

5.4. Public Reporting System

The Holding is the key organization of ROSATOM in terms of reporting. To increase its business transparency and expand interaction with all its stakeholders, the Holding Company has been publishing integrated annual reports every year since 2008.

In 2017, the Company approved the internal regulatory document,

Public Annual Reporting Standard of JSC Atomredmetzoloto for the first time. It sets forth general requirements to public annual reports and the public reporting system, the Report drafting procedure and contents including public reporting indicators and their data sheets.

The functional responsibility for drafting the public annual report rests with the public and local authorities relations department. The President of the Annual Report Drafting Team is the Deputy Director General for Business Strategy and Development, Ms. M.I. Liborakina.

PLANS FOR 2018:

- upgrading of the information collection process for public reporting purposes due to adoption of JSC Atomredmetzoloto's Public Annual Reporting Standard;
- review of best practices of integrated report drafting.

Approval of JSC Atomredmetzoloto's Public Annual Reporting Standard

Our awards and achievements in 2017 in the field of the public reporting (for quality of 2016 report):

Federal Contests:

- Diploma for Contribution to Promoting Sustainable Development Principles in Annual Accounts of the Fourteenth Annual Contest of Annual Reports hosted by Expert RA International Rating Agency;
- Top 5 (best quality) annual reporting among almost 100 major Russian companies

according to Expert RA International Rating Agency.

International Contests:

- Golden award for Annual Report of Companies with Revenue not exceeding USD 100 Million at the LACP 2017 Spotlight Awards Global Communications Competition hosted by the League of American Communications Professionals (LACP);

- TOP 100 (rank 36 ahead of all nuclear companies) report drafting among global majors participating in the LACP contest;
- Golden award at the international marketing communication contest MarCom Awards 2017.

5.5. Interaction with Stakeholders when drafting the Report

Dialogues with Stakeholders when Drafting the Report

ARMZ strives to ensure compliance of its reporting information with requests from stakeholders. In accordance with international standards, AA1000SES, GRI SRS and IIRS, such interaction has the form of dialogs with stakeholders. [Dialog No. 1.](#) «Discussion of the draft concept of JSC Atomredmetzoloto Annual Report 2017, held in the form

of survey of stakeholders in November 2017.

[Dialogs No. 2–3](#) Performance for Ten Years: New Prospects of Sustainable Development of 24 January 2018.

[Public Consultations No. 4](#) «Discussing the draft 2017 annual report of JSC Atomredmetzoloto» of 25 April 2017.

In total, 11 proposals for revision of the draft report and improvement of interaction with stakeholders were received from stakeholders during the dialogue. They have all been taken into account during follow-up on the Report.

For details of past events, see JSC Atomredmetzoloto's web site at www.armz.ru.

Table 55. Accounting of the most significant stakeholder proposals put forward in dialogues when drafting 2017 Report

Stakeholders' proposals based on results of dialogs with stakeholders	Proposing stakeholder class	Accounting of proposals
Clarifying the priority topic of the report as Performance for Ten Years: New Prospects of Sustainable Development	Scientific and Expert Community	Taken into account in the Report Details section and during Report drafting
Conducting the factor analysis of the Holding Company's financial performance	Scientific and Expert Community	Taken into account in section 4.2. Financial Capital
Provide more details on the Company's sustainable development activities	Stakeholders	Taken into account in section 2.5. Sustainable Development Agenda
Detailing information on the Smart Mine digital modelling project	Stakeholders	Taken into account in section 4.3.3. Digital Economy Performance
Focusing on disclosure of the qualitative component of JSC Atomredmetzoloto's contribution to ROSATOM's generation and development of operation regions	Local Communities	Taken into account in section 4.3.6. Contribution to Development of Operation Areas

5.6. Public Assurance Statement on Report

Background

The management of JSC Atomredmetzoloto (hereinafter referred to as the ARMZ Uranium Holding Co. or Company) has suggested that we should assess its integrated public annual report 2017 (hereinafter referred to as the Report) from the standpoint of completeness and materiality of information disclosed in it and assess efficiency of the Company's management response to wishes and comments of stakeholders.

For this purpose, the Company provided us and our representatives with a possibility to participate and put forward our comments in four meetings with stakeholders, which were held:

- in November 2018. remote survey of stakeholders to discuss the draft concept of JSC Atomredmetzoloto's annual report 2017 and update essential topics;

- 1/24/2018 Dialogs No. 2 and 3 Performance for Ten Years: New Prospects of Sustainable Development;
- 4/25/2018 Public consultations to discuss the draft annual report.

Within the framework of the events we were allowed to express our opinion freely.

Draft Report Assessment Procedure

Our conclusions are based on the comparative analysis of two versions of the Report (the draft Report for public consultations and the final version of the Report) and materials provided to us based on results of dialogs conducted and consultations (minutes, stakeholder comment accounting tables) as well as on comments received from management and employees of the Holding Company during event conducted for public endorsement of the Report.

Verification of the information in the Report as well as compliance of the Report with both Russian and international reporting systems is not the matter of public endorsement.

We comply with ethical requirements to independence and fairness of appraisals, and express our personal expert's opinion and not the opinion of the companies whose representatives we are. All participants of public consultations were absolutely free to express their opinion. We confirm that

we have received no remuneration from the Company for participation in the public endorsement procedure.

Our work results are executed in the form of this Statement of public endorsement containing judgments, in respect of which we have reached overall agreement.

During the evaluation, we took the following criteria into account:

- the Report's focus on the requirements of the chosen accounting standards for sustainable development (AA1000SES and GRI SRS);
- application of key reporting principles;
- materiality of the topics set forth in the Report;
- completeness and balance of the information including coverage of three key sustainable development topics such as economy, environment and social relations;

- response to stakeholders' wishes;
- persuasiveness and cohesiveness of the data presented.

Assessments, Comments, and Recommendations

We evaluate the Report positively in terms of its structure and contents. JSC Atomredmetzoloto prepared and informative and well-structured Report meeting our expectations. It is important that the Company voluntarily committed to prepare the Report and for the 10th consecutive year, it has been demonstrating that it strives to reach public and environmental satisfaction and is prepared to engage in open dialogue with stakeholders about various issues concerning

its activities. We can see that the Company's management realizes the importance and prospects of engaging stakeholders.

An obvious advantage of the Report is that it was prepared in compliance with international standards (Global Reporting Initiative (GRI SRS), AA1000 Institute of Social and Ethical Accountability standards, and International Integrated Reporting Standard (IR 1.0). The integrated nature of the Report allows fully disclosing

information on the Company's core business and its performance in terms of sustainable development.

We are not aware of any facts that could undermine the accuracy of the data included in the Report. We view the information disclosed in the Report as sufficient both in terms of compliance with international public reporting standards and taking into account stakeholder comments made at the Report preparation stage.

Materiality of the Information

The Report touches on all topics that are considered essential by the stakeholders.

We note that the Company's methodology for assessment of materiality of topic based on international standards allows the

Company to consider opinions of all its stakeholders.

The priority topic of the report, [Performance for Ten Years: New Prospects of Sustainable Development](#) is disclosed throughout the Report with overview tables of performance for ten

years attached to each chapter and subsection. We acknowledge that during dialogues, the Company suggested that stakeholders should generate recommendations for the priority topic disclosure in the Report. We believe that all material information on the priority topic has been disclosed.

Balance and Completeness of the Information

We believe that the Report discloses the information in full. Sufficiently complete information is disclosed on a balanced basis. Virtually all aspects of the Company's business influencing

economy, social sphere and the environment, and being of interest to stakeholders. For better compliance with the completeness principle, the Report provides references to governing

documents and additional public information sources including the ones in the corporate web site.

We are aware of no omissions of material information.

The Company's response to stakeholder recommendations

When drafting the Report, one remote and three live events were held for stakeholders. We note that the Company involves stakeholders regularly in its annual report drafting and responds to all questions received during public dialogues. The

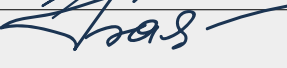



Company's management records all stakeholder comments, suggestions and recommendations, analyzes them and responds to them positively.

Thus, in the course of drafting the Report, the Company demonstrated that it was willing to respond to

stakeholders' suggestions and recommendations and deal with the issues raised.

We note high quality of preparation and organization of face-to-face dialogues, in which representatives of a wide range of stakeholders took part.

Signatures of Endorsers:

Name	Organization and Position	Signature
Andrey G. Anosov	Deputy Head of the Dalmatovsky District Administration	
Aleksandr S. Babkin	Veteran of Labour, Honoured Geologist of the Russian Federation	
Chimita B. Badmadordzhieva	Executive Secretary of the Editorial Board of the «Gornyak Priargunya» (Priargunye Miner) newspaper	
Vladimir I. Barilenko	FSBU of HE «Financial University under the Government of the Russian Federation», Professor of the Department of Accounting, Account Analysis and Audit	
Nadezhda A. Bendyuzhik	Director, MBGEI «Uksyanskoe Secondary School»	
Valery N. Govorukhin	First Deputy Director General for Strategic Communications, Technoexport, JSC	
Sergey S. Golovachev	Consultant in the Communications Department of ROSATOM State Corporation	
Bair D. Dashiev	Deputy Head of the Local Administration of Bauntovsky Evenkiysky District Municipality	
Vladislav V. Duba	Head of the Lithium Programme of Stans Energy Corp.	
Aleksandr A. Morozov	Director for Science, Technology and Innovation Development of PIMCU, Deputy Chairman of the Krasnokamensk and Krasnokamensky Municipal District Council of the Trans-Baikal Territory	
Larisa A. Sizykh	Deputy Head of Krasnokamensk and Krasnokamensky Municipal District of the Trans-Baikal Territory	
Natalya Y. Khairova	Head of Vitimskoe, JV	
Alan V. Khasiev	Chairman of the Coordination Council	
Yulia Y. Shipelova	Head of Logistics Support Department at PIMCU	
Vadim F. Yakupov	Editor of the «Slava Trudu» (Glory to Labour) newspaper	