (CHPP), including Murmanskaya CHPP, JSC subsidiary.

Most HPPs located sequentially downstream the water course and interconnected by the common water regime are combined into cascades.

BRANCH "NEVSKY"

Most production facilities
of TGC-1

9 CHPPs > **3,523.5 MW** > **11,168.0 Gcal/h**
Installed electric capacity Installed heat capacity

7 HPPs > **707.8 MW**
Installed electric capacity

BRANCH "KARELSKY"

Petrozavodskaya CHPP
and boiler plants

> **280 MW**
Installed electric capacity

> **728.6 Gcal/h**
Installed heat capacity

16 HPPs,
combined into 3 cascades

> **550.5 MW**
Installed electric capacity

BRANCH "KOLSKY"

Apatitskaya CHPP
and boiler plants

> **230 MW**
Installed electric capacity

> **535.0 Gcal/h**
Installed heat capacity

17 HPPs,
combined into 3 cascades

> **1,615.9 MW**
Installed electric capacity

IN ADDITION TO THAT

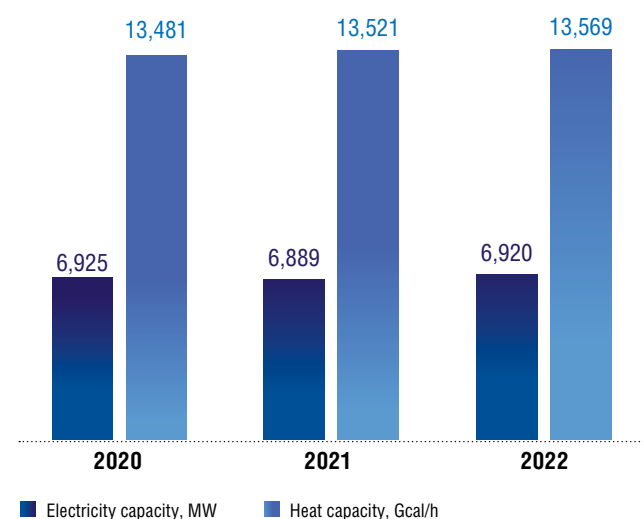
Murmanskaya CHPP, JSC

> **12 MW**
Installed electric capacity

> **1,137.0 Gcal/h**
Installed heat capacity

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.

Installed capacity*



* Including Murmanskaya CHPP, JSC.

6,919.7

MW

TGC-1's installed electricity capacity was 6,919.7 MW at the end of 2022, which was 0.4% less than at the end of 2021.

13,568.6

Gcal/h

The total installed thermal capacity was 13,569 Gcal/h at the end of 2022, which was 0.4% higher than the level at the end of 2021.

THE DYNAMICS OF INSTALLED CAPACITY IN 2020–2022 WAS INFLUENCED BY THE FOLLOWING FACTORS:

2020

↑ An increase of
6.9 MW

Reasons:

- relabeling of hydroelectric units at Niva HPP-1;
- increase in installed capacity of HS No. 4 at Verkhne-Tulomskaya HPP after modernization.

↓ Reduction by
of 4.3 Gcal/h

Reasons:

- decommissioning of the boiler of St. No. 3 PP-1 of Central CHPP;
- relabeling of Peak Water-Heating Boiler-2 at Severnaya CHPP;
- reconstruction of boiler plants of the Branch "Karelsky".

2021

↓ Reduction by
35.6 MW

Reasons:

- decommissioning of TG-4 and TG-5 of TPP-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.

↑ An increase of
40.49 Gcal/h

Reasons:

- decommissioning of TG-4 and TG-5 of TPP-15;
- reconstruction of boiler plants of the Branch "Karelsky".

2022

↑ An increase of
30.8 MW

Reasons:

- increase in installed capacity after modernization of TG-7 at Avtovskaya CHPP;
- increase in installed capacity of HS No. 3 (hydroelectric set) at Verkhne-Tulomskaya HPP after modernization;
- reduction in installed capacity after relabeling of HS No. 3 at Kondopozhskaya HPP and HA No. 1, H.A. No. 2 at Palyeozerskaya HPP;
- decrease in installed capacity after relabeling of HS Nos. 1–3 at the Belomorskaya HPP.

↑ An increase of
47.56 Gcal/h

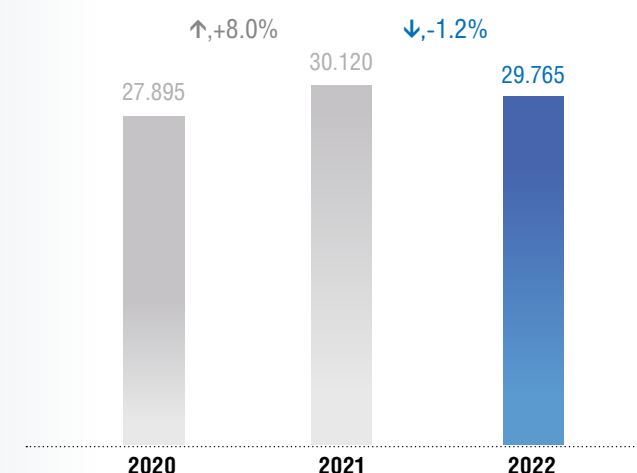
Reasons:

- increase in installed capacity after modernization of TG-7 at Avtovskaya CHPP;
- relabeling of Peak Water-Heating Boiler No. 6 of Vasileostrovskaya CHPP;
- reconstruction of boiler plants of the Branch "Karelsky".

The Causes of Change in the Available Capacity of Power Plants During 2022

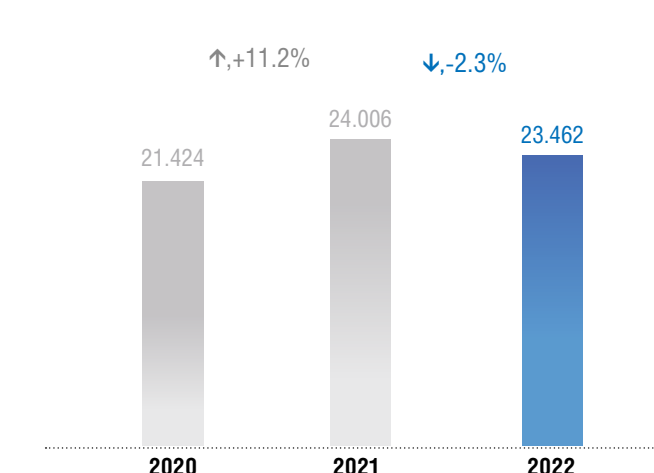
The causes for the change in the available capacity of the Company's power plants are the same as the causes for the change in installed capacity and lower water content at the HPPs of the Branch "Karelsky" compared to 2021.

Electricity generation by TGC-1 in 2020–2022, mln kW·h

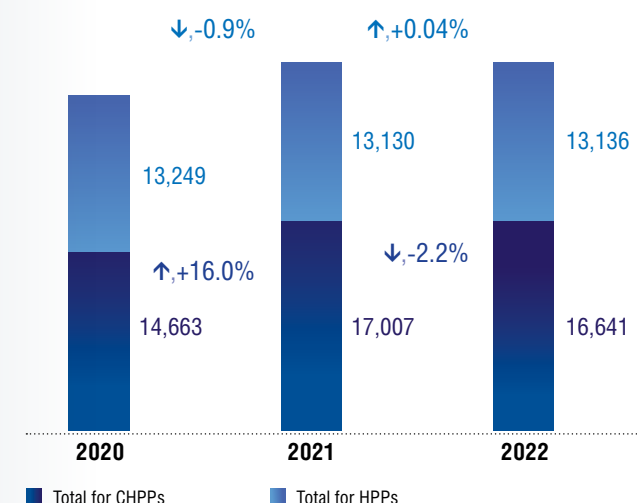


* Excluding Murmanskaya CHPP, JSC.

Net supply of thermal energy of TGC-1 Group of Companies in 2020–2022, mln Gcal



Electricity generation of TPP and HPP of TGC-1 in 2020–2022, mln kW·h



29.8

mln kW·h

Of electricity generation of TGC-1 in 2021, which is an increase 1.2% compared to the indicator in 2021

Electricity generation at thermal power plants in 2022 decreased by 2.2% compared to the same indicator in 2021. The main factor in the decline in production at power plants was a large-scale repair program for the equipment of the Pravoberezhnaya and Pervomaiskaya CHPPs. It should be noted that the power generation at HPPs remained at the level of 2021 with a slight increase of 0.1%, while due to lower water content in the Branches "Nevsky" and "Karelsky", the HPP output decreased relative to 2021, and in the Branch "Kolsky" increased significantly, which was facilitated by the expansion of the network transit of electricity from Kola-Karelia.

Hydrological Situation in Regions of the Company's Presence. The Effect of Water Level on Electric Power Output.

Branch "Nevsky"

Generally, in the year 2022, within the territory of Branch "Nevsky", the water levels were slightly higher than the average with an exceedance probability of about 65%.

The reserve of hydro resources in the reservoirs of the branch HPP in the first and second quarters of 2022 was higher than the average long-term indicators. The high water content was due to a large amount of rainfall in the fall of 2021.

Starting from the third quarter, the water level decreased due to the lack of precipitation, the water inflow into reservoirs until the end of 2022 was of minor importance to the average long-term values.

The energy generation by Branch "Nevsky" HPP in 2022 amounted to 3,385.715 mln kW·h, which is 4.8% lower than the plan.

The decrease in generation relative to the plan is caused by low water content associated with a precipitation deficit in the summer of 2022.

Branch "Kolsky"

The volume of annual inflows for the system as a whole amounted to 36.4 km³ with a 19% supply, so 2022 was a water-rich.

The maximum storage of water in snow pack were formed on April 10 and in most of the region were 107–120% of the norm.

In the second ten days of June 2022, the flood mostly ended, the levels of the reservoirs reached the FRL (full reservoir level). The flood volume in the system (May–July) amounted to 19.5 km³, the exceedance probability of inflow for the flood was 19%.

In the 2nd half of 2022, the inflow on most watercourses was close to average.

Due to the high water content of the 1st half of the year, the amount of electricity generated by Branch "Kolsky" of TGC-1 in 2022 exceeded the planned indicators and amounted to 7,313.035 mln kW·h, which is about 3.1% higher than the planned value.

Branch "Karelsky"

The reserves of hydro resources at the beginning of the year were close to the average long-term values.

By mid-March 2022, water levels in water bodies in the northern and southern parts of Karelia dropped below the long-term average. The breakup on most rivers and lakes of the Republic of Karelia took place in terms close to the long-term average values.

Low summer water content due to lack of precipitation has led to a steady drawdowns of water level in rivers and affluxes through reservoirs. Due to low water content, the planned targets for electricity generation in the 3rd quarter of 2022 were not met.

In the autumn of 2022, precipitation was observed with varying intensity, and a significant increase in water content was noted only in the Vygozero-Onda reservoir. Low water ifluxes into the Karelia HPPS reservoirs in the second half of the year and the lack of hydro resources led to a decrease in planned generation volumes.

Low summer water content due to lack of precipitation has led to a steady decrease in affluxes from reservoirs in the 3rd and 4th quarters of 2022.

Due to the above, the total amount of electricity generated by Branch "Karelsky" of TGC-1, PJSC in 2022 was 2,437.548 mln kW·h, which is below the planned figures by about 11.4%.

23,461.9

Gcal

The volume of net supply of thermal energy by TGC-1 for 12 months of 2022 amounted to 23,461.9 thou. Gcal, showing a decrease of 2.3% compared to 2021, due to higher outdoor temperatures during the heating season of 2022.



REPAIR PROGRAM

The 2022 Repair Program of TGC-1, PJSC is intended to sustain the good working order of the fixed production assets while keeping costs for maintenance and repairs at an optimal level.

THE 2022 REPAIR PROGRAM OF TGC-1, PJSC HAS BEEN DEVELOPED BASED ON THE BELOW:

- long-term repair schedules for primary equipment of power plants;
- annual repair schedules for the main, auxiliary equipment, buildings and structures of power plants;
- the results of 2021 troubleshooting and repair programs;
- forecasts for consumer price index and industrial producer price index;
- expert assessment of repair costs basing on the costs of repairing similar fixed assets in the past periods.

KEY OBJECTIVES OF REPAIR CAMPAIGN IN 2023:

- implementing the repairs program for the designated fixed assets in due time;
- restoring technical and economic capacity of equipment;
- increasing reliability of equipment at power plants;
- performing activities for preparing power facilities of TGC-1 for operation during the autumn and winter season 2023/2024;
- improving the quality of repair works and wider use of new materials and technologies.

Expenses for the repair program in 2020–2022 and plans for 2023, thou. rubles without VAT:

	2020	2021	2022	2023 (P)
TGC-1, PJSC	3,332,080	4,710,509	5,261,556	5,065,493

TARIFF REGULATION

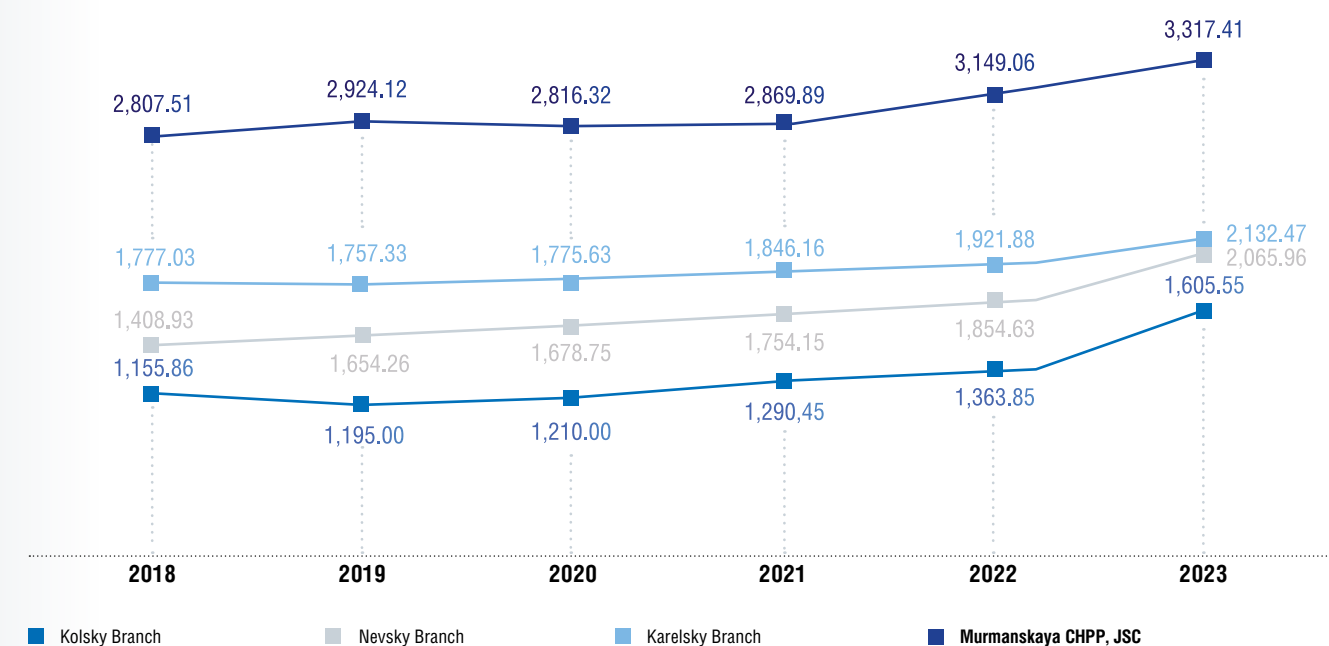
Electricity and capacity tariffs for TGC-1 as a participant of the wholesale market are subject to approval by Federal Antimonopoly Service (FAS) of the Russian Federation.

Pursuant to clause 62 of the Wholesale Electricity and Capacity Market Regulations approved by Decree of the Russian Government No. 1172 of December 27, 2010, electricity and capacity supplies at regulated prices (tariffs) may only be carried out to provide electricity and capacity to the population and equivalent categories of consumers. Pursuant to clause 65 of the Wholesale Electricity and Capacity Market Regulations, the total volume of electricity and the total volume of capacity to be supplied under regulated contracts in one calendar year may not exceed 35% of electricity and capacity generation as determined in the forecast balance for regulatory period for a certain provider.

In 2022, payments for electricity and capacity under regulated contracts were made as per electricity and capacity tariffs established by the Russian FAS specifically for each power plant of the Company. Settlements for electricity supplied to the day-ahead market and the balancing market were made at prices established on the basis of competitive bids made by bidders.

Settlements for capacity supplied under CPA were based on the prices formed as a result of the price auction for 2022. Settlements under capacity supply agreements (CSA) were based on the prices calculated by NP Market Council.

Heat tariffs get approved by the regional regulatory authorities of Saint Petersburg, Leningrad Region, the Republic of Karelia and Murmansk Region for each consumer group.



INVESTMENTS ACTIVITIES

GRI 2-23, GRI 2-24, GRI 2-28

PRIORITIES OF INVESTMENT ACTIVITY

The main areas for TGC-1 progression in terms of its investment activities are as follows:

- implementation of the Company's priority investment projects;
- modernization of outdated generating facilities using the best available technologies and introduction of innovations in production processes;
- maintaining the balance of connected load and installed capacity of CHPPs after decommissioning of equipment that has reached the end of its service life;
- expanding TGC-1 operational zones by connecting new residential areas and switching consumers from inefficient heat sources to its grids;
- introducing projects with minimal environmental impact and improving the overall efficiency and environmental safety of power facilities;
- implementing the Energy Saving and Energy Efficiency Program;
- strengthening anti-terrorist protection of critical infrastructure facilities and facilities of the fuel and energy complex;
- implementation of the provisions of the Digital Transformation Strategy of Gazprom, PJSC and the import substitution program in the field of IT infrastructure;
- fulfillment of instruction received from supervisory authorities.

PROGRESS AND RESULTS OF KEY INVESTMENT PROJECTS IN 2022

The investment program of TGC-1 for 2022 was approved by the Company's Board of Directors on December 31, 2021 (Minutes No. 22 dated January 10, 2022, issue No. 9), amended by decisions of the Board of Directors dated May 12, 2022 (Board Protocol dated May 13, 2022 No. 27, issue No. 3), dated 09.06.2022 (Minutes of the Board of Directors dated 09.06.2022 No. 30, issue No. 2) and dated 08.12.2022 (Minutes of the Board of Directors dated 08.12.2022 No. 42, issue No. 2).



19,678

mln rubles, VAT included

The financing for Investment Program
in 2022 amounted

As part of the implementation of the investment program, the following priority projects were carried out:

Construction of a Small Hydroelectric Power Plant on the Paz River

The project for SHPP construction on the Paz River was selected through a competition of projects for construction of generating facilities based on renewable energy sources with the conclusion of power supply contracts (facility under the CSA program).

The planned date for power supply is July 1, 2026 (notification of CFR, JSC (Financial Settlement Center) about the postponement).

The implementation of this project will increase the installed capacity of the hydro-generating facilities of TGC-1 Branch "Kolsky" by 16.5 MW.

In 2022, as part of the implementation of the priority investment project "Construction of a SHPP on the river Paz"

- received a positive conclusion from the state examination of design documentation and the results of engineering surveys of the Federal Autonomous Institution "Glavosexpertiza of Russia",
- an agreement was concluded on the implementation of the technological connection of the SHPP to electric networks,
- and the manufacture of the main and auxiliary equipment was carried out.

Reconstruction of PP-2 at Central CHPP

The necessity to renovate PP-2 at Central CHPP has been caused because the main generating equipment of PP-2 at CHPP has reached its technical limits. The project envisages construction of the water heating boiler unit consisting of six water heating boilers with the capacity of 120 Gcal/h each. This solution will provide reliable and good coverage of existing and future heat loads of the residential, utility, and industrial sectors in the existing heat supply zones of PP-2 of Central CHPP, as well as higher efficiency of heat generation through the use of modern equipment and integration of new technologies and schematic solutions.

In 2022, as part of the implementation of the priority investment project "Reconstruction of Power Plant-2 of the Central CHPP of the Branch "Nevsky" of TGC-1:

- completed works on the installation of the foundations of the main building, utility building and foundations for the main equipment;
- full acceptance of the equipment of two hot water boilers and partial acceptance of four boilers has been carried out;
- work was carried out on the installation of water-heating boilers.

Reconstruction of Avtovskaya CHPP-15

The purpose of this project is to organize reliable and robust coverage of existing and anticipated heat loads in the housing, utility and industrial sectors within the heat supply zones of Avtovskaya CHPP, to reduce charges for water use and mitigate negative impact on the water bodies, as well as to reduce restrictions on the plant's installed capacity.

Based on the results of the competitive selection of modernized capacities (hereinafter referred to as CCTMod), the Decree of the Government of the Russian Federation No. 1713-r dated August 2, 2019 approved the list of generating facilities, the capacity of which is supplied under contracts for the sale and purchase (supply) of the capacity of modernized generating facilities.

This list includes Avtovskaya CHPP (CHPP-15) of TGC-1 with the following activities:

- Replacement of a high-pressure cylinder of the heat extraction steam turbine (No. TG-6) with an increase of the installed capacity from 100 to 120 MW, and capacity supplies starting from January 1, 2024.
- Replacement of a high-pressure cylinder of the heat extraction steam turbine (No. TG-7) with an increase of the installed capacity from 97 to 116.4 MW, and capacity supplies starting from January 1, 2022.

Under the priority investment project, Reconstruction of Avtovskaya CHPP-15, works are planned to modernize the equipment of turbine units No. 7 and No. 6, to modernize auxiliary equipment and general plant systems, to renovate 35 kV and 110 kV outdoor switchgears, and to build a process water recirculation system.

In 2022, under the priority investment project, Reconstruction of Avtovskaya CHPP-15, the following progress was made:

- from January 01, 2022 after modernization, the turbine unit st. No. 7 of Avtovskaya CHPP-15 is included in the register of the maximum volumes of power supply of generating equipment with an installed capacity of 123 MW;
- the dismantling of the turbine unit of st. No. 6 was completed;
- works was carried out on the installation of the main and auxiliary equipment of the turbine unit st. No. 6;
- a permit for the construction of a circulating service water supply system was obtained from the State Construction Supervision and Expertise Service of St. Petersburg.

Modernization of Verkhne-Tulomskaya HPP (HPP-12)

Modernization of Verkhne-Tulomskaya HPP includes phased replacement of hydroelectric units. Hydroelectric unit st. No. 4 was put into operation in 2020, the hydroelectric unit of st. No. 1 was put into operation in 2021, the hydroelectric unit of st. No. 3 was put into operation in 2022. The planned commissioning date of the hydroelectric unit of st. No. 2 is 2023.

The modernization will result in increased capacity of each hydroelectric unit to 75 MW, increasing the plant's installed capacity to 300 MW.

In 2022, as part of the implementation of the priority investment project Modernization of the Verkhne-Tulomskaya HPP:

- hydraulic unit st. No. 3 was put into operation, the supply of power of 75 MW through the KOM began;
- the delivery of the main and auxiliary equipment of the hydroelectric unit st. No. 2 is completed;
- works began on the installation of the turbine and generator of the hydroelectric unit st. No. 2.

Technical re-equipment of TG (thermal generator) No. 4 at Vasileostrovskaya CHPP-7

Pursuant to the Russian Government Decree No. 1793-r dated July 01, 2021, power unit No. 4 at Vasileostrovskaya CHPP was included in the list of generating facilities, the capacity of which is supplied under contracts for the sale and purchase (supply) of the capacity of modernized generating facilities with the start of capacity supply from January 1, 2027.

The project includes a comprehensive replacement of a steam turbine with industrial and heat extraction PT-25-90/10 for a similar one with a number of related technical measures.

In 2022, as part of the implementation of the priority investment project "Technical re-equipment of TG No. 4 of Vasileostrovskaya CHPP-7",

- a comprehensive survey of the foundation was completed,
- an initial 3D model of the turbine department was developed,
- an application was sent to verify compliance with the requirements for the 1st stage of localization to the Ministry of Industry and Trade of the Russian Federation.

Technical re-equipment of Severnaya CHPP-21

Pursuant to the Russian Government Decree No. 232-r dated February 07, 2020, power unit No. 4 at Severnaya (Northern) CHPP was included in the list of generating facilities, the capacity of which is supplied under contracts for the sale and purchase (supply) of the capacity of modernized generating facilities (CCTMod) with the start of capacity supply from January 01, 2025.

After TGC-1 sent the corresponding application, CFR (Financial Settlement Center), JSC was notified the deadline postponement for fulfilling obligations under the CCTMod measures to May 2023.

The project provides for the implementation of measures to replace the main elements of the boiler unit of power unit No. 4 of the Severnaya CHPP.

In 2022, as part of the implementation of the priority investment project "Technical re-equipment of Severnaya CHPP-21",

- project documentation was approved based on the results of obtaining positive conclusions from the industrial safety expertise,
- and a contract was signed for construction and installation works of the preparatory period.

Technical re-equipment of TG (thermal generator) No. 2 at Severnaya CHPP-21

Pursuant to the Russian Government Decree No. 1793-r dated July 01, 2021, power unit No. 2 at Severnaya CHPP was included in the list of generating facilities, the capacity of which is supplied under contracts for the sale and purchase (supply) of the capacity of modernized generating facilities with the start of capacity supply from December 1, 2027.

The project includes a comprehensive replacement of the T-100/120-130-3 cogeneration steam turbine with a similar one with a number of related technical measures to integrate auxiliary equipment and steam turbine systems into the existing station ones.

In 2022, as part of the implementation of the priority investment project "Technical re-equipment of TG No. 2 at Severnaya CHPP-21",

- an initial 3D model of the turbine department was developed,
- an application was sent to verify compliance with the requirements for the 1st stage of localization to the Ministry of Industry and Trade of the Russian Federation.

MAJOR CHANGES PLANNED TO THE COMPANY'S INVESTMENT PLANS

THE DEVELOPMENT STRATEGY OF TGC-1 FOR 2018–2027
ENVISIONS TWO MAIN DEVELOPMENT SCENARIOS

CONSERVATIVE

The conservative scenario provides for implementation of projects set forth in the Investment Program using own sources.

OPTIMISTIC

The optimistic scenario envisages modernization at an advanced rate, reducing the share of worn-out equipment, and includes conservative scenario projects, additional CHPP modernization projects, and deep modernization of hydro-generating facilities.

The choice of the scenario to follow depends on the market guarantees for return on investment, while the flexibility of the capital investment plan for new projects is tied to the limits of the Investment Program determined based on the Company's development scenario and the economic resilience of the Company.

As part of CSAs, the following TGC-1 facilities were introduced into the whole-sale electricity and capacity market:

50 MW at Vasileostrovskaya CHPP

360 MW at Pervomayskaya CHPP

457 MW at Yuzhnaya CHPP

463 MW at Pravoberezhnaya CHPP

100 MW at Central CHPP

122 MW at Svetogorskaya HPP of Vuoksa HPPs Cascade

118 MW at Lesogorskaya HPP of Vuoksa HPPs Cascade.

TGC-1 has fulfilled its investment obligations by 100% in the part of implementation of projects

set forth in CSAs, as approved by the Russian Federation Government Decree No. 1334-r of August 11, 2010 "On the List of Generating Facilities Which will be Used to Supply Power under the Capacity Supply Agreements". Modern, efficient power units with a total capacity of about 1.7 GW have been commissioned under the program, and 0.7 GW of inefficient generation facilities has been withdrawn.

The Company exercised its right to renounce the CSAs in order to supply capacities of Svetogorskaya HPP and Lesogorskaya HPP at the price determined based on the results of the Capacity Price Auction (CPA).

The existing CSAs were replaced with an updated mechanism for supporting generating facilities modernization projects on a competitive basis (CCTMod), as defined by Russian Government Decree No. 43 of January 25, 2019. The introduced pricing mechanism of tariff-based payment for CHPP capacity modernization has opened a new window of investment opportunities for heat generation companies, TGC-1 among them.

To date, four competitive selections of modernization projects have been made, the capacity supplies under the selected projects will start from 2022 to 2027.

THE FINAL LIST OF TGC-1 INVESTMENT PROJECTS SELECTED TO THE CCTMOD PROGRAM INCLUDES:

MODERNIZATION OF TWO TURBINE UNITS AT AVTOVSKAYA CHPP

with a total installed capacity of 236.4 MW with start of supplies in 2022 and 2024 (approved by Russian Government Decree No. 1713-r of 02.08.2019)

MODERNIZATION OF THE BOILER EQUIPMENT OF POWER UNIT NO. 4 AT SEVERNAYA CHPP

with capacity of 100 MW to be commissioned in 2025 (approved by the Russian Government Order No. 232-r of 07.02.2020)

TECHNICAL RE-EQUIPPING OF TURBINE UNIT NO. 4 WITH CAPACITY OF 25 MW AT VASILEOSTROVSKAYA CHPP

with start of supplies in 2027 (approved by the Russian Government Decree No. 1793-r of 01.07.2021)

TECHNICAL RE-EQUIPPING OF TURBINE UNIT NO. 2 WITH CAPACITY OF 100 MW AT SEVERNAYA CHPP

with start of supplies in 2027 (approved by the Russian Government Decree No. 1793-r of 01.07.2021)

In addition, in November 2020, the last competitive selection of investment projects was held as part of the first program to support the construction of generating facilities operating on renewable energy sources (CSA RES) until 2024. Planned date of power supply is July 01, 2026 (notification of CFR JSC about the postponement). CSA RES is a stable and predictable mechanism both in terms of profitability in the market and the political environment in general, and has recently shown a high level of demand from market participants. According to the results of the competition, the project for the construction of a small hydropower plant (SHPP) with a capacity of 16.5 MW in the Murmansk Region was proposed by TGC-1. The SHPP would use the water resources of the Paz River in the most efficient way and supply about 66 mln kW·h of electric power to the United Energy System of Russia annually.

The Government of the Russian Federation decided to extend the Renewable Energy Sources Support Program for 2025–2035 (RES Support Program). The company is interested in developing a portfolio of RES projects and diversifying its core business, and we are considering the possibility of participating in future competitive selection of projects for the construction of wind power plants (WPPs) and SHPPs as part of the RES Support Program.

At present, as part of TGC-1 Investment Program, the priority projects are being implemented under reconstruction of Central CHPP-2, modernization of Verkhne-Tulomskaya HPPS (HPPS-12) of the Tulomsky HPPS Cascade at Branch “Kolsky” (involving gradual replacement of hydraulic units and increasing the unit installed capacity), reconstruction of Avtovskaya, Severnaya and Vasileostrovskaya CHPPs under the CCTMod program, and construction of a small HPPS in the Murmansk Region under the RES CSA program.

As part of the work aimed at the development of renewable energy projects, TGC-1 in 2022, being a member of the Association for the Development of Renewable Energy (ARVE), took part in the work in the following priority areas of the Association:

Study of the issue of obtaining the right to represent the Association in the Supervisory Board of the Association “NP Market Council”.

Development of additions and adjustments to federal regulatory legal acts that provide incentives for the use of renewable sources in retail markets and the wholesale electricity market.

Formation of proposals for the regulatory framework in order to modernize the mechanism for stimulating investments in the retail market of electric energy and capacity¹⁸.

Popularization of the RES industry and social and economic effects from the implementation of CSA RES support programs in the public space and in national and international media.

Implementation of measures in the field of increasing the social and professional activity of students in the field of RES professional training in the field of RES.

The company is also a member of the Association “Hydropower of Russia” and in 2022 participated as part of a working group in the implementation of such projects as:

- preparation of proposals for the current regulatory legal acts (including on the issue of the adoption of new RLAs) in order to increase the investment attractiveness of projects for the construction of HPPs and PSPPs, to eliminate administrative barriers to their implementation;
- development of guidelines for the construction and reconstruction (modernization) of local treatment facilities at HPPs;
- preparation of guidelines for determining environmental requirements in the development of the Rules for the use of water resources;
- development of STO Hydroelectric power station. Repair and maintenance of equipment, buildings and structures. Organization of production processes. Norms and requirements.

Within the implementation of the target programs of the Association, with the active participation of representatives of TGC-1 as part of the working group, a Review of the hydropower industry in Russia and foreign countries was prepared.

In August 2022, TGC-1 successfully held a workshop on planning the activities of the Association for 2023 with consideration and discussion of projects announced for implementation in 2023. As part of the workshop, participants (representatives of leading companies in the hydropower industry Russia) visited the Volkhovskaya HPP, got acquainted with the history, facilities, equipment and areas of production activity of the HPP.

In addition, TGC-1 takes part in the discussion of measures to support renewable energy in Russia, the preparation of proposals for solving problems in the construction and operation of renewable energy facilities and in the framework of interaction with the “NP Market Council” Association.

¹⁸ The following NLAs were adopted with the direct participation of the Association for the Development of Renewable Energy: Decree of the Government of the Russian Federation No. 594-r of March 24, 2022 “On Amendments to the Decree of the Government of the Russian Federation of January 8, 2009 No. 1-r” (approving financial parameters until 2035), Decree of the Government of the Russian Federation No. 338 dated March 10, 2022 “On amendments to some acts of the Government of the Russian Federation regarding the postponement of the competitive selection in 2022...”, Decree of the Government of the Russian Federation No. 912 dated May 20, 2022 “On Amendments to Certain Acts of the Government of the Russian Federation in order to establish the features of the legal regulation of relations in the electric power industry, heat, gas, water supply and sanitation”.

LONG-TERM INVESTMENT PROGRAM: GOALS, PRINCIPLES AND MAIN AREAS

The long-term investment program provides for modernization of existing and construction of new generating facilities subject to the presence of economic incentives, as well as decommissioning of facilities which operation is no longer reasonable in economical terms. Priority is given to the use of equipment produced in Russia; special focus is made on technological advancement and business diversification.

It is expected to boost the overall development through participation in the selection of projects for modernization of generating facilities at combined heat and power plants with guaranteed return on investment (CCTMod), the selection of projects for construction of facilities based on RES (RES CSA, RES Support Program), deep modernization of hydro generating facilities.

Key aspects of the long-term investment program are reflected in strategic planning documents, such as Saint Petersburg Heating Scheme until 2033 (approved by Order of the Ministry of Energy of the Russian Federation No. 762 of August 04,

2022), Agenda and Program for Development of the UPS of Russia until 2027 (approved by Order of the Ministry of Energy of Russia No. 88 of February 26, 2021), agendas and programs for development of electric power in the regions of presence.

Starting from 2019, for setting tariffs for heat produced by TGC-1 in Saint Petersburg, the physical method of standard fuel consumption rate determination for heat and power generation (hereinafter referred to as the physical method) was used. Transition to the physical method helps ensure additional inflow of funds for activities under the Investment Program in the field of heat supply.



INNOVATIVE DEVELOPMENT

GRI 2-23, GRI 2-24, GRI 3-3



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.



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.

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.

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

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 Manufacturing Companies (published on 24.05.2011).



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;
- compliance with environmental regulations in accordance with accepted international obligations and national standards;
- increasing the level of automation of electricity and heat production to reduce the costs for managing technological processes and reduce the cost of production.

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.

In 2022, 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 1 research and development contract (R&D and NS).

Total costs for completed and accepted R&D, the number of rationalization proposals and the effect obtained from them

Name of the auxiliary indicator	Unit of measure	2020, actual	2021, actual	2022, actual	2022, plan	2023, plan	2024, plan
Total costs for completed and accepted R&D	mln rubles	43.0	69.4	44.3	44.3	0	10
including those which yielded a positive effect	mln rubles	43.0	69.4	44.3	44.3	0	10
Quantity of IPIs (intellectual property items) received as a result of R&D	pcs	0	0	0	0	0	0
Number of valid patents	pcs	1	1	0*	-	-	-
Number of rationalization proposals	pcs	36	92	142**	-	-	-
Effect yielded by rationalization proposals	mln rubles	0	0	37.2	-	-	-

44.3

mln rubles ex. VAT

In 2022, the volume of R&D performed decreased compared to 2021, amounting to 44.3 mln rubles ex. VAT (in 2021 – 69.4 mln rubles ex. VAT). R&D plan completed 100%.

44.3

mln rubles ex. VAT

The volume of completed R&D, which gave a positive result, in 2022, amounted to 44.3 mln rubles, excluding VAT.

The economic effect of implementing solutions developed during R&D projects in 2022 can be determined later, after their implementation and testing.

The growth of quantitative indicators of rationalization activities in 2022 compared to 2021 is due to the fact that most of the ideas and rationalization proposals submitted in 2021 have a planned implementation date in 2022.

The result of interaction with scientific organizations is the implementation of R&D and the receipt of NS (not specified) aimed at improving the efficiency and rational use of resources, ensuring the reliability of work and optimizing repair costs.

* The patent has not been renewed.

** The growth of quantitative indicators of rationalization activities in 2022 compared to 2021 is due to the fact that most of the ideas and rationalization proposals submitted in 2021 have a planned implementation date in 2022.

RESEARCH WORK ON THE CREATION OF A PRODUCTION ASSET MANAGEMENT SYSTEM USING INDICES FOR MAINTENANCE EXPENDITURES.

In 2022, within of the R&D program of TGC-1, PJSC, the implementation of research work to create a production asset management system using technical condition indices for the 3rd stage continued, namely:

Development of regulatory support, development of a procedure for preparing and uploading data, approbation of the calculation model, normative reference data, methodology and regulations, including:

- development of regulatory support;
- development of a procedure for preparing and uploading data;
- approbation of the calculation model, normative reference data, methods and regulations;
- development of a methodology for checking the calculation model;
- personnel training;
- approbation, collection and elimination of comments to normative reference data, methods and regulations;
- development of terms of reference for automation of asset management processes.

44,304

thou. rubles without VAT

In fact, work was completed in 2022 in the amount

144,499

thou. rubles without VAT

The contract was fully completed



INTRODUCTION OF DIGITAL SOLUTIONS INTO THE COMPANY’S ACTIVITIES

In 2022, the Company worked to improve and develop previously implemented digital solutions in terms of improving the information infrastructure and technologies and corporate management systems.

IT INFRASTRUCTURE AND TECHNOLOGIES

Activities carried out under the project in 2022

Project name

MODERNIZATION OF THE DPC
EQUIPMENT OF THE BRANCH
“NEVSKY”.

Price in 2022

149,010
thou. rubles ex-VAT

Data storage systems (DSSs) of the DPC of TGC-1, are located at 2 geographically distributed sites: the main and the backup. In order to expand disk arrays for storing information in DPC-1 (CHPP-17) and DPC-2 (CHPP-15) of the Branch “Nevsky” of TGC-1, as part of this activity, in 2022 the following were carried out:

- expansion of storage systems (delivery of a hardware and software complex for expanding storage systems with a connection kit, installation and configuration of the supplied equipment) (configuration and configuration of network components (bridge, router, modem, etc.), interface modules) at DPC-1 (CCHP-17);
- modernization of disk resources virtualization at the data center by seamless transition to the supplied software and hardware and connection to them of the entire currently virtualized server infrastructure (supply of hardware and software systems for expanding the storage system of the disk resource virtualization system (2 sets) and 1 backup set of data storage system of the disk virtualization system resources, installation and configuration of the supplied equipment (configuration and configuration of network components (bridge, router, modem, etc.), interface modules) at DPC-1 (CCHP-17) and DPC-2 (CCHP-15).

All components of the storage system, as well as data and power transmission paths, are duplicated. In the event of a failure of any component or path, the operation of the system is not interrupted and application access to data is preserved. Storage provides the ability to build hardware components (disks / disk shelves, I/O interfaces), update internal software without stopping the system or interrupting data access. Built-in system mechanisms provide protection against power failures.

Activities carried out under the project in 2022

Project name

CREATION OF A DIGITAL RADIO COMMUNICATION
SYSTEM FOR THE GENERATION FACILITY OF THE
BRANCHES “KARELSKY” AND “KOLSKY”.

Price in 2022

288,377.39
thou. rubles ex-VAT

In 2022, a digital radio communication system of the DMR standard was organized at the generation facilities of the branches “Karelsky” (Petrozavodsk CHPP, the cascade of the Sunskiye HPPs (HPP-1, HPP-2)), the cascade of the Vygskiye HPPs (HPP-3, HPP-5, HPP-6)) and “Kolsky” (Apatitskaya CHPP, HPP-1, HPP-2, HPP-3, HPP-10, HPP-11) to provide operational communication for the personnel of generation facilities and reliable coverage of the territory of the facilities with a radio network. The result of the execution works is a fully built and ready for operation digital radio communication system for generation facilities of the Branches “Karelsky” and “Kolsky”.

Project name

CONSTRUCTION AND RECONSTRUCTION
OF FOCL OF THE BRANCH “KOLSKY”

Price in 2022

95,456.38
thou. rubles ex-VAT

To eliminate or minimize the impact of negative factors leading to emergency situations on the existing fiber-optic communication line (FOCL) for TGC-1, in 2022, construction and installation work was carried out to modernize the FOCL of the Tuloma and Serebryansky HPPs cascade: HPP-18 – HPP-16 along L-178, FOCL of the Paz HPPs cascade: HPP-8 – PS-21 along L-167, FOCL of the cascade of Tuloma and Serebryansky HPPs HPP-18 – HPP-16 along L-178, FOCL PS11a – PS88, HPP-18 – spillway of HPP-18.

To create high-speed communication and data transmission channels, construction and installation work was carried out on new construction on the existing supports of a third-party owner of the HPP-3 FOCL – HPP-3 GU of the Nivskiye HPPs cascade, FOCL of HPP-3 – ATU of the Nivskiye HPPs cascade.

Project name

CREATION OF AN INFORMATION AND
TECHNICAL PLATFORM OF A NEW GENERATION
OF THE COMPANIES OF GAZPROM
ENERGOHOLDING LLC IN TGC-1, PJSC

Price in 2022

91,853.32
thou. rubles ex-VAT

The implementation of this investment measure to create an information technology platform (ITP) for operational dispatch, technological and situational management of electric power facilities based on SK-11 for Situational Center GEH, LLC is being implemented in accordance with the project developed by TEC Inform, LLC under contract No. 210705 dated December 21, 2021. The main goal of developing and implementing a new generation ITP of TGC-1 is to increase the degree of automation of monitoring the state of controlled EO equipment and processing the information received.

For the purpose of execution of paragraphs 2.3, 2.4 and 2.7 of Order No. 12-GEH-1 dated March 3, 2022 of Gazprom Energoholding, LLC “On the establishment of an operational headquarters” to ensure the sustainable functioning of the Group companies in the context of the imposition of sanctions against the Russian Federation and the implementation of measures to replace information systems and IT-equipment is created by ITP on the basis of Russian-made equipment.

Project name

**MODERNIZATION OF AUTOMATED COMMERCIAL
ELECTRICITY METERING SYSTEM (ACEMS) AND
TM SYSTEMS OF THE BRANCH “NEVSKY”**

Price in 2022

83,872
thou. rubles ex-VAT

Within this event, in 2022, the project “Design and survey work to modernize the ACEMS and TM systems of the Branch “Nevsky” was implemented to modernize individual elements of the telecommunications part of the technological information exchange system with the automated system of the system operator and the automated information and measuring system for commercial accounting electricity to new target schemes for information exchange of technological information with the automated system of the System Operator with priority use of domestic equipment.

At 14 power facilities of TGC-1 (Pravoberezhnaya CHPP (CHPP-5), Vasileostrovskaya CHPP (CHPP-7), Pervomayskaya CHPP (CHPP-14), Avtovskaya CHPP (CHPP-15), Vyborskaya CHPP (CHPP-17), Severnaya CHPP (CHPP-21), Yuzhnaya CHPP (CHPP-22), Cascade of Vuoksa HPPs (HPP-10, HPP-11), Cascade of Ladoga HPPs (HPP-6, HPP-9, HPP-12), Narva HPP (HPP-13), ES-2 of the Central CHPP, Telemekhanics and ACEMS Service, Data Center-1 (CHPP-15), Data Center-2 (CHPP-17)) performed work on the modernization of the middle and upper levels of SOTIASSO, the upper level of All-SKUE, the field and ASViP cores.

CORPORATE MANAGEMENT SYSTEMS

Project name

**INFORMATION SYSTEM FOR OPTIMIZING
OPERATIONS AT WHOLESALE ELECTRICITY
AND CAPACITY MARKET (SOO WECM)**

Price in 2022

33,700
thou. rubles ex-VAT

The purpose of SOO WECM is to improve efficiency of operations of TGC-1 CHPPs by achieving the maximum possible marginal income from production and selling of electrical and heat energy.

The main functions of the IS include the following:

- collection and storage of technological and commercial information;
- formation of a CHPP model;
- optimization and selection of operating modes for the purpose of increasing MD;
- reporting and visualization of the results of optimization calculations;
- reporting on the actual performance of the station.

In 2022, the implementation of the SOO WECM was carried out at the Apatitskaya CHPP of the Branch “Kolsky” of TGC-1.

The scope of work included:

- supply of licensed software for the replicated information system;
- automation of the process of collecting (if technically possible), processing and storing technological information;
- digitization and preservation of regulatory and technical documentation in a centralized electronic storage;
- creation of a technical and economic model of the power plant to optimize operating modes;
- automation of the process of forming the optimal composition of equipment and modes according to the criterion of maximizing marginal income;
- automation of the process for formation of applications for Choice of the composition of the turned-on generating equipment, Day-ahead market;
- automation of the calculation of the economic effect from the filing of the OCPZ;
- creation of an electronic database for the developed algorithms;
- automation of the process of generating production and analytical reporting based on the results of work for the required periods.

Project name

**AUTOMATED SYSTEM
“ELECTRONIC LOGS
OF POWER PLANTS”**

Price in 2022

39,300
thou. rubles ex-VAT

The system is designed to automate the maintenance of all the necessary logs of power plants by employees of subdivisions, branches of TGC-1.

The system automates the following business processes for working with logs:

- creation of various electronic logs for various departments;
- maintaining a list of events reflected in electronic logs;
- keeping logs at power plants;
- control over the implementation of various activities that are recorded in the logs of power plants;
- reporting on logs of power plants.

THE SYSTEM CONSISTS OF THE FOLLOWING MODULES:

Module “Constructor of electronic logs of power plants”

As part of the implementation of the module, the functions necessary for the personnel responsible for creating CHPP log forms should be implemented:

- viewing and editing settings for events;
- creation of forms of various electronic logs for various departments;
- loading forms of existing CHPP logs to form an electronic database of logs and fix the fact and results of events.

Notification module

The notification module provides the following features:

- formation and configuration of various types of notifications on key events;
- viewing the list of notifications;
- the ability to mark notifications in the System as read;
- distribution of notifications unread in the System to the user’s corporate mail on a daily basis.

Module for maintaining electronic logs for CHPP

The system is a web-application and is intended for planning work on the implementation of control, for visualizing information on the performance of work in graphical form in the structural divisions of TGC-1 and generating reporting documents.

Administration module

The administration module provides the following functionality:

- maintenance of the register of users of TGC-1;
- maintenance of the register of subdivisions;
- setting the user’s role in the System, which restricts access to individual system functions;
- maintenance of reference data required for the operation of the System;
- logging user actions when working with system functions.

Analytics module for work performed within the CHPP logs

The analytics module is designed to provide analytical information to employees of departments, as well as managers of different levels in order to support the adoption of operational management decisions.

The analytics module provides the following features:

- graphical presentation of analytical information on the implementation of activities within the framework of electronic logs of power plants;
- unloading of graphical and tabular information in Excel format;
- formation of reporting forms for printing in accordance with the established form of documents;
- provision of the results of the activities carried out within the framework of the CHPP logs to the control and supervisory authorities.

Project name

DECISION SUPPORT SYSTEM IN TERMS
OF CRITICAL AREAS OF THE ENERGY
COMPANY'S OPERATING ACTIVITIES
BASED ON PRODUCTION OF DATA BY THE
EXECUTIVE SYSTEM OF TGC-1

Price in 2022

57 251
thou. rubles ex-VAT

Centralized system for collecting, processing using machine learning methods and predictive analytics and providing information to the management of TGC-1 necessary for making management decisions aimed at improving the efficiency, reliability and safety of the structural units.

IT CONSISTS OF THE FOLLOWING SUBSYSTEMS:

Subsystem of integration, aggregation and storage the data

The software and hardware complex of this subsystem provides the following functionality:

- aggregation and reduction of data from all information systems in TGC-1 to a structure (automatically) convenient and suitable for analytical operations and visualization of information for users;
- integration with the module "Module of machine learning and predictive analytics" in terms of performing statistical and analytical operations with data (operational, historical);
- storage and provision of access to the processing of operational and historical information from a single entry point.

Web-Application

The decision support web-application is designed to provide access to monitoring and processing of operational and historical information aggregated from all existing systems of TGC-1.

Machine learning and predictive analytics subsystem

The purpose of the subsystem is to analyze the data received from information systems and transfer the analysis results to the web-application and mobile applications.

The subsystem provides the ability to conduct various types of data analysis, such as:

- relative (descriptive) analytics – providing a summary analysis of historical data, which allows to identify anomalies in the data and signal them to users of the System;
- diagnostic analytics – data analysis to answer the question "Why did the event happen?" by identifying relationships and correlations between data to determine the cause of an anomaly in the data;
- predictive (making a projection) analytics is forecasting events based on historical data in order to anticipate and prevent a possible error in the operation of the enterprise.

When purchasing software and IT equipment, priority is given to goods of Russian origin and to works and services performed and provided by Russian entities¹⁹.

When implementing IT projects, the Company gradually switches to the preferential use of domestic software included in the Unified Register of Russian Programs 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.

¹⁹ 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".

INFORMATION ABOUT THE REPORT

GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 3-1, GRI 3-2, GRI 3-3

Territorial Generating Company No. 1 Public Joint Stock Company presents the Sustainability Report for 2022, which is the second Sustainability Report of the Company.

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, TGC-1, PJSC is referred to as TGC-1. Gazprom Energoholding, LLC, TGC-1, PJSC, OGK-2, PJSC, MOEK, PJSC, Mosenergo, PJSC are jointly referred to as the "production companies of Gazprom Energoholding Group", "Gazprom Energoholding Group" or the "production companies of the Group".

Preparation, scope and limits of the Report

Report preparation and compilation standards	• GRI Standards 2021; • The UN Sustainable Development Goals to which the Gazprom Energoholding Group's companies is committed
Disclosure level	In accordance with the Global Reporting Initiative (GRI) Standards 2021, the Compliance Table is given in Appendix 2. GRI content index
Reporting cycle	1 year
Coverage of information disclosure	TGC-1, PJSC, Murmanskaya CHPP, JSC (unless otherwise specified) ²⁰
Information disclosure period	• calendar year 2022; • the most significant events of 2023 up to the date of the Report publication
Information sources	• Management and accounting (financial) reporting; • Data obtained within the framework of interaction with the Company's core business units
Changes in disclosure compared to previous Reports	Updating the list of significant topics disclosed in the text of the Report (as part of the Report preparation, an additional questionnaire of stakeholders was conducted)

All figures, except for financial results, are given without subsidiaries and affiliates (S&A), unless otherwise stated. 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-1²².

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.

²⁰ Names, forms of incorporation and addresses of the companies covered in the Report are given in Appendix 3.

²¹ A detailed description of the process of identifying significant topics, their full list and significance assessment are given in Appendix 1.

²² A complete list of organizations included in the accounts of the consolidated financial statements is given in Appendix 4.

APPENDIX 1. IDENTIFYING SIGNIFICANT TOPICS

GRI 3-1, GRI 3-2

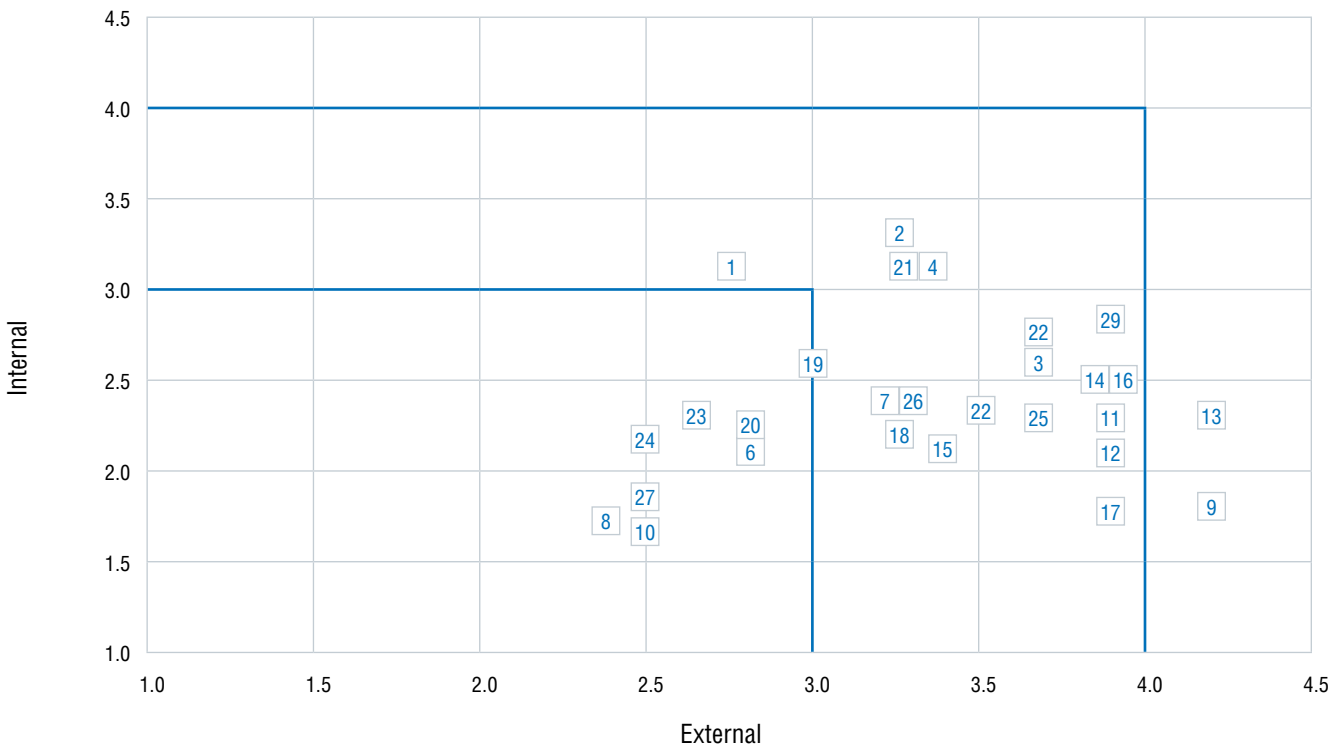
In preparing this Report, TGC-1 together with stakeholders identified material topics to be disclosed in the Report. The procedures for forming the content of the Report were carried out in accordance with the requirements of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). As part of 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. In addition, in order to analyze the context in which the Company operates, SASB and TCFD recommendations were taken into account, the main trends in the development of the ESG agenda, and benchmarking of

significant aspects highlighted in the reports of companies in the sector was carried out.

In the process of identifying material topics, their significance for the Company was analyzed in terms of the materiality of the economic, environmental and social impact and the degree of impact on stakeholders.

Based on the results of the materiality assessment and stakeholder survey, we have selected 6 topics for the most complete disclosure in the Report. Low priority topics are also included and disclosed in the Report. Compared to last year, more attention was paid to topics related to ensuring uninterrupted and reliable energy supply, investment activities and occupational health and safety in the workplace.

RESULTS OF THE STAKEHOLDER QUESTIONNAIRE TO IDENTIFY MATERIAL TOPICS



Results of the stakeholder questionnaire to identify material topics

Sphere		The degree of impact on the stakeholders
OPERATIONAL SPHERE		
1	Ensuring uninterrupted and reliable power supply. Production capacities, repair program, production and sale of electricity and heat	Perceptible
2	Investments activities Investment activity priorities, long-term investment program, key investment projects,	Perceptible
3	Building an IT infrastructure and introduction of new technologies Building information infrastructure and new technologies	Insignificant
ECONOMIC SPHERE		
4	Economic impact Economic performance: ensuring sustainable growth, generating and distributing the Company's income, creating value, financial support from the state	Perceptible
5	Tariffs Tariff Regulation	Insignificant
6	Impact on the labor force in the regions The level of remuneration in the Company and the number of employed local personnel in the regions of operation.	Insignificant
7	Indirect economic impact Indirect economic impact of the Company on society, for example, changes in the production potential of the region's economy and long-term prospects for the development of the region. The answer may take into account the impact of the Company's investment in infrastructure. Indirect economic impact does not necessarily have an explicit monetary value.	Insignificant
8	Procurement from local suppliers Supplier selection criteria and procedure established by the Company, including procurement from local suppliers, non-discriminatory procurement procedures.	Insignificant
9	Combating corruption The Company's risks in the areas of corruption, such as bribery, fraud, extortion, money laundering, business ethics and compliance, compliance, ethics and corruption feedback.	Perceptible
10	Approach to taxation The Company's approach to tax management, including the taxation regimes used, the existence of a strategy, control over the timeliness of tax transactions, risk management, tax jurisdictions.	Insignificant
ECONOMIC SPHERE		
11	Scientific research and implementation of innovative developments The Company's activities in the field of research and development: R&D development programs, patent and rationalization activities. for example, work related to the implementation of energy-saving technologies in production, etc.	Insignificant

Sphere	The degree of impact on the stakeholders	
Optimization of the use of raw materials and materials		
12	The Company's activities to conserve natural resources through the use of renewable resources, secondary use and recycling.	Insignificant
Energy efficiency and energy saving		
13	Sources (renewable or traditional) that the Company uses to generate electricity, what energy (from renewable or traditional sources, including purchased) it uses for its needs, energy efficiency measures, reduction of energy consumption.	Extremely high
Water use and wastewater management		
14	The volume and sources of water intake, its consumption by the Company, as well as the quality of the discharged water, the impact on water bodies.	
Biodiversity conservation		
15	The impact of the Company on biodiversity (different types of plants and animals, ecosystems) in the regions of its operation, including in protected areas, efforts to preserve and develop biodiversity, and restore habitats.	Insignificant
Atmospheric emissions		
16	The Company's emissions into the atmosphere, including emissions of greenhouse gases, ozone-depleting substances, nitrogen oxides and sulfur; direct and indirect emissions.	Insignificant
Waste		
17	Waste produced by the Company, efforts to utilize, recycle and reuse it. This paragraph should also take into account the waste generated by the Company's suppliers during the production of materials used by the Company.	Insignificant
Environmental requirements for suppliers and contractors		
18	The Company's efforts to minimize the harm caused to the environment by its suppliers and contractors in the process of production and supply of goods to the Company and provision of services to the Company.	Insignificant
SOCIAL SPHERE		
Conditions of employment and work of employees		
19	Creation of new jobs, staff turnover, differentiation of conditions for full and part-time employment, ensuring the long-term employment of employees in the Company, conditions for parental leave	Insignificant
Interaction with employees when there is a significant change in employment relationship		
20	The Company's practice in the field of communication with employees (and / or their representatives, including trade unions) in case of significant changes in the conditions of the Company's activities, for example, the notification period for changes.	Insignificant
Occupational health and safety of workers in the workplace		
21	The Company's efforts to prevent physical or mental harm to the Company's employees in the workplace, including injuries and occupational diseases, as well as to improve the health of employees; investigation of accidents and taking preventive measures, training and information on labor protection issues. When answering, the presence in the Company of management systems corresponding to its scale, readiness for emergencies and emergencies can be taken into account.	Perceptible
	Measures for the prevention of emergencies and accidental events, action plans for the elimination of the consequences of accidents (policies, programs), as well as the involvement of employees and trade unions in their development and implementation.	

Sphere	The degree of impact on the stakeholders	
Professional advancement and vocational training for employees		
22	The Company's efforts in the field of employee training and further development of their professional skills, including assistance programs when an employee changes positions and functions within the Company and ends a career in the Company, incl. upon retirement.	Insignificant
Equal career opportunities		
23	The Company's policy in the field of equal rights for employees regardless of gender, age and any other characteristics, as well as ensuring equal remuneration and representation at the senior management level, regardless of these characteristics.	Insignificant
Freedom of association and collective bargaining for workers		
24	Ensuring by the Company of the rights of employees to join or independently form organizations, to conduct collective negotiations with representatives of the Company, without prior permission or interference from anyone, including the state.	Insignificant
The practice of the security service		
25	Respect for human rights: development of a corporate culture based on the principles of respect and recognition of the value of each person. The Company's security practices, including compliance by the security staff with human rights, in accordance with UN principles, such as human rights impact assessments and related trainings.	Insignificant
Impact on local communities		
26	The impact of the Company on local communities in the regions of presence, the Company's interaction with local communities, its efforts to minimize the negative impact on them from the Company's activities. Potentially negative production and projects of the Company for local communities.	Insignificant
Assessment of social risks in the supply chain		
27	Control of risks in the Company's supply chain of negative social impacts (in terms of respect for human rights, working conditions, injuries, abuse, coercion and harassment).	Insignificant
Protection of consumer personal data		
28	Protection of the confidentiality of the Company's clients, including cases of loss of personal data.	Insignificant
Compliance with economic and social legislation		
29	Risks of violation by the Company of legislation, as well as international conventions and declarations in areas not related to the environment (for example, taxation, competition, anti-bribery and corruption, supply, labor issues).	Insignificant

APPENDIX 2. GRI CONTENT INDEX

GRI 3-1

STATEMENT ON THE USE OF GRI STANDARDS

- TGC-1 provided the information specified in the GRI content index for the period from January 1, 2022 to December 31, 2022 with reference to GRI standards.

USE OF THE GRI 1 STANDARD

- GRI 1: Fundamentals 2021

Common standard reporting elements

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		Information about the Report 153
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		Appendix 5 Regions of production operations and sales markets of TGC-1, PJSC 165
2-2	Entities included in the reporting of the organization for sustainable development	Information about the Report 153
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2-6	Activities, value chain and other business relationships	General information 4
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413-1 The Company's programs and activities affecting the local community (including business development)	Charitable activities and support for the regions of presence	122
Policy		
415-1 Total value of financial and in-kind donations to political parties, politicians, and related institutions in the breakdown by countries	TGC-1 PJSC does not participate in political activities and does not finance political parties and organizations. However, it does not restrict the right of employees to participate in social and political activities, as long as these are not carried out during working hours and do not require the use of the Company's resources	

APPENDIX 3. NAME, FORM OF INCORPORATION AND ADDRESS OF THE COMPANY CONSIDERED IN THE REPORT

GRI 2-1, GRI 2-2

Name, form of incorporation	Legal address	Actual address
TGC-1, PJSC	Dobrolyubova pr., bldg. 16, unit 2A, office 54N, St. Petersburg, 197198	BC "Arena Hall", pr. Dobrolyubova, bldg. 16, block 2, lit. A, St. Petersburg, 197198
Murmanskaya CHPP, JSC	Shmidta street, house 14, Murmansk, 183038	Shmidta street, house 14, Murmansk, 183038

APPENDIX 4. ENTITIES INCLUDED IN ACCOUNTS OF FINANCIAL STATEMENTS UNDER IFRS OF TGC-1 GROUP

GRI 2-2

Name of subsidiary organization	2021	2022
	Share of ownership	Share of ownership
Murmanskaya CHPP, JSC	98.88%	98.88%
St. Petersburg Heating Grid, JSC	60.52%	60.52%
TSTP North-West, LLC	60.52%	60.52%

APPENDIX 5. REGIONS OF OPERATION AND SALES MARKETS OF TGC-1, PJSC

GRI 2-1, GRI 2-6

Branches	Sales regions / free flow zones	Production regions
Branch "Nevsky" Tsentralnaya CHPP Pravoberezhnaya CHPP Severnaya CHPP Pervomaiskaya CHPP Avtovskaya CHPP Narvskaya HPP Vyborgskaya CHPP Vasileostrovskaya CHPP Ladoga HPP Cascade Yuzhnaya CHPP Vuoksinsky HPP Cascade	West	St. Petersburg and Leningrad Region
Branch "Kolsky" Apatity CHPP Nivskiye HPP Cascade Tuloma and Serebryanskiye HPP Cascade Pazskiye HPP Cascade	Kolskaya	Murmansk Region
Branch "Karelsky" Petrozavodsk CHPP Kemskiye HPP Cascade Vygskiye HPP Cascade Sumskiye HPP Cascade	West	Republic of Karelia
Murmanskaya CHPP, JSC	Murmansk	Murmansk

APPENDIX 6. STRUCTURAL UNITS RESPONSIBLE FOR ENVIRONMENTAL, SOCIAL AND ECONOMIC ISSUES

Economic issues	Social issues*	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		
Unit for thermal business	Department of Social and Labor Relations: VHI (voluntary health insurance), accident insurance, non-state pension provision; organization of recreational activities, including family rest; Veterans Council; workers' compensation within the relocation	Environmental Service (under the administrative subordination of the Director of the Yuzhnaya TPP, the Branch "Nevsky", under the functional subordination of the head of the Department for Power Plant Operation)
Unit for economics and finance		
Block of the Director for Economics and Finance of the Branch "Karelsky"	Joint Permanent Commission for the development and control of the Collective Agreement execution	Environmental sectors of the Branches "Karelsky" and "Kolsky" (subordinate to the chief engineers of the branches)
Block of the Director for Economics and Finance of the Branch "Kolsky"	Public Relations Department: Charity, sponsorship	Responsible for environmental protection in structural units (as a rule, chief engineers of these structural divisions)
Unit for development and property management	Charity and Sponsorship Committee	The staff of all structural units includes environmentalists who are subordinate to the chief engineers of structural units
	Training center	

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

APPENDIX 7. FINES AND NON-FINANCIAL PENALTIES IMPOSED FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

GRI 2-27

	2020	2021	2022
Number of non-financial sanctions imposed, pcs	41	24	14
Total amount of penalties imposed, thou. rubles	648	547	191
Total number of legal actions brought against the Company for non-compliance with laws and regulations	14	15	11

APPENDIX 8. DOCUMENTS REGULATING ANTI- CORRUPTION ACTIVITIES

Documents	Date of adoption / amendment
Regulations on the Audit Committee	May 14, 2021
Regulations of the Procurement Committee	March 11, 2022
Regulations on Procurement of Goods, Works and Services	March 11, 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	November 10, 2020
Regulations on the Conflict of Interest Commission	November 10, 2020
Regulations on the Internal Audit Service	October 03, 2016
Internal Audit Policy	October 03, 2016
Risk Management and Internal Control Policy	September 09, 2022
Code of Corporate Ethics	December 04, 2019 as amended on September 09, 2022
Regulations on the Corporate Ethics Commission	December 04, 2019 as amended on October 30, 2020

APPENDIX 9. ADMINISTRATIVE FINES IMPOSED FOR VIOLATIONS OF ENVIRONMENTAL LEGISLATION

GRI 2-27

	2020	2021	2022
Number of violations detected in the reporting year that resulted in penalties and were paid in the same year, pcs	8	2	6
Number of non-financial sanctions imposed, pcs	2	3	1
Total amount of penalties imposed, thou. rubles	1,122	220	600
Number of cases of non-compliance resolved through dispute resolution mechanisms	12	1	4

APPENDIX 10. STRUCTURE OF ENVIRONMENTAL PROTECTION COSTS IN THE BREAKDOWN BY NATURE OF INVESTMENT, THOU. RUBLES

	2020	2021	2022
Fixed capital investment allocated to environmental protection	50,499	3,334,080	401,486
Current environmental protection costs	88,231	95,509	106,558
Overall costs, total	138,730	3,429,589	508,044

APPENDIX 11. THE ENVIRONMENTAL PROTECTION COSTS STRUCTURE IN THE BREAKDOWN BY AREA OF INVESTMENT, THOU. RUBLES

	2020	2021	2022
Development and approval of permits	12,381	13,376	16,277
Industrial environmental control and monitoring	14,188	13,033	14,585
Compensation for adverse environmental impacts, including fines and damage removal costs	-	-	-
Fixed capital investment allocated to environmental protection, including:	50,499	3,334,080	401,486
- protection of water resources	50,499	3,322,644	399,360
- 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:	88,231	95,509	106,558
- protection of atmosphere air and prevention of climate change	9,763	9,197	9,973
- collection and treatment of wastewater	41,569	42,975	51,087
- waste management	9,994	13,907	13,643
- protection and rehabilitation of soils, surface water and ground water	1,240	2,327	2,699
- protection of the environment from noise, vibration and other physical impacts	1,070	737	787

APPENDIX 12. RESULTS OF WORK IN THE AREA OF ENERGY SAVING AND ENERGY EFFICIENCY²⁴

Results of work in energy saving and energy efficiency	Actual 2021	Plan 2022	Actual 2022
Volume of energy resources consumed excluding water, thou. e. f. t	8,367	7,984	8,161
Volume of energy resources consumed (VAT exclusive), thou. rubles	38,503,413	44,464,172	45,445,665
Costs for energy saving and energy efficiency measures (VAT exclusive), thou. rubles	4,651,351	3,476,162	3,192,240
Fuel and energy saving due to implementation of the energy saving program, total, thou.s equivalent fuel tons	12.97	15.20	11.49
Cost of energy resources saved due to implementation of the energy saving program, thou. rubles	59 698	73 885	56 502
Electricity savings, total, mln kW•h including by reducing the costs for	13.09	14.48	9.59
- Own needs of power plants, mln kW•h	13.09	14.48	9.42
Heat savings, total, thou. Gcal	0.55	4.68	0.34
Fuel savings, total, thou. e. f. t including by types:	10.13	9.52	8.17
- Coal, thou. e. f. t	0.47	0.67	0.73
- Gas, thou. e. f. t	9.67	8.85	7.43
- Fuel oil, thou. e. f. t	0	0	0
Gas saving, mln m ³	8.40	7.69	6.46

APPENDIX 13. FUEL CONSUMPTION

	TGC-1 (including Murmanskaya CHPP, JSC)		
	2020	2021	2022
Gas, mln m ³	5,139.59	5,980.54	5,810.20
Fuel oil and diesel fuel, thou. tons	252.25	274.68	253.01
Coal, thou. tons	444.20	484.13	466.04
Woodfuel, thou. m ³	15.48	19.19	19.14

²⁴ St. Petersburg Heating Grid, Murmansk CHPP, JSC.

APPENDIX 14. SPECIFIC CONSUMPTION OF STANDARD FUEL (SCSF)²⁵

	2021		2021	
	Proportional method		Physical (thermal) method	
	For electricity output, tons of standard fuel / kW·h	For heat output, kg/Gcal	For electricity output, tons of standard fuel / kW·h	For heat output, kg/Gcal
Gas	254.1	138.6	209.9	168.3
Coal	325.9	146.4	185.3	178.6
Fuel oil (Murmanskaya CHPP)	—	174.0	—	174.0
Firewood		302.3		302.3

	2022		2022	
	Proportional method		Physical (thermal) method	
	For electricity output, tons of standard fuel/kW·h	For heat output, kg/Gcal	For electricity output, tons of standard fuel/kW·h	For heat output, kg/Gcal
Gas	252.4	137.0	205.6	168.1
Coal	323.2	143.9	186.8	178.5
Fuel oil (Murmanskaya CHPP)	—	174.0	—	174.0
Firewood	—	280.8	—	280.8

APPENDIX 15. DYNAMICS AND INTENSITY OF GREENHOUSE GAS EMISSIONS

GRI 305-1, GRI 305-4

	2020	2021	2022
Greenhouse gas emissions, total, CO ₂ -eq, thou. tons, incl.:	11,078	12,804	12,443
stationary combustion of fuel, CO ₂ -eq, thou. tons	11,078	12,804	12,443
CO ₂ equivalent emissions per unit volume of production, т CO ₂ -eq./ mln kW·h	0.202	0.211	267.9

²⁵ SCSF calculation is based on all fuel combusted in the production process, including fuel oil and diesel fuel.

APPENDIX 16. AIR EMISSIONS OF NO_x, SO_x AND OTHER SIGNIFICANT POLLUTANTS, T

GRI 305-6

	2020	2021	2022
Gross atmospheric emissions	49,369.5	44,259.5	40,878
Solids emitted	3,097.6	3,052.4	3,117
Gaseous and liquid substances emitted	46,271.9	41,207.2	37,760
Nitrogen oxides (converted to NO ₂)	17,468.0	17,393.8	14,897
Carbon oxide	9,263.6	10,232.6	8,071
Sulphur dioxide	19,495.7	13,524.6	14,744
Hydrocarbons (without volatile organic compounds)	1.8	1.8	1.6
Volatile organic compounds	40.5	42.6	39.5
Other gaseous and liquid substances	2.3	1.8	4.7

APPENDIX 17. WASTE GENERATION AND DISPOSAL

GRI 306-3, GRI 306-4, GRI 306-5

	2020	2021	2022
Hazard class I	9.797	5.851	1.497
Hazard class II	4.252	6.678	1.322
Hazard class III	899.556	1,221.035	2,459.858
Hazard class IV	6,261.500	6,217.900	8,271.2
Hazard class V	98,410.300	89,932.200	101,227.2
Total accumulated	105,585.405	97,383.664	111,961.077
- ash and slag	57,119	58,972.700	60,846.1
- oil slime	784.094	1,148.200	2,375.395
Waste transported to other business entities, total	71,780.300	58,389.190	73,757.138
- for processing	457.300	697.000	922.6
- for disposal	41,005.490	35,029.321	47,825.458
- for decontamination	104.970	134.037	760.018
- for storage	-	-	-
- for burial	30,212.540	22,528.832	24,249.062
Waste disposed at operated (own) facilities	34,049.000	38,854.300	39,185.806
Waste disposed of at the enterprise	15.900	19.100	0
Decontaminated at the enterprise	—	-	-

APPENDIX 18. AREA OF DISTURBED AND RECLAIMED LAND IN RUSSIA, HA

	2020	2021	2022
Area of disturbed land at the end of the year	67.0	67.0	67.0
Area of reclaimed land for the year	—	-	-

APPENDIX 19. TOTAL AMOUNT OF WATER WITHDRAWN IN THE BREAKDOWN BY SOURCE, THOU. M³

GRI 303-3

	2020	2021	2022
Water intake and drawing, total, incl.:	281,673	299,357	287,105
from surface sources	192,543	211,962	199,765
from underground sources	0	0	0
from public water supply systems	86,704	85,874	85,762
from other water supply systems	2,425	1,520	1,577
reuse of water	2,300	2,779	2,842

APPENDIX 20. INFORMATION ON VOLUME OF DISCHARGES SPECIFYING THE QUALITY OF THE WASTEWATER AND THE RECEIVING FACILITY, THOU. M³

GRI 303-4

	2020			2021			2022		
	Discharge to surface reservoirs	on the relief	Transpor- tation for treatment and / or reuse to third-party organizations	Discharge to surface reservoirs	on the relief	Transpor- tation for treatment and / or reuse to third-party organizations	Discharge to surface reservoirs	on the relief	Transpor- tation for treatment and / or reuse to third-party organizations
Contaminated, without treatment	48,382	-	4,551	67,266	-	2,372	66,526	-	3,610
Contaminated, insufficiently treated	1,292	-	-	1,490	-	-	1,693	-	-
Standard clean (without treatment)	121,589	-	-	130,184	-	-	126,197	-	-
Standard treated	70	-	-	64	-	-	52	-	-
Total	171,333		4,551	199,004		2,372	194,468		3,610

APPENDIX 21. INJURIES IN THE BREAKDOWN BY SEVERITY, 2020–2021

GRI 403-2

	Fatal		Severe		Light	
	2021	2022	2021	2022	2021	2022
TGC-1	0	1	0	0	0	0

APPENDIX 22. NUMBER OF DAYS OF INCAPACITY FOR WORK FOR ALL ACCIDENTS

GRI 403-2

	2020	2021	2022
TGC-1	0	0	0

APPENDIX 23. TOTAL NUMBER OF PERSONNEL IN THE BREAKDOWN BY TYPE OF EMPLOYMENT AND GENDER, PERSONS

GRI 2-8

	Full-time employment						Part-time employment					
	2020			2021			2020			2021		
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
TGC-1	2,320	5,067	2,333	4,884	2,438	4,886	14	10	22	12	26	16

APPENDIX 24. TOTAL NUMBER OF PERSONNEL IN THE BREAKDOWN BY AGE AND REGION, PERSONS

GRI 2-8

Constituent entity of the Russian Federation	Headcount as of December 31 of the reporting period	Age			
		up to 30	30 to 40	40 to 50	50 years of age and above
		2020			
TGC-1	6,707	920	1,726	1,506	2,555
TGC-1+MTPP (Murmanskaya CHPP)	7,411	1,021	1,931	1,694	2,765
Saint Petersburg	3,623	534	920	655	1,514
Leningrad Region	620	83	132	126	279
Republic of Karelia	1,019	122	307	314	276
Murmansk Region*	2,149	282	572	599	696

Constituent entity of the Russian Federation	Headcount as of December 31 of the reporting period	Age			
		up to 30	30 to 40	40 to 50	50 years of age and above
		2021			
TGC-1	6,578	882	1,656	1,534	2,506
TGC-1+MTPP (Murmanskaya CHPP)	7,251	979	1,846	1,719	2,707
Saint Petersburg	3,601	537	905	691	1,468
Leningrad Region	587	68	123	122	274
Republic of Karelia	992	260	532	601	678
Murmansk Region*	2,071	114	286	305	287

Constituent entity of the Russian Federation	Headcount as of December 31 of the reporting period	Age			
		up to 30	30 to 40	40 to 50	50 years of age and above
		2022			
TGC-1	6,706	964	1,631	1,607	2,503
TGC-1+MTPP (Murmanskaya CHPP)	7,366	1,063	1,812	1,791	2,700
Saint Petersburg	3,736	605	903	751	1,477
Leningrad Region	612	78	130	117	287
Republic of Karelia	982	115	269	319	279
Murmansk Region*	2,036	265	510	604	657

* In the Murmansk Region, the headcount of TGC-1 is reflected, including Murmanskaya CHPP, JSC headcount.

APPENDIX 25. STAFF TURNOVER WITH AGE AND GENDER DISTRIBUTION

GRI 401-1

	Under 30 years of age					
	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Employees hired in 2020–2022, persons						
TGC-1, including Murmanskaya CHPP, JSC	83	209	115	263		
Employees dismissed in 2020–2022, persons						
TGC-1, including Murmanskaya CHPP, JSC	33	114	57	199		

	30 to 50 years of age					
	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Employees hired in 2020–2022, persons						
TGC-1, including Murmanskaya CHPP, JSC	167	240	217	254		
Employees dismissed in 2020–2022, persons						
TGC-1, including Murmanskaya CHPP, JSC	99	182	182	322		

	Over 50 years of age					
	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Employees hired in 2020–2022, persons						
TGC-1, including Murmanskaya CHPP, JSC	44	75	46	107	60	136
Employees dismissed in 2020–2022, persons						
TGC-1, including Murmanskaya CHPP, JSC	107	159	116	272	111	276

APPENDIX 26. RATIO OF MINIMUM WAGE (INCLUDING COMPENSATION AND INCENTIVE PAYMENTS) TO MINIMUM WAGE IN THE REGIONS OF OPERATION

GRI 202-1

	2020	2021	2022
Saint Petersburg	1.33	1.41	1.24
Leningrad Region	1.72	2.06	1.92
Republic of Karelia	1.09	1.06	1.10
Murmansk Region	1.08	1.09	1.09
Murmansk (Murmanskaya CHPP)	1.03	1.03	1.03

APPENDIX 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	GRES (GRES power plant)
S&A	Subsidiaries and affiliates
VHI	Voluntary health insurance
CSA	Capacity supply agreement
ASW	Ash and slag waste
CCTMod	Program on competitive selection of capacities for modernization
EF	Efficiency factor
KPI	Key performance indicators
MW	Minimum 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
RM&ICS	Risk Management and Internal Control System
TGC-1	TGC-1, PJSC
FES	Fuel and energy sector
FER	Fuel and energy resources
TPP	Combined heat and power plant (CHPP)
SCSF	Specific consumption of standard fuel

Units of measure

Gcal (gigacalorie)	unit of measurement of heat energy
kW·h (kilowatt-hour)	unit of measurement of electrical 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 = ton of reference fuel

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