

APPROVED BY:
General Shareholders' Meeting
PJSC Enel Russia __June 2019
Minutes No. _____ dated June ____, 2019

PREAPPROVED BY:
Board of Directors of PJSC Enel Russia
17 April 2019
Minutes No. 7/19 dated April 19, 2019

ANNUAL REPORT 2018

General Director
PJSC Enel Russia
____ ____, 2019

_____/C. Palasciano Villamagna/

Table of contents

1. Addresses.....	5
Address from the General Director	5
Address from the Chairman of the Board of Directors	6
2. Company overview.....	8
2.1. Events calendar.....	8
2.2. Company's overview	8
General information.....	9
Company's position in the industry	9
Competition	11
3. Company strategy.....	14
3.1. Strategic Plan for 2019-2021	14
Report of the Board of Directors on priority areas of activity, results achieved in priority areas in 2018	15
Forecast of results.....	15
Financial indicators and KPI. Objectives approved for the main financial indicators	16
3.2. Sustainable Development Plan 2019-2023.....	16
3.3. Commitment to environment, health and quality	21
4. Risk Management.....	22
Description of corporate risk management system and internal control	22
Description of main risk factors associated with the Company's activity	24
5. Financial and performance indicators	26
5.1. Analysis of performance dynamics in comparison with previous period and plan.....	26
5.2. Main operational indicators	27
5.3. Sales.....	29
5.4. Investment activities	31
Investment projects and strategic objectives of the Company	31
Analytics for investors.....	33
6. Sustainability	33
6.1 Business and management.....	33
6.1.1. Operational (eco-) efficiency.....	33
Increase in operating efficiency.....	34
Shift to renewable energy sources and clean energy	34
6.1.2. New solutions and digitization	35
Innovation approach in technologies	35
Automation and digital technologies	36
Cyber Security	37
6.1.3. Customer Focus	38
Main approaches to interaction with customers	38
6.1.4. Business Ethics. Code of Ethics and Anti-Corruption Policy	38
6.1.5. Political participation.....	40
6.2. Responsible attitude to the environment	40
6.2.1. Environmental strategy and environmental management	40
Corporate environmental strategy	40
Environmental KPIs	41
Compliance with environmental laws and environmental reporting.....	42
Conducting of environmental audits.....	42

Responsibility for waste management violations, observance of environmental and sanitation and epidemiological requirements.....	42
6.2.2. Climate strategy and decarbonization	44
Decarbonization of the energy mix	44
Control and amount of CO2 emissions, emission-to-revenue ratio.....	44
6.2.3. Control of air and water quality.....	45
Emission of pollutants into the atmosphere.....	45
Responsible water consumption	46
6.2.4. Resource use	48
Energy resources information.....	48
Energy consumption, energy efficiency indicators	49
Secondary resources consumption.....	49
Waste management.....	49
6.2.5. Biodiversity and natural heritage preservation.....	51
6.3. Health and Safety. Health and safety management	52
6.3.1. Health and safety management.....	53
6.3.2. Policies, management and measures in case of emergency situations	57
6.3.3. Promotion of healthy lifestyles.....	59
6.4. Management, development and motivation of employees	60
6.4.1. HR policy and social & cultural diversity	61
6.4.2. Training, motivation and social policy.....	63
6.5. Human Rights	67
6.6. Social impact	68
6.6.1. Engaging the local communities	68
6.6.2. Social investments	71
6.7. Sustainable supply chain	72
7. Corporate governance.....	75
7.1. Corporate governance system.....	75
7.2. Management bodies of the Company	77
7.2.1. General Shareholders' Meeting.....	77
7.2.2. Board of Directors of the Company	78
Report on the work of the Board of Directors	84
Committees of the Company's Board of Directors	86
Remuneration and compensation of expenses of members of the Board of Directors.....	89
About the self-assessment of the BoD activity and the data on the main results of the self-assessment activity of the Board of Directors	89
Corporate Secretary	90
7.2.3. General Director and Executive Board.....	91
7.3. Internal Audit Commission	93
7.4. Information about the internal audit	93
7.5. Information on the auditor.....	96
7.6. Securities of the Company.....	96
7.6.1. Authorized capital.....	96
7.6.2. Dividends.....	99
7.6.3. Market capitalization	101
7.6.4. Commercial papers	102
7.6.5. Depositary receipts	103
7.7. Interaction with the shareholders and investors	104

7.8. Participation of the Company in other entities	105
7.9. Operational structure of the Company, transparency and accountability.....	105
8. Additional information	107
8.1. Financial statements	107
8.1.2. Accounting (financial) statements for 2018 with the auditor' report.....	107
8.1.3.Consolidated financial statements for 2018 with the auditor' report.....	107
8.1.4. Assessment of the auditor's report prepared by the Audit and Corporate Governance Committee	107
8.2. Information on most material transactions and related-party transactions closed by the Company in 2018.....	108
8.3. Internal Audit Commission report.....	118
8.4. Structure of generation facilities and structure of fuel consumption.....	121
8.5. Information about observance of the Corporate Governance Code recommendations by the Company.....	124
9. Scope and Limitations of the Report	161
10. Engaging with stakeholders.....	161
11. Material topics	162
12. Reporting principles	166
13 Quality assurance of disclosures.....	166
14. GRI Content Index	168
15. Numerical and statistical information	177
Ecological disclosures	177
Social disclosure.....	186
16. Glossary	204

1. Addresses

102-14

Address from the General Director

Dear shareholders,

I am pleased to present the Company's results for 2018 in the PJSC Enel Russia Annual Report.

In the modern dynamic scenario of the world economy, it becomes impossible to achieve the financial targets and to maintain high level of competitiveness unless you pay due attention to the issues of sustainable development and integrate its fundamental principles into all your major business processes. Rational use of resources, production efficiency along with social responsibility with respect to external and internal stakeholders, become the key factors in building the corporate strategy.

In 2018, the Company managed to achieve its financial targets despite a slight decline in net power output mostly due to external factors such as lower demand in some regions and overcapacity. Comparing to exceptional performance registered in 2017, in 2018 the revenue lowered by 1.5 % and totaled 73.265 bln rub, EBITDA decreased by 2.9% and amounted to 17.225 bln rub. In 2018 the Company's ordinary net profit totaled 7.699 bln rub, decreasing by 9.9%. Despite this, we beat 2018 guidance on EBITDA and net income disclosed in our strategic plan in February 2019 resulting from better power pricing and fixed cost optimization over 4Q 2018.

The year 2018 was marked by entering the active phase of our wind projects implementation in Russia, which were awarded to PJSC Enel Russia within the framework of the tender held in June 2017. These projects aim at diversifying the Company's asset portfolio and ensuring revenue flow after return of investment program (DPM) for thermal generation comes to the end. In 2018, we signed equipment procurement contracts for wind farms with our technological partner SiemensGamesa. We also signed important contracts with new regions where we established our presence. For instance, in February 2018 we signed an agreement with the Government of Rostov region where the Company is building 90 MW wind farm. Similar agreement was signed with Murmansk region, aimed at cooperation within construction of 201 MW wind farm. The Company also signed agreement with Eurasian Development Bank on financing of Azov wind farm construction and finalized financing for Murmansk wind farm construction with Sberbank Russia.

In 2018, on the operational side the Company demonstrated a high level of equipment availability and operational efficiency due to capital expenditures invested in its improvement. Modernization of Reftinskaya GRES Unit 9 gas treatment equipment, a noise load reduction at Sredneurskaya GRES thanks to installation of noise absorbing equipment, as well as confirmation of a high effectiveness of the Sredneurskaya GRES fish protection system by the Nizhneobsk Local Office of the Federal Agency for Fisheries are among important projects implemented during the year

Dividends paid in 2018, as per results of 2017, accounted for 60% of net profit (IFRS) which is one of the most attractive dividend pay-out in the utilities sector. Our dividend policy envisages increase of the pay-out up to 65% applicable to the results of 2018.

Health and Safety remain one of the key priorities for the Company. In 2018 we launched SHE 365 project (Safety, Health, Environment 365 days) aimed at maintaining safety at the production site on a daily basis and encouraging employees to develop initiatives in this field applicable to operation, maintenance and work with contractors. All our power plants hosted workshops participated by over one thousand of employees. They developed specific action plans on how to improve issues related to Health, Safety and Environment. Implementation of these plans will be monitored starting from 2019. Our goal is zero accidents at work and in a daily life and we are doing our best in order to achieve it. Our plants in the region are recognized to be ones of the best in terms of health and safety issues. In

particular, in 2018 Administration of Tver region recognized Konakovskaya GRES as the best facility in the Upper Volga area in terms of health and safety. Our power plants in the Urals became the winners of the award in the Competition on Health and Safety Culture organized by the Sverdlovsk region Department of Labor and Employment. Sredneuralskaya GRES won the third place while the winner was Reftinskaya GRES.

Referring to innovations, the Company closely monitors the development of technologies in the market and learns from international experience in order to implement the most promising solutions in the Russian energy and IT market paying special attention to industrial digitalization projects. We are open to new solutions and welcome experience in innovative digital technologies development.

Despite challenging macroeconomic conditions, we are happy with the obtained results and are not going to be complacent. This year we keep focusing on our two wind projects and searching for new attractive investment solutions for the Company, in particular, in the area of renewables and modernization of thermal fleet. Our goal is to create added value using both existing projects and new development opportunities with guaranteed return on investments in order to ensure balance between growth, business sustainability and shareholders' remuneration. All this fosters a gradual transition towards a more sustainable business model of the Company.

Respectfully,
Director General of PJSC Enel Russia
Carlo Palasciano Villamagna

Address from the Chairman of the Board of Directors

Dear Shareholders,

I am pleased to present you the annual report of PJSC Enel Russia for 2018.

2018 was quite a difficult year due to the macroeconomic situation in Russia, which, in turn, impacted the performance of the Russian energy sector. This is largely due to a drop in electricity demand and consumption in several regions, as well as to continuing tariffs containment and overcapacity.

Despite these challenging conditions, the Company managed to meet the planned financial targets, as well as to fulfill its obligations to increase shareholder remuneration by raising the pay-out ratio from 60% to 65%. The Board of Directors will recommend to the General Shareholders' Meeting to pay dividends in the amount of 65% applicable to IFRS net income of 2018.

The Company is actively developing a new area of business - wind power projects in Russia, and is one of the few players in this new field for the Russian energy sector. In 2018, we signed the main contracts with our technological partner and agreements with the authorities of new regions of presence - Rostov and Murmansk regions. In addition, we are exploring potential new project opportunities in this sector that will ensure the growth of the Company and support its revenues after the completion of thermal DPM cycle by 2021.

One of our main priorities is to ensure reliable generation of electric and thermal energy in our regions of presence. We continue to introduce digital technologies at our power plants in order to increase equipment efficiency and optimize production processes. We pay special attention to industrial safety, as well as to improving the health and safety of our employees.

At the same time, PJSC Enel Russia continues to implement technical projects in the field of environmental protection on its power plants in order to meet previous commitments, as well as social projects aimed at spreading environmental protection mindset, involving the local population. It is

encouraging to see that our work in this area receives support. At the end of 2018, Konakovskaya GRES received a certificate of appreciation from Rosprirodnadzor of the Tver Region for its responsible environmental safety policy, as well as for its compliance with the environmental legislation in the region.

In 2018, the Company joined the Year of Corporate Volunteering Presidential initiative. 15 Company employees set up and implemented corporate volunteering projects, attracting over 80 colleagues and almost 200 local residents in their initiatives. This gave a new impetus to the development of corporate volunteering in the Company and allowed us to achieve significant results and spread sustainable development values among local residents. At the same time, PJSC Enel Russia pays special attention to the UN Sustainable Development Goals, knowing that it can contribute to their achievement. The Company focuses on the following UN SDGs: inclusive and quality education; universal access to affordable, reliable, sustainable and modern energy sources for all; continuous, inclusive and sustainable economic growth; full and productive employment and decent work for all, as well as urgent actions to combat climate change and its effects.

The Company is traditionally committed to high transparency standards, and discloses in its annual reports not only financial and economic indicators, but also information related to environmental risk management, corporate governance and social aspects. A distinctive feature of the Company's Annual Report for 2018 is its new format for non-financial information disclosure, prepared in accordance with GRI Standards – a benchmark for international non-financial reporting. In adopting these reporting standards on a voluntary basis, the Company management confirms its commitment to continuous improvement of the transparency and balance of the disclosed data.

Open and continuous interaction with shareholders is one of the pillars of the PJSC Enel Russia's policy. To name just one example, in 2018, the Company revised its Information Policy, aligning it to the best corporate practice in Russia. Based on this document, the Company assumes additional obligations to voluntarily disclose information about its activities. In particular, our shareholders will get access to information about the subsidiary companies of PJSC Enel Russia.

In 2018 the Company significantly improved its corporate governance performance: at the end of 2018, PJSC Enel Russia significantly improved its compliance ratio with the recommendations of the Corporate Governance Code of the Central Bank of the Russian Federation: 74 out of 79 vs. 60 at the end of 2017. Another important point is that the Company's Board of Directors now includes 4 independent directors out of 11, (i.e. more than 1/3). In 2018, an updated remuneration and compensation policy applicable to the members of the executive bodies and other key managers of the Company was approved and, needless to say, the self-assessment of the work of the Board of Directors and of its Committees in 2018 was completed. The Related-Party Transaction Committee, which was set up at the end of 2017 with the aim to provide assistance to the Board of Directors of the Company on issues related to the related-party transactions as well as cases of conflict of interests and significant corporate actions, reviewed over 40 related-party transactions and issued recommendations to the Board of Directors of the Company to approve these transactions under certain conditions.

Last year the Company faced challenges, but we were able to adopt our strategy to overcome them and to achieve our goals. We are open to changes and look forward to further integrate sustainability in all business processes and grow in order to meet the needs and expectations of our shareholders.

Yours faithfully,
Stéphane Zweguintzow
Chairman of the Board of Directors of PJSC Enel Russia

2. Company overview

2.1. Events calendar

Date	Event
29.01.18	Publication of operating results for 2017
15.02.18	At the Russian Investment Forum in Sochi, PJSC Enel Russia and the Government of the Rostov Region signed an Agreement on cooperation in the implementation of an investment project for the wind farm construction with the installed capacity of 90 MW.
15.03.18	Publication of audited financial statements for 2017 in accordance with the International Financial Reporting Standards (IFRS)
26.04.18.	Publication of operating and unaudited financial results for the first quarter of 2018 in accordance with IFRS
25.05.18	At the St. Petersburg International Economic Forum PJSC Enel Russia and the Government of the Stavropol Region signed an Agreement on cooperation in the field of wind energy
04.06.18.	Annual General Shareholders' Meeting
31.07.18	Publication of financial results with audit review for the first half of 2018 in accordance with IFRS
01.11.18.	Publication of unaudited financial results for the first nine months of 2018 in accordance with IFRS
12.11.18	At the Murmansk International Business Week, PJSC Enel Russia and the Government of the Murmansk Region signed an Agreement for cooperation in the implementation of the investment project for a 201 MW wind farm construction in the region
16.11.18	PJSC Enel Russia received the Certificate of readiness to operate during 2018 - 2019 heating season
22.11.18	At the 13th Annual International Conference “Eurasian Economic Integration”, Carlo Palasciano Villamagna, General Director of PJSC Enel Russia, and Andrey Belyaninov, Chairman of the Board of the Eurasian Development Bank, exchanged tombstones during the signing ceremony for the agreement on financing a wind farm construction project with an installed capacity of 90 MW in the Rostov region

2.2. Company's overview

102-3 102-7 102-8

Regions of activity	Russian Federation, First price zone of the WEM
Structure (branches)	Central Office (Moscow)

	Konakovskaya GRES (Tver region) Nevinnomysskaya GRES (Stavropol Territory) Reftinskaya GRES (Sverdlovsk region) Sredneuralskaya GRES (Sverdlovsk region)
Number of employees	2,496 people
Installed electrical capacity	9.4 GW
Net power output	39 TWh
Revenue	73 billion rubles

General information

102-1 102-2 102-3 102-4 102-5 102-7

Public Joint Stock Company Enel Russia (when incorporated – Open Joint-stock Company Fifth Generation Company of the Wholesale Electricity Market (OJSC OGK-5) was incorporated in accordance with Administrative Order of the Executive Board of OJSC RAO UES of Russia No. 113p dated October 25, 2004. The property of Reftinskaya GRES and Sredneuralskaya GRES as well as shareholdings of Konakovskaya GRES JSC and Nevinnomysskaya GRES JSC were transferred to the Company's authorized capital.

On October 27, 2004, OJSC OGK-5 was registered by the Inspectorate of the Ministry of Taxation of Russia for the Leninsky District, Ekaterinburg, Sverdlovsk Region, certificate series 66 No. 004053478, under principal state registration number 1046604013257.

Since its establishment the Company has changed the name several times: from OJSC OGK-5 to OJSC Enel OGK-5 in 2009, to OJSC Enel Russia in 2012, to PJSC Enel Russia in 2014.

PJSC Enel Russia is one of the largest wholesale generation companies in Russia, the first generation Company that fulfilled its investment obligations in full in terms of construction of new facilities in Russia.

The legal address of the Company is in Ekaterinburg. In accordance with the Charter the core activities of the Company include generation of electric power and heat power, activity for supply (sale) of electric power and heat power, activity for acquisition (purchase) of electric power and heat power from the wholesale electricity (capacity) market.



Company's position in the industry

102-2, 102-4, 102-6

The Company conducts its business operations at the wholesale power (capacity) market (WPCM) in the First price zone including the European part of the Russian Federation and the Urals.

The major wholesale power market players are the following:

- wholesale generating and territorial generating companies formed as a result of the power industry reform, PJSC RusHydro, JSC Contsern Rosenergoatom;
- Utility companies - with the status of guaranteeing suppliers, large utility companies formed as a result of the power industry reform, as well as independent suppliers.

Main markets where the Company carries out its activity

Enel Russia carries out its power sales activities in the following wholesale market segments:

Regulated contracts (RC)

Since 2011 regulated contracts (RCs) have been signed to cover the volumes of electricity and capacity only intended for the supplies to residents equated to residents of the consumer groups, as well as guaranteeing suppliers. Prices (tariffs) for power and capacity supplies under regulated contracts are calculated by prices indexation formulae determined by the federal executive body in the area of public tariff regulation (FAS of RF). Scopes of power and capacity supply under RC are determined within the framework of the forecast summary balance of power generation and supply developed so that RC supplies would not exceed 35% of planned power (capacity) supply to the wholesale market, defined in the balance decision for the relevant regulation period for a power and capacity generator included into the summary balance.

Day ahead market (DAM)

At the “day ahead market”, the volumes of power exceeding the RC volume are traded at free (marginal) prices obtained as a result of a competitive tender of price bids from participants of the wholesale market for purchase/sale of power. Trade at the DAM (day-ahead market) is organized and held by JSC ATS (Joint Stock Company Administrator of the Trade System).

Balancing Market (BM)

Trade in deviations of the actual production schedule from the scheduled one is exercised at the balancing market at prices formed based on a competitive tender upon the marginal principle of bids of participants of the balancing market (suppliers and consumers with regulated load).

Capacity

Starting from 2011, only capacity in the volumes, necessary for supply to the households and consumer categories regarded as households is delivered under regulated contracts.

Trade in liberalized, “free capacity” will be effected through mechanisms of competitive capacity take-off, execution of free contracts (directly with the purchaser) and via exchange of power and capacity.

Newly built generation facilities capacity is sold by means of Capacity Sales Agreements (DPM) and ensure the return on investments into construction during 10 years for thermal generation facilities, 15 years for RES facilities and 20 years for NPP/HPP facilities.

Calculation of the cost of supplied capacity shall be carried out taking into account “capacity quality”. This market mechanism permits to stimulate suppliers to ensure availability of generating equipment.

Capacity auctions have been held annually as marginal auctions since 2011. Since September 2015, the capacity auctions have been performed for 4 years ahead.

Heat power sales

EUI

Heat power sales are carried out at the regional market, at the place of power plant location, according to the tariffs, approved by the relevant regional power commissions of the Russian Federation.

Total installed heat capacity of the Company amounts to 2770 MW.

Heat power sales:

- Konakovskaya GRES power plant (the Tver Region, Konakovo);
- Nevinnomysskaya GRES power plant (Stavropol Territory, Nevinnomyssk);
- Reftinskaya GRES power plant (the Sverdlovsk Region, Reftinskiy settlement);
- Sredneuralskaya GRES power plant (the Sverdlovsk Region, Ekaterinburg, Verkhnyaya Pyshma, Sredneuralsk).

Competition

Since the power plants of PJSC Enel Russia together with other power plants are incorporated into the unified energy system of Russia with unified networks, processes of generation and consumption of power, we can say that competitors are all thermal generating companies as well as Rosenergoatom and RusHydro that are participants of the wholesale power market. However, while performing a more detailed analysis of the competition, it is necessary to note that the power plants of PJSC Enel Russia conduct their business operations at the wholesale power (capacity) market (WECM) in the First price zone that includes the European part of the Russian Federation and the Urals. It is important to consider the distance between the energy supplier and the centers of demand. The influence of every competitor on the pricing in the region is also to be assessed.

Hydropower plants and nuclear power plants have lower power production costs as compared to thermal generators. Due to particularities of operation of their generating equipment (safety, environmental protection measures, use of natural resources, modes of operation), these types of plants are more competitive at the power market.

Thermal power plants using gas, fuel oil and coal as fuel are in equal conditions from the point of view of competition. As compared with the competitors, the advantage of PJSC Enel Russia is that the fuel mix of the Company is characterized by a significant share of coal (45-55%). Therefore, limitations in gas supplies and fuel oil price fluctuations have a lower impact on the Company's performance if compared to its peers.

The main competitive advantages of the Company are as follows:

- a leading position in the area of power sales;
- plants' location;
- an optimal fuel mix;
- a high degree of personnel's knowledge and skills.

Power Plant	Location of the competitors	Competitors
KGRES	UES of Center (Central Federal District of the	Kostromskaya GRES - 3,600 MW (OJSC INTER RAO - Electrogeneratsiya)
		CHP No. 16, CHP No. 20, CHP No. 21, CHP No. 26, CHP No. 27 - 6,406 MW (Mosenergo PISC)
		Smolenskaya NPP - 3,000 MW (Rosenergoatom Concern JSC)

Russian Federation), UES of North-West	Kalininskaya NPP - 4,000 MW (Rosenergoatom Concern JSC)
	Leningradskaya NPP - 4,000 MW (Rosenergoatom Concern JSC)
	Kurskaya NPP - 4,000 MW (Rosenergoatom Concern JSC)
	Zagorskaya GAES - 1200 MW (RusHydro PJSC)
NGRES UES of South	Stavropolskaya GRES - 2,423 MW (PJSC OGC-2)
	Novocherkasskaya GRES - 2,258 MW (PJSC OGC-2)
	Rostovskaya NPP - 4,030 MW (Rosenergoatom Concern JSC)
	HPP of the UES of South (RusHydro PJSC)
RGRES and SUGRES UES of Ural	Beloyarskaya NPP - 1480 MW (Rosenergoatom Concern JSC)
	Yuzhnouralskaya GRES-2 - 845 MW (OJSC INTER RAO - Electrogeneratsiya)
	Nyaganskaya GRES - 1345 MW (PJSC Fortum)
	Nizhnevartovskaya GRES - 2,031 MW (CJSC Nizhnevartovskaya GRES)
	Permskaya GRES - 3,363 MW (OJSC INTER RAO - Electrogeneratsiya)
	Surgutskaya GRES-1 - 3,333 MW (PJSC OGC-2)
Surgutskaya GRES-2 - 5,657 MW (Unipro PJSC)	

The main factors that have a negative impact on the production and, respectively, sales of power, are as follows:

- possible fuel related limitations;
- grid limitations and UES modes.

Fuel factor

The main type of fuel used at Konakovskaya GRES, Nevinnomysskaya GRES and Sredneuralskaya GRES power plants is natural gas, while the backup fuel is fuel oil. The structure at these plants is as follows: 99.8-99.9% is natural gas, 0.1-0.2% - fuel oil. Natural gas is acquired at the prices, fixed in gas supply contracts concluded with independent contractors.

The main factors, influencing the loading of power plants are both the existence of demand for power and the cost of fuel used for power generation.

Grid restrictions and UES operation modes

The volumes of power production and sale by the Company's power plants are influenced by operation modes being set in the Unified Energy System, in particular:

- maintenance of grid equipment of electric power substations and outgoing overhead power transmission lines;
- maintenance, start-ups, shut downs and modes of operation of generating equipment of power plants.

Konakovskaya GRES

Taking into account the last tendencies for power demand in the UES of Center, influence of generation capacities of competing companies on the mode of operation of Konakovskaya GRES is more significant during the heating period and is associated with the increase of operation of the combined heat and power plants, as well as with commissioning of new CCGTs and NPP.

These are the main transmission lines and substations that impact on the operation of Konakovskaya GRES when they are maintained: Kalininskaya NPP HV line - Opytnaya,

Kalininskaya NPP HV line - Vladimir, Konakovskaya GRES HV line - Cherepovets, Kalininskaya NPP HV line - Belozerskaya, Kalininskaya NPP HV line - Gribovo, Konakovskaya GRES HV line - Trubino, Konakovskaya GRES HV line - Bely Rast, Opytnaya HV line - Bely Rast and Belozerskaya substation, Opytnaya substation, Vladimir substation, Gribovo substation.

Nevinnomysskaya GRES

Nevinnomysskaya GRES is situated in a complicated power hub of the UES of South. To ensure operation reliability of this power hub, the ODU of the South plans to provide increased load of generation capacities of Nevinnomysskaya GRES, except for:

- operation of the power grid in maintenance schemes when limitation of load of the power plant is necessary;
- the flood period when limitation of the power plant’s load is caused by increased output of capacity from HPPs of the UES of South “locking” Nevinnomysskaya GRES due to grid peculiarities.

The advantage of Nevinnomysskaya GRES is its location in the power grid of South that ensures load and high coefficient of utilization of installed capacity, and the new high-efficient CCGT that due to low fuel consumption is always in demand.

Reftinskaya GRES and Sredneuralskaya GRES

Loading of capacities of Reftinskaya GRES is conditioned by total power intensity of the Urals Region and low power generation cost and, as a consequence, by high competitiveness. Loading of capacities of Sredneuralskaya GRES, given the low production cost, is conditioned not only by the power demand of the UES of Urals, but also by the heat power demand by the following cities: Ekaterinburg, Verkhnyaya Pyshma, Sredneuralsk.

Change in shares of Generation of Power Plants of PJSC Enel Russia in 2017 and 2018

Power plant	2018	2017	Change
KGRES share in UES of Center	2.9%	3.0%	-0.1%
NGRES share in UES of South	7.6%	8.1%	-0.5%
RGRES share and SUGRES in UES of Ural	10.1%	10.2%	-0.1%
Enel Russia share in PZ I*	5.0%	5.2%	-0.2%

PZ I* – the First Price Zone of the Wholesale Power (Capacity) Market (WPCM), including the European part of Russia and the Urals

Regulatory authorities in the electric power industry.

Regulatory authority	Functions
Government of the Russian Federation, Ministry of Economic Development of the Russian Federation, Ministry of Industry and Trade, Ministry of Energy of the Russian Federation	They define the main lines for the development of the power sector of the Russian Federation
FAS of RF	Regulation and control of access to the electric grids and services for power transmission. Approval of tariffs and scope of purchase/sales of power and the capacity

PJSC FGC UES	It provides the services for power transmission through the unified national power grid to the WPCM entities
JSC SO UES	It executes a complex of measures aimed at centralized control of operating modes of power industry facilities and power receiving installations of consumers
JSC ATS	Organization of wholesale power trade, verification of cross-obligations set-off between the trade market participants; organization of wholesale market guarantees and settlements system, control of market regulations fulfillment
Association NP Market Council	provision of the WPCM commercial infrastructure functioning, provision of effective interconnection between the wholesale and retail markets, competitiveness in the wholesale and retail market, maintenance of the balance of interests of power and capacity generators and purchasers

3. Company strategy

3.1. Strategic Plan for 2019-2021

Prospects for development and priority lines of the Company activities, forecast of results

103-1 103-2 103-3

Our main objective is to create long-term value for shareholders, employees, partners and other stakeholders. The Company's approach is to ensure balance between growth and development, solid financial position and remuneration to shareholders. There were no changes in the approach in the past period.

The main documents regulating creation of economic and financial value include:

- Corporate Governance Code recommended for use by joint-stock companies whose securities are admitted to on-exchange trading (issued by the Central Bank of the Russian Federation)
- Dividend policy of PJSC Enel Russia

Responsibility for implementation of financial strategy is within the General Director, Deputy General Director - Financial Director, as well as line directors in the relevant unit; with constant support from the Corporate Affairs, Communications, Administration, Finance and Control and other organization units.

The Company publishes annually its key operational and financial objectives for the next three years, previously approved by the Board of Directors, as well as the results of the year for key strategic pillars. The Company discloses quarterly the financial results for the past period with management comments. See details in section 7.7. «Interaction with the shareholders and investors».

The Company's financial strategy is intimately connected with implementation of the strategic plan. In particular, the Company's strategic plan for 2019-2021 confirms key strategic pillars (areas of development):

- Cost optimization
- Ensuring efficiency and reliability in operation of the power plants
- Optimization of debt structure
- Diversification of the technology profile
- Shareholder remuneration

In addition, the Company identified several areas of development that are outside of the perimeter of the existing plan but are of paramount importance such as the sale of Reftinskaya GRES and a possibility for modernization of thermal generation facilities.

Report of the Board of Directors on priority areas of activity, results achieved in priority areas in 2018

Key strategic pillars	Achieved result in 2018
Cost optimization	Fixed costs growth below inflation; Capital expenditures according to planned value
Ensuring efficiency and reliability in operation of the power plants	Increase of equipment availability vs 2017 and planned value
Optimization of debt structure	Refinancing of RUB 10 bln of commercial papers; and a small part of the Euro loan in roubles
Diversification of the technology profile	Extensive works on wind farms, the right for their construction was obtained based on the results of tender in 2017 (see details in section 6.1.1. «Transfer to renewables and “clean energy”)
Shareholder remuneration	Dividend pay-out ratio was increased with 55% to 60% following results of 2017; 65% planned following results of 2018.

In 2018, the Company received a credit rating of ruAA with Stable outlook from RAEX rating agency (Expert RA).

In addition, in 2018 international agency Sustainalytics evaluated the management of ESG risks (risks in the environmental, social and corporate governance areas, ESG Risk Rating) at the Company for the first time in the history of PJSC Enel Russia. ESG-risk is estimated at a medium level, the Company received 28.3 out of 100 scores. Risk management is estimated at 58.2 out of 100 scores; this indicates a high quality of management.

Finally, the long-term incentive program for the top management depending on the share price was extended in 2018 for the next planned period.

Forecast of results

The Company works actively on construction of two wind farms with total capacity of 291 MW. Commissioning of the first wind farm, Azovskaya WPS (90 MW), is scheduled for December 2020, and the first megawatt hours will be generated by this wind farm in 2021.

The plan does not incorporate an increase or decommissioning of any Thermal Generation facilities.

The Company aims to ensure equipment reliability including optimization of maintenance works and investment programs for key facilities. This should compensate gradual decline in power generation of conventional gas units due to strong competition at the market as well as limited growth in electricity demand in some regions.

Financial outlook

Current trends in macroeconomic and energy sectors such as limited growth in demand for electricity against the background of continuing pressure of excess capacity and tariff growth containment, define the financial outlook.

In 2019-2020, the Company expects limited volatility of its gross margin through a high portion of capacity earnings while revenues from power sales reflect changes in regulation that occurred in 2018, namely the forecasts for gas tariff growth lower than expected, and market scenario.

The year 2021 marks the end of the ten-year period for return on investments in CCGT, at the same time the Company will start receiving RES CSA for 90 MW wind farm in the Rostov region. The Company profit, its temporary reduction will occur in 2021, will be restored from 2022, as soon as a wind farm in the Murmansk region with a capacity of 201 MW is commissioned.

The Company continues the program for optimization and containment of fixed cost growth below inflation rate or at 2% growth over the next three years; this will help to balance partially the lower gross margin.

As a result, despite a slight increase in EBITDA between 2018 and 2022, its structure will change fundamentally, i.e. the final CSA in Thermal Generation will be replaced by RES CSA that should be more expensive in market valuation.

Financial indicators and KPI. Objectives approved for the main financial indicators

Objectives and forecasts	2019	2020	2021	2022
Net power output (TWh)	38.5	39.3	40.5	—
including Renewables			0.3	~1.1
EBITDA ¹ (bln roubles)	~15.0	~15.7	~14.5	~19
RES contribution in EBITDA (%)			~13%	~30%
Net ordinary income (bln roubles)	~6.7	~6.9	~5.0	—

3.2. Sustainable Development Plan 2019-2023

Creating Shared Value and UN Sustainable Development Goals

102-12

¹ Earnings before interest, taxes and amortization

On January 1, 2016, 17 Sustainable Development Goals (SDGs) officially took effect, as set out in 2030 Agenda for Sustainable Development that was adopted by the world leaders in September 2015 at the historic UN Summit. Enel Group that comprises PJSC Enel Russia was among the first companies assuming responsibility to make a measurable contribution to achievement of certain UN Sustainable Development Goals.

Enel Group confirmed its commitment to the following goals:

- SDG No. 4: Ensure inclusive and quality education for all and promote lifelong learning;
- SDG No. 7: Ensure access to affordable, reliable, sustainable and modern energy for all;
- SDG No. 8: Promote inclusive and sustainable economic growth, employment and decent work for all;
- SDG No. 13: Take urgent action to combat climate change and its impacts

In 2018, the abovementioned UN SGDs were also supplemented with SGD No.11: Make cities inclusive, safe, resilient and sustainable.

Sustainable Development Plan 2019-2023

102-16

In the new Sustainable Development Plan for 2019-2023, the Company confirms the underlying principles of its strategy and focuses on environmental and social impact and management practices. The sustainable development plan is inseparably linked to the Company strategic business plan. The Sustainable Development Plan covers all essential areas of the Company’s activity, highlighted as material topics of this report. Details of the definition of such material topics are provided in the “Material Topics” section (see p. 162).

Progress in implementing the Sustainable Development Plan is evaluated annually. Based on the assessment results and in view of the changes, the Sustainable Development Plan is subject to relevant adjustments. The updated version of the Plan was adopted for 2019-2023.

SDGs	Planned activities	Objectives and commitments
8	Economic and financial value creation	
	Compound average annual growth rate EBITDA	+4% for 2018-2022
	RES contribution in EBITDA	~30% to 2022
	Percentage of dividend payments in accordance with current dividend policy	65% net income from the core activities (IFRS)
1, 9, 10, 11, 12	Engaging the local communities	
	Support to local healthcare, education and social institutions	80 ths. beneficiaries ¹ in 2019
	Employees involved in corporate volunteer initiatives	10% in 2019
	Initiatives on implementation of CSV (Created Shared Value) throughout the entire value chain	up to 80% in 2019
	Implementation of circular economy initiatives	
4, 8	Employees management, development & motivation	
	Employee performance appraisal ² (all by 2023)	100% participate, 99% evaluated

	Climate Corporate Survey ²	100% participate, 96% evaluated
	Promotion of digital skills	100% are trained in digital skills
	Cross-functional development	50% of young promising people participate in the mentoring program
	Diversity of specialists in the technical unit	100%
	Diversity and inclusion policy	50% of women among candidates for succession plan ³
12	Sustainable supply chain	
	Qualification of suppliers based on human rights and environmental compliance criteria	100% in 2019
12, 16	Sound governance and fair corporate conduct	
	Gradual alignment of Annual report to GRI standards	since 2018
	Compliance with the Code of Corporate Conduct of the Russian Federation	more than 90% by 2020
9	New solutions and digitization	
	Testing and implementation of innovative technology solutions (VR, IoT, Big Data)	
	Focus on cyber security	
	Russian innovative ecosystem development and startups scouting	
8	Occupational health and safety	
	Zero accidents	
7, 12, 13	Environmental compliance and management and Decarbonization of the energy mix	
	Decarbonized electricity generation	291 MW by the end of 2021
	Particulate reduction at coal power plant	-83% by 2021
	Waste water volume reduction	-66% by 2021
12, 13	Operational efficiency	
	Fuel consumption reduction	327.7 g/kWh by 2021
7, 9	Customer focus	
	Fulfillment of the Rules of the wholesale electricity and capacity market and the Agreement on joining the trading system of the wholesale market.	
	Introduction of new solutions and digitalization of business processes for the further development and strengthening of the client-oriented approach	

¹Beneficiaries are those persons who are affected by the project. Enel Russia considers only direct beneficiaries for the current year.

²For employees who worked at the Company for at least 3 months

³Outside the perimeter of Thermal Generation (Renewable Energy, Administrative Office)

Sustainable Development Plan 2017-2021 Progress

Discipline	Plan, 2017-2021	Actual, 2018	Comment
Growth across low carbon technologies and services (corresponds to “Decarbonization of the energy mix” *)			
Decarbonized renewable electricity generation	291 MW of operated capacity by the end of 2021	Extensive work on the construction of two wind projects Murmanskaya WPS and Azovskaya WPS	The main contracts were signed, a loan agreement was signed to finance a wind project in Azov, the start of construction work is scheduled (in H1 2019)
Assets optimization and innovation (corresponds to “Creation of economic and financial value”, “New solutions and digitalization”, “Operational efficiency” *)			
Fuel consumption reduction	from 331.3 to 329.7 g/kWh by 2021	327.1 g/kWh in 2018	
Main equipment availability	from 80.4% to 87.7% by 2021	85.7% in 2018	
Integrated excellence system		212 of 659 ideas proposed by employees were implemented; 55% of employees involved	
Open innovation culture and development of Enel Innovation Hub at Skolkovo		Cooperation with the innovation ecosystem, technology parks, foundations, accelerators, universities, other corporations, start-ups, small and medium enterprises, work for development of internal innovations Active scouting for start-ups and new technologies, 112 start-ups selected, 6 projects activated	
Engaging the local communities			
Partnership with local healthcare, education and social institutions for implementation of program of social support for local communities (including initiatives for ensuring high-quality, inclusive and fair education)	217.8 ths. beneficiaries	Covered 63.7 ths. beneficiaries	Approach to calculating beneficiaries has changed Since 2018, only direct beneficiaries for the current year have been taken into account (see the details in Section “Engaging the local communities” p. 68)
Biodiversity initiatives		The efficiency of the project for installation of fish protection facilities at Sredneuralskaya GRES is estimated A project for installation of fish protection facilities at Nevinomysskaya GRES	
Corporate volunteering initiatives		Corporate volunteering project is implemented “Big goals – small steps”	

Engaging the people we work with (Corresponds to "Management, development and motivation of employees" *)			
Performance appraisal of all employees		100% of staff are involved; 99% of staff are assessed	
Corporate climate survey and action plan		In 2018, % of respondents increased and amounted to 91%, vs 89% in 2016	
Diversity and inclusion projects implementation		Diversity Week was held, a campaign on the occasion of the 70 th anniversary of the Universal Declaration of Human Rights, as well as Youth Day; Mentoring development projects	
Smart working deployment		Remote working program is launched	
Environmental sustainability (Corresponds to the section " Environmental compliance and management " *)			
Particulate reduction at RGRES	by 86% by 2021 compared to 2010	by 62% in 2018 relative to 2010	
Waste water volume reduction	by 61% by 2021 compared to 2010	by 70% in 2018 relative to 2010	
Maximum solid waste utilization		Dry ash transferred for use in 2018 270,807 tons.	Since 2018, ash is not considered a waste, but a fly ash material.
Digitalization (Corresponds to the section "New solutions and digitalization" *)			
Testing solutions developed based on the innovative technologies, Using big data and analytics		Two predictive analytics solutions were implemented, they make trend predictions for more than 100 models of systems incorporated into logic based on data collected from CCGT of Sredneuralskaya GRES and Nevinnomysskaya GRES	
Exploring the capabilities of the Internet of Things (IoT)		LoRa WAN base stations are installed at the power plants. Data collection and visualization is implemented in test mode from remote facilities of the plant and outside of it	There are plans to launch a service within the scale of several hundreds of sensors at each power plant
Using virtual reality (VR) technologies		Using augmented reality goggles to control the switch to open switch gear at Nevinnomysskaya GRES	In 2018, emphasis was on digital technologies making it possible to increase the operating efficiency of generating equipment but the VR technology is not a part of them yet.
Ensuring cybersecurity		Regular informing of employees about potential cyber threats, "Cybersecurity" campaign, aimed at	

		increasing knowledge about Cybersecurity	
--	--	--	--

* in the Sustainable Development Plan for 2019-2023

3.3. Commitment to environment, health and quality

The Company undertakes additional obligations to comply with internationally recognized standards and practices, along with strict compliance with legal requirements of the Russian Federation in of labor protection, environment, quality and energy efficiency. Since 2011, PJSC Enel Russia has proven annually the efficiency of HSE Integrated Management System. Currently the Integrated Management System of PJSC Enel Russia combines the management systems of occupational health and safety (OHSAS 18001:2007), environment (ISO 14001:2015), quality (ISO 9001:2015) and energy efficiency (ISO 50001:2011).

In 2015, the Company commenced implementation of international quality standard ISO 9001, its main purpose was to systematize and improve the Company internal processes, enhance integration of existing management systems, improve interaction between organization units both within the Company and at the Group level.

Earlier the Company was certified as a separate business unit, and in 2017, PJSC Enel Russia confirmed successfully the efficiency of Integrated Management System as part of Global Thermal Generation of Enel S.r.L.

In 2018, RINA S.p.A performed a supervisory audit of HSEQ Integrated Management System of PJSC Enel Russia and confirmed its efficiency and effectiveness. The Company is currently preparing for primary certification for compliance with ISO 50001:2011 international standards “Energy Management Systems - Requirements with guidance for use” and ISO 37001:2016 “Anti-bribery management systems -- Requirements with guidance for use”, scheduled for 2019-2020

The main benefits of integrated management approach are: systematization and streamlining the internal processes of the Company; achieving transparency and uniformity of problem solving methods; improvement and increasing the manageability of processes within the Company. Such an approach allows ensuring compliance with stakeholders' requirements and all applicable regulatory requirements.

The integrated processes at the Company include the following:

- Development of common policies², regulations and other system-forming procedures in health, safety, environment, quality, energy efficiency;
- Planning and conducting internal audits of integrated management system, managing identified non-conformities, corrective and preventive actions;
- Formulation of uniform format of requirements in health and safety, environment and quality, imposed on contractors and suppliers during performance of works, provision of services and making deliveries to the power plants of PJSC Enel Russia³;
- Communication and reporting on significant events in health, safety, environment and quality;
- Risk Management;
- Conducting Health, Safety, Environment and Quality Days at the power plants with participation of employees of PJSC Enel Russia and contractors.

Integrated management system

² Integrated Policy of PJSC Enel Russia in quality, health, safety and environment (see details in [section "Health, Safety, Environment, Quality" at Enel Russia official website](#))

³ Procedure of PJSC Enel Russia No. 522 dated 19.04.2019 for “Interaction with suppliers and contractors in HSE&Q” (see details in [section "Health, Safety, Environment, Quality" at Enel official website](#))

Quality Management System	<ul style="list-style-type: none"> – Development and continuous improvement of the integrated management system, methodological support of Company’s organization units; – Ensuring quality control during overhauls and medium maintenance at the power plants; – Conducting qualification inspections at the production sites of the companies involved in the procurement procedures of the Company to reduce risks.
Occupational Health and Safety management system	<ul style="list-style-type: none"> – Assessment of health risks for the personnel of the Company and contractors during work at the production site; – Conducting inspections of compliance with occupational health and fire safety requirements; – Preparation of static reports on dangerous situations and industrial incidents; – Development and implementation of measures/projects aimed at improving health and safety indicators at the Company; – Management of accidents and emergency situations.
Environmental Management System	<ul style="list-style-type: none"> – Management of the environmental issues; – Obtaining the required permitting documentation; – Management of environmental aspects and risks.
Energy management system	<ul style="list-style-type: none"> – Management of optimization and performance monitoring for improvement of efficiency in resource use (fuel, water, electric power) for balance-of-plant needs; – Application of new technologies and equipment for reduction of production losses.

4. Risk Management

Description of corporate risk management system and internal control

The Company considers the internal control and risk governance system as one of the most important elements of strategic management.

The internal control and risk governance system (hereinafter referred to in this chapter as the System) is aimed at identifying, assessing, managing, monitoring and controlling the main corporate risks of the Company. The System is an integral part of overall organizational and corporate governance structure adopted by the Company and is based on the best international practices including international standard ISO 31000 Risk Management – Guidelines and the principles of the Code of Corporate Governance recommended by the Central Bank of Russia.

This System provides for control actions at each level of the Company's operations and clearly defines duties and responsibilities while avoiding duplication of tasks and ensuring coordination among the key persons of risk governance process. The System ensures necessary separation of operations and control to prevent or limit possible conflicts of interest as much as possible, and also allows distinguishing clearly and then tracking the tasks of identification, assessment, management and monitoring of risks. This approach enables to determine the sources of information and ensures the information flow required to complete the above tasks.

The System is divided into three levels of control:

Control level 1. Risk management process within a business unit that contains control procedures properly implement the business processes.

Control level 2. Risk control unit aims to manage and monitor risks typical for the Company.

Control level 3. Control of the structure and general functionality of the System including by monitoring of control level 1 and 2.

In accordance with the Internal Control and Risk Governance Policy, responsibility for the processes of identification, assessment, management, monitoring and control is allocated as follows:

Unit in charge	Area of responsibility
Business units (risk owners)	<ul style="list-style-type: none"> – Risk identification and evaluation – Identification, development and implementation of risk covering strategies and risk reduction measures
Risk Control Unit	<ul style="list-style-type: none"> – Monitoring and control of key risk indicators – Proposals for the measures to reduce their impact at business units and corporate executive bodies, monitoring their implementation – Organization of the Risk Committee whose activities are aimed at supporting and improving the risk management and internal control system
Internal Audit Unit	<ul style="list-style-type: none"> – Compliance with current risk management concept – Implementing policies, activities and systems, including regular review of policies and other organizational documents defining the roles, responsibilities, parameters, assessment methods and processes within the System

The Company systematically builds an integrated model of risk governance to consolidate its functions activity as to key risk management and integrates the risk governance system into the corporate culture. The target model of the corporate risk management is built as a set of functional elements and organizational mechanisms of their interaction to develop, implement, monitor, analyze and continuously improve the risk governance practice at the Company.

Internal control system

Implementation and use of the internal control system along with the periodic assessment of its efficiency is a part of approach to the Company management. The efficient system of internal controls allows to manage, determine, assess and monitor the main risks related to targets achievement by the Company, these targets being set by the Board of Directors. That relates to ensuring the Company assets soundness, reliability of financial statements, compliance with internal regulations and procedures as well as laws of the Russian Federation.

The Company implemented an internal control system in accordance with the model "Internal controls: integrated approach" (COSO), developed by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company uses the following main elements of internal control system:

- job duties are strictly regulated, it allows for increase in transparency and coordination of actions at each level of organization;
- the Company employees are familiar with the Code of Ethics, Zero Tolerance to Corruption Plan Regulation;
- procedures, policies and procedures are updated periodically. All the employees are immediately informed on the changes made;
- an information portal with regulations, policies and procedures and instructions is well structured and available to all employees;

- a principle of authorities division between various organization units and employees inside organization units is applied to mitigate the risk of errors or authority abuse. Operation and control functions are strictly divided to prevent or reduce probability of conflict of interests risks;
 - to ensure reliability of information system data, processes and procedures recommended by the COBIT standard are used. General information control is periodically audited;
 - business processes and control procedures are documented and twice a year they pass the assessment procedure by operation personnel and the Company management;
 - the Internal Audit Group periodically audits the internal control system efficiency;
 - mechanisms of informing of possible violations and abuse are implemented for the relevant levels of the Company management to take measures on repeated violations elimination and prevention.
- To ensure adequate assessment, measurement and risk management the internal control system is continuously improved and brought in compliance with changes and updated targets of the Company.

Organization units and corporate bodies related to risk governance

102-29 102-30

The Company has an independent organization unit for risk control that directly reports to the CFO. Besides, a collective body, the Risks Committee, is established to coordinate activity at the operational level; its chairman is General Director. At the level of corporate governance, there is regular interaction with the Audit and Corporate Governance Committee at the Board of Directors of the Company.

The Board of Directors is directly involved in reviewing the Company key risks that include also the economic, environmental and social aspects. To ensure effective operation of internal control and risk governance system, the Board of Directors appointed a Senior Risk Manager who coordinates this activity and is responsible for the system functioning.

In December 2018, the Board of Directors of the Company as part of its internal control and risk governance system review approved the Internal Control and Risk Governance Policy as well as Riskmatrix that includes main risks of the Company.

The Board of Directors is directly involved in decisions making on mitigation actions for the most significant risks for the Company.

The Board of Directors oversees the System including making decisions and providing recommendations after reviewing the list of relevant risks. The Board of Directors approves also an acceptable level of risk that is determined jointly with the General Director, Chief Financial Officer with assistance of the Risk Control Unit.

The Company has an Audit and Corporate Governance Committee acting on behalf of the Board of Directors and expressing its opinion on specific aspects regarding the main risks. The Audit and Corporate Governance Committee reviews periodically the issue of the results of efficiency of risk management and internal control system in terms of individual risks. Assessment of internal control and risk governance system efficiency takes into account the principles of corporate governance, and is based on internal audit procedures conducted during the year.

Description of main risk factors associated with the Company's activity

102-11 102-15

Description of risk categories *	Short description	Degree of impact and implemented risk management measures
Country and regional	Country risk is related to changes of general economic and political situation in the country and its influence on the Company.	Degree of impact: average The risk can be poorly managed but is accounted during adoption of strategic decisions.
	Regional risk is related to the conditions of activity in a particular region. The first price zone is the target one for the Company (European part of Russia and Ural).	Degree of impact: average The majority of regional risks cannot be controlled by the Company. The target regions of Russia for the Company are more economically developed as compared to the regions from the second price zone, non-price and isolated zones.
Industry	Risks associated with changes in economic state of the industry, possible fluctuations of prices for energy sources (coal, gas, fuel oil) and their supply compared to planned values, lower selling prices for products and services	Degree of impact: average Signing long-term agreements with independent suppliers, improvement of operating efficiency, determination of best time for fuel purchase, diversification of supply sources, maintenance of the equipment fleet through timely and high-quality maintenance campaigns, technical refurbishment, minimization of unavailability fines
Project/investment	Budget risks, duration of investment project, quality of equipment and service	Degree of impact: average Monitoring of actual costs and project schedule, hedging of currency component of costs
Financial	Risks associated with shortage of funds due to termination of external financing, fluctuations in exchange rates, interest rates, liquidity	Degree of impact: average Forecast and control of (including daily) liquidity, a significant amount of open credit facilities, currency risk hedging, sale of bad debt receivables
Industrial and environmental	Risks arising from the Company core activities - electric power generation and sale, and due to environmental effects	Degree of impact: Above the average Examination and audit of equipment, timely and high-quality maintenance campaigns. Establishment of constructive relationships with authorities to timely resolve the issues that may arise
Information security	Risks associated with failures in information system, loss of personal and confidential data; with access to the technical and banking system, as well as access to common data system	Degree of impact: average Access limitation (administratively, and physically), regular inspections. Antivirus software, detailed investigation of unauthorized access attempts
Regulatory	Risks associated with changes in regulations and laws of the industry and related industries	Degree of impact: Above the average Interaction with government agencies (the Ministry of Energy, the Ministry of Economic Development, FAS), membership in NP Market Council with presentation and protection of the Company's position
Legal	Risks associated with a lack of awareness or due to a lack of understanding of the principles of applicable laws and regulations in relation to the Company activities, its relations, processes and services.	Degree of impact: average Legal protection, trial monitoring

Reputational	Risk of loss of good will and incurring losses as a result of unfavorable attitude to the Company image ; and risk related to interacting with local communities, including with formation of negative attitude towards the Company due to insufficient information transparency, ignoring the influence of the Company operating activities on the local context	Degree of impact: average Publication of articles reflecting the Company activities media monitoring, ongoing dialogue with representatives of local administrations and local communities, prompt response to incoming requests/complaints/suggestions
--------------	---	--

* The key risk indicators are identified for each of the categories described. Control of these indicators allows timely identification of negative trends and taking actions to optimize the risk level of the Company

5. Financial and performance indicators

5.1. Analysis of performance dynamics in comparison with previous period and plan

102-7

In 2018, the Company exceeded its annual financial targets, presented in February 2019, in particular: EBITDA amounted to 17,2 bln roubles (plan 16.5 bln roubles), net profit amounted to 7,7 bln roubles (plan 7.3 bln roubles) due to higher electricity prices and the optimization of fixed costs in 4Q 2018.

Indicator (mln roubles) ⁴	2016	2017	2018	2018 vs 2017	Reasons of changes 2018 vs 2017
Revenues	72211	74400	73 265	-1,5%	Reduced generation in conventional units, against the backdrop of overcapacity in the system and decreased electricity consumption in some regions
including electricity	73%	67%	68%		—
including capacity	21%	27%	27%		—
Earnings before interest, taxes and amortization (EBITDA)	13909	17732	17 225	-2,9%	Decrease in revenue, partially offset by lower fixed costs due to optimization and a one-time effect of pension liabilities revaluation
EBITDA margin	19.3%	23.8%	23,5%	-0,3%	Change of revenue and EBITDA
Earnings before interest and taxes (EBIT)	10334	13970	12 536	-10,3%	Reduction of EBITDA; Increased allowance for impairment of trade and other receivables, increased depreciation
Net income	4 387	8 544	7 699	-9,9%	Reduced EBIT, partially offset by lower net financial expenses due to optimization of debt cost and currency structure
Net debt	20 348	17 889	19 376	8,3%	Asset development investment, i.e. into wind farms projects

⁴ Data according to the International financial reporting standards (IFRS)

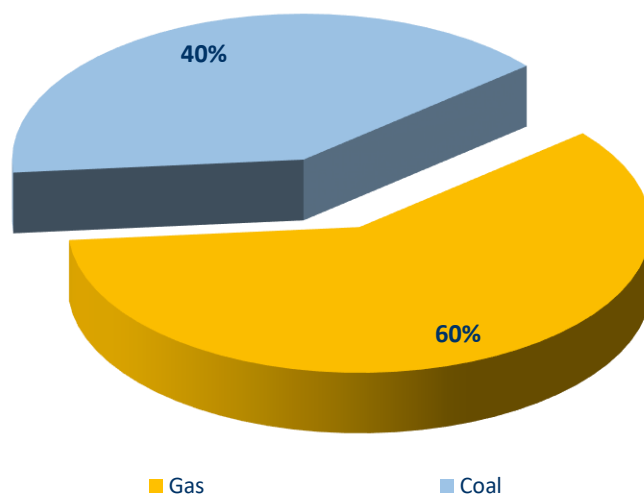
5.2. Main operational indicators

EUI

Installed electric and heat capacity of the Company power plants

PP	Type of capacity, unit of measurement	2018	2017
Konakovskaya GRES	Electric, MW	2 520	2 520
	Heat, Gcal/hour (MW)	120 (140)	120 (140)
Nevinnomysskaya GRES	Electric, MW	1530,2	1530,2
	Heat, Gcal/hour (MW)	585 (680)	585 (680)
Reftinskaya GRES	Electric, MW	3 800	3 800
	Heat, Gcal/hour (MW)	407	407
Sredneural'skaya GRES	Electric, MW	1578,5	1578,5
	Heat, Gcal/hour (MW)	1327 (1543)	1327(1543)
Enel Russia total	Electric, MW	9 428,7	9 428,7
	Heat, Gcal/hour (MW)	2 382 (2770)	2 382 (2770)

The structure of installed capacity of Enel Russia by type of fuel in 2018



Despite the fact that fuel oil is also included in the structure of the fuel types used, it is not indicated in the structure of installed capacity for two reasons:

- its current share is about 0.1% - 0.2% of the total volume of consumed fuel;
- fuel oil is used as a starting fuel that is not used for the generation of electricity or heat.

In 2018, PJSC Enel Russia generated 39 182 thnd MWh of net power output, 1.6% less than in

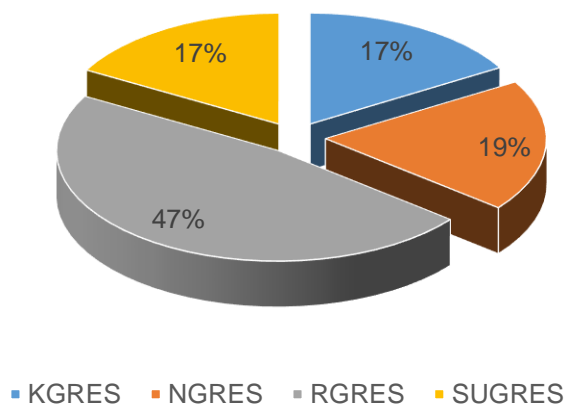
2017.

Net power output by Company's power plants in 2016-2018

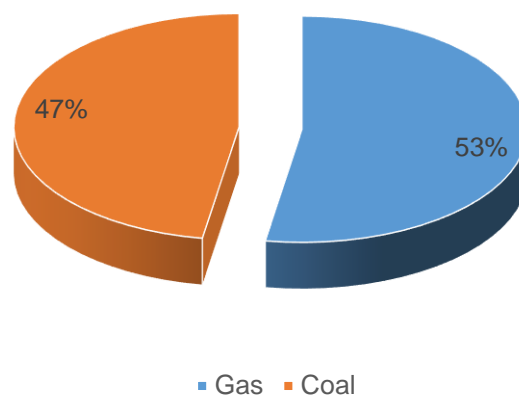
EU2

Power plant	UoM	2016	2017	2018	2018 vs 2017	Reasons of changes 2018 vs 2017
Konakovskaya GRES	GWh	8 131	6 950	6 462	-7.0%	Lower loading of equipment from the System Operator due to excess capacity in the UES of Center
Nevinnomysskaya GRES	GWh	7 356	7 741	7 534	-2,7%	Less generation of conventional gas units due to more loading of NPP and units commissioned under CSA in the UES of South was not compensated by the stable generation of CCGT at the growing demand for electricity
Reftinskaya GRES	GWh	18 254	18 565	18 572	0,0%	Higher equipment availability compensated the impact of reduced demand for electricity in the UES of Ural
Sredneuralskaya GRES	GWh	7 320	6 575	6 614	0,6%	Higher availability of CCGT compensated the lower generation of conventional gas units due to excess capacity in the UES of Ural
Enel Russia	GWh	41 062	39 830	39 182	-1,6%	

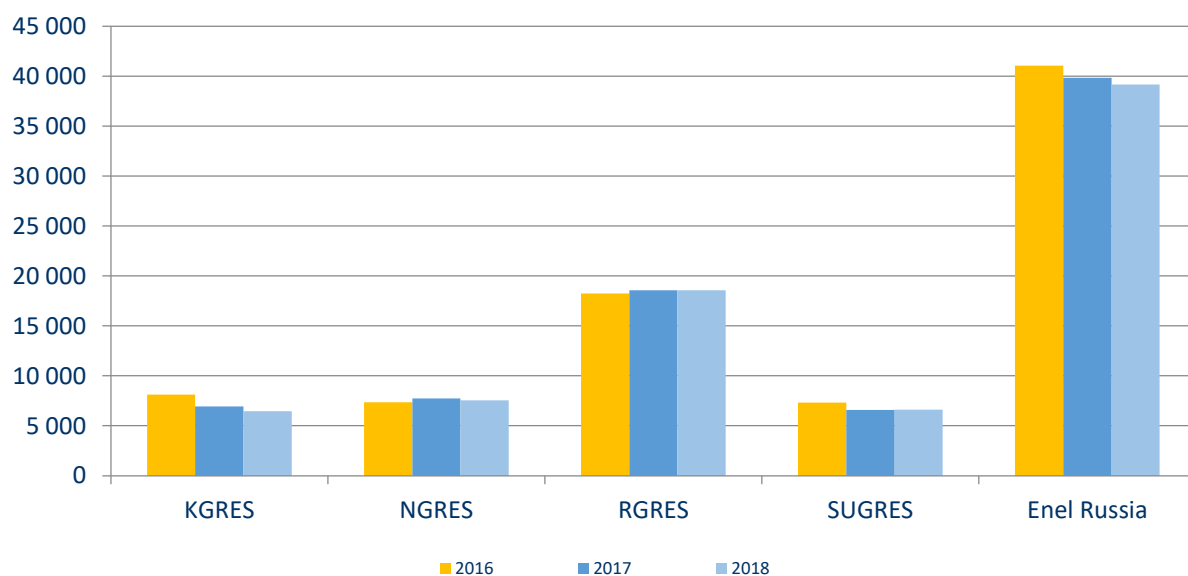
The structure of net power output of Enel Russia power plants in 2018



The structure of net power output of Enel Russia by type of fuel in 2018



Dynamics of net power output in 2016-2018, GWh



5.3. Sales

102-7

Power sales by the Company in 2016-2018

Sales	UoM	2016	2017	2018	2018 to 2017
Regulated	GWh	8272	8395	9218	9.8%
Non-regulated	GWh	39053	37180	35854	-3.6%
Total	GWh	47325	45575	45072	-1.1%

Capacity sales by the Company in 2016-2018

Sales	UoM	2016	2017	2018	2018 vs 2017
Regulated	GW	29116	30369	30500	0.4%
Non-regulated	GW	68171	74026	72534	-2.0%

including CSC	GW	8370	9267	9196	-0.8%
Total	GW	97287	104395	103034	-1.3%

A slight decrease in sales of capacity by the power plants of PJSC Enel Russia in 2018 caused by the changed rules of the capacity market in 2018, according to Government Decree No.1664 dated December 27, 2017 “On Amendments to the Rules of the Wholesale Electricity and Capacity Market”. Since 2018, the fines for undersupply of capacity are calculated using differentiation coefficient that directly depends on the coefficients, demand and reliability of generating equipment of the wholesale electricity market participants.

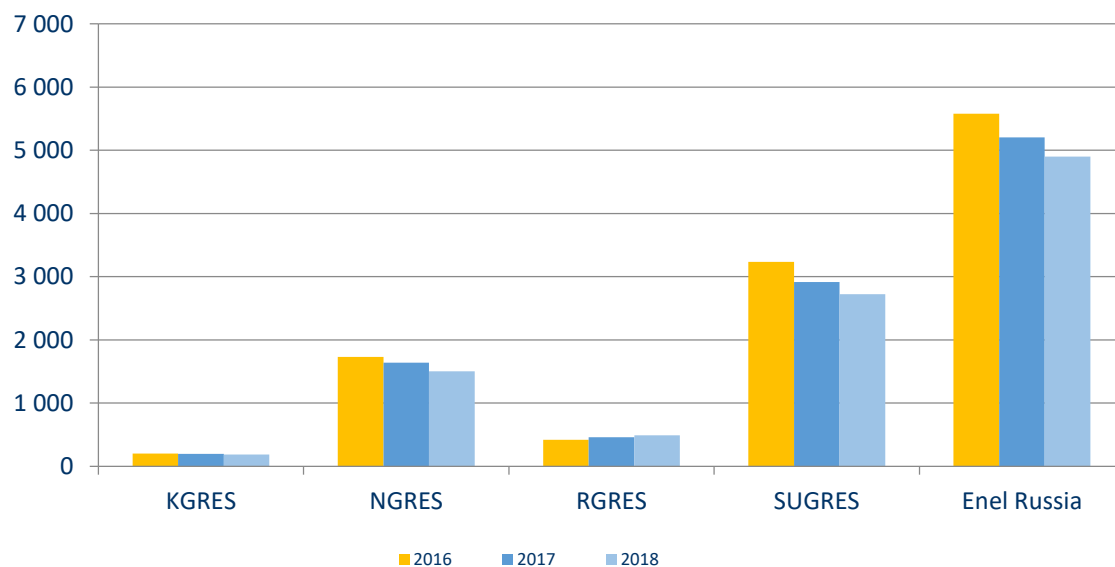
Heat power

In 2018, heat output by the power plants of PJSC Enel Russia is 4,903 ths. Gcal or 5 702 MW, this is 5.8% less than in 2017.

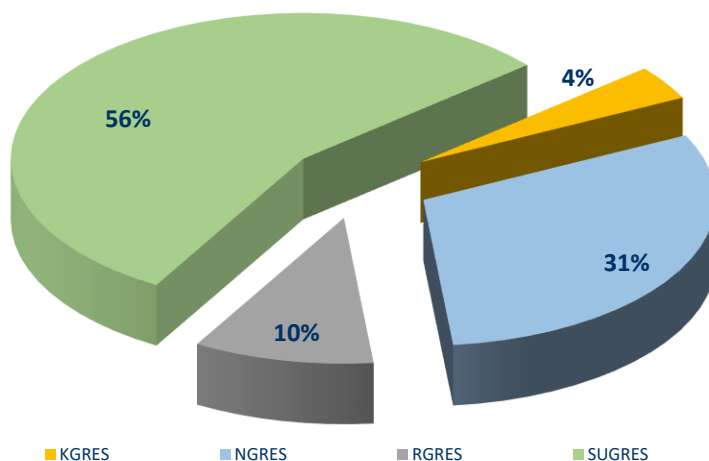
Heat output by the Company power plants in 2016-2018

Power plant	UoM	2016	2017	2018	2018 vs 2017
Konakovskaya GRES	ths.Gcal / MW	199/231	195/227	187/218	-4,0%
Nevinnomysskaya GRES	ths.Gcal / MW	1729/2011	1637/1904	1504/1749	-8,1%
Reftinskaya GRES	ths.Gcal / MW	418/486	459/534	489/569	6,5%
Sredneuralskaya GRES	ths.Gcal / MW	3235/3762	2913/3388	2722/3166	-6,5%
Enel Russia total	ths.Gcal / MW	5581/6490	5204/6053	4903/5702	-5,8%

Dynamics of heat output in 2016-2018, ths.Gcal



Structure of heat output of Enel Russia power plants in 2018

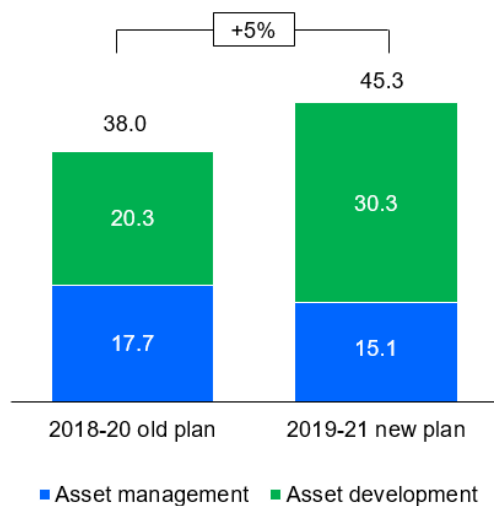


Sales of heat output in 2018 declined, mainly due to decrease in heat output from Sredneuralskaya GRES (reduction of heat supply to Ekaterinburg) and Nevinnomyskaya GRES (reduction in the volume of steam supply to a large consumer due to maintenance performed by it).

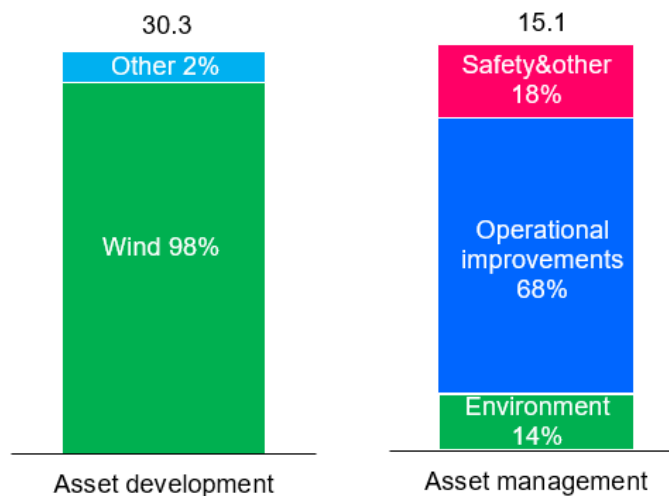
5.4. Investment activities

Investment projects and strategic objectives of the Company

Capex plan (RUB bn)



Capex allocation 2019-2021 (RUB bn)



Increase in capital expenditures compared to the old plan is caused by the change in the perimeter and includes investments in 2021 related to the final stage of construction of a wind farm in the Murmansk region.

During the period of active construction the net debt of the Company will grow to RUB 52.4 bln by the end of 2021, and will start decreasing from 2022 when the Company cash flow becomes positive. The net debt forecast is based on current dividend policy.

Main investment projects

1. Asset development (new construction)

The Company considers diversification of the technological profile as one of the key development lines. The Company is engaged in priority projects for construction of wind generation facilities. See details on the status of projects in section “Transfer to renewables and “clean energy”.

2. Asset management

Modernization of electrostatic filters at 300 MW and 500 MW units at Reftinskaya GRES

In 2018, the Company completed successfully replacement of electrostatic filters at 500 MW unit. In 2019, the works will be completed for replacement of electrostatic filters at 300 MW unit to improve the environmental performance of the plant. As a result of this program implementation there will be material reduction of ash emissions into the air from each unit.

Replacement of heating surfaces at 300 MW and 500 MW units at Reftinskaya GRES

Within the work of life extension of the main equipment at 300 MW and 500 MW units the Company continues gradually replacing heating surfaces of the boilers. Heating surfaces of units are subjected to material wear when they contact with the pulverized coal in the process of coal combustion. Replacement of worn out surfaces significantly reduces the risk of equipment unplanned shutdowns, thus improving economic indicators of the power plant.

Technical refurbishment of switchgears of Sredneuralskaya GRES

In 2018, the works were performed for replacement of outdated equipment of 3 kV complex switchgear, 0.4 and 6 kV switchgear cells are upgraded gradually. In 2019-2020, it is planned to carry out complete modernization of switchgears to improve reliability of equipment operation and increase the level of personnel safety.

Modernization of water treatment facilities of Sredneuralskaya GRES

In 2017-2018, the project for modernization of treatment facilities was developed. In 2019, it is planned to eliminate discharge outlets to stop discharge into Isetskoye reservoir and redirect it to circulation water supply system. In subsequent stages (2020-2022) construction of local treatment facilities is planned. Project implementation will improve significantly the environmental position of specially protected natural area - Isetskoye reservoir.

Digitalization projects

The Company will keep on implementing various digitalization initiatives both in health and safety, training of employees and for improvement of the quality of planning and performance of maintenance, etc. (see details in section 6.1.2. “New solutions and digitalization”).

Other projects

Other investment projects of the Company for 2019-2021 include stage-by-stage replacement of 500 kV open switch gear of Konakovskaya GRES and 6 kV main switch gear of Nevinnomysskaya GRES, modernization of the fuel feed system at 300 MW and 500 MW units of Reftinskaya GRES, technical refurbishment of lighting systems using LEDs as well as technical refurbishment and service life extension of the main equipment of gas fuel units.

Analytics for investors

Structure of capital investments by areas in 2018⁵

mln roubles	Operational efficiency	Environment	Safety and other	New construction	Total
Konakovskaya GRES	429	12	16	–	458
Nevinnomysskaya GRES	491	6	34	–	531
Reftinskaya GRES	1913	811	82	–	2807
Sredneural'skaya GRES	511	6	137	–	654
Headquarters	343			–	343
New construction and business development				2142	2142
Total	3687	836	269	2142	6935

6. Sustainability

6.1 Business and management

6.1.1. Operational (eco-) efficiency

103-1 103-2 103-3

We develop energy business in Russia using the best international practices. We want to use our resources rationally and optimize business processes through application of new technologies and digitalization. We strive to maximize operational efficiency during operation, capital construction and technical refurbishment of assets.

Operational efficiency combines the aspects related to optimization of assets, increased safety and energy efficiency. We increase availability of generation equipment, reduce specific fuel consumption for supply of electric power and heat power, increase compliance with health, safety, environment and quality requirements.

One of the indicators of operating efficiency is specific consumption of fuel equivalent. Our objective is to reduce consumption from 331.3 to 329.7 g/kWh and maintain it at this level until 2021 (see “Sustainable Development Plan 2019-2023” p. 17).

The main documents we use to manage operational efficiency:

⁵ On financing

- "Heat Rate Management" – regulates activity for analysis of actual fuel consumption indicators, formation of control actions, development of an action plan for reduction of consumption during operation and maintenance of equipment;
- "Informing and analyzing equipment unavailability events" – determines the measures that the units and the center of monitoring and diagnostics must take to analyze and verify the actual efficiency of the decision taken after the unavailability event on generation equipment.

Head of Generation is responsible for operational efficiency of generation processes. There are several main roles and responsibilities in Thermal Generation: Operation and Maintenance, Operational Performance Optimization, Health, Safety, Environment and Quality, Technical Support, Project Implementation Department, Generation Business Development Group – they all cooperate to improve generation processes, improve operational efficiency and surely implement the health, safety, environment and quality standards.

Increase in operating efficiency

103-2

Since 2016, the integrated excellence system has been applied at the Company. It allows any employee to submit a proposal for improving the power plant operation. For evaluation and selection of proposals, a cross-functional technical committee has been formed at each power plant. It includes experts in equipment operation, maintenance, health and safety, information technology, etc. The best proposals are submitted to the annual global competition of Enel Group – Gxcellence. Due to high involvement of staff (55%), about 650 ideas for were collected in 2018 for improvements and 33% of them were implemented. We created a database of best practices and encourage experience sharing among employees of the power plants.

We implement modern methods for processing Big Data, industrial machine learning technology. For example, we implement the project “Management of specific fuel consumption”. The purpose of this project is to automate ongoing analysis of equipment operation mode. Due to mathematical model of the power unit, we optimize equipment load, improve technical and economic indicators and timely identify defects affecting fuel consumption at the power unit. The results of this analysis are used both operating personnel for optimal maintenance of operation mode and by the services of Performance Control Group and maintenance planning for maintenance activities.

In 2018, we launched Remote Predictive Maintenance project to monitor equipment continuously using modern methods for processing of information based on machine learning. The project helps predict possible defects and timely eliminate them. We expect that it will allow us to increase availability of equipment this system is tested on, by 1.5%.

In 2017, Enel Russia developed and approved an action plan to improve efficiency of equipment operation, and in 2018, by the analysis results, the improvements were recorded in key performance indicators of equipment, this proves efficiency of this approach.

Shift to renewable energy sources and clean energy

LLC Enel Rus Wind Azov and LLC Enel Rus Wind Kola, 100% subsidiaries of PJSC Enel Russia implement investment projects for construction of wind generation facilities in the Rostov and Murmansk regions with total installed capacity of 291 MW. The projects were selected in June 2017 as a result of the tender procedure of investment projects for construction of generation facilities operating with renewable energy sources (hereinafter referred to as RES). In relation to the selected projects, capacity supply agreements for qualified generating facilities operating based on the use of renewable energy sources (DPM RES) were concluded.

Commissioning of the wind farm with an estimated installed capacity of 90 MW in Rostov region is scheduled for the end of 2020. Commissioning of the wind farm with an estimated installed capacity of 201 MW in Murmansk region is scheduled for the end of 2021.

By the Order of the Rostov region Governor, the project with the title “Construction of Azovskaya wind farm with estimated capacity of 90.09 MW” is considered as a large-scale investment project. In addition, by the Order of the Rostov Region Governor, the project is included in the scheme and program for prospective development of electric power industry of the Rostov region for 2018-2022.

By the Order of the Murmansk region Governor, the project with the title “Construction of Kolskaya wind farm with estimated capacity of 200.97 MW” is included in the scheme and program for development of the electric power industry of the Murmansk region for 2019-2023.

PJSC Enel Russia implements project of Kolskaya wind farm construction through its subsidiary LLC Enel Rus Wind Kola taking into account the existing PJSC FGC UES’ grid infrastructure construction program as amended on 31.03.2019. According to this program the second transit line, which ensures capacity increase of Kola-Karelia transit and capacity output from Murmansk region power system to Leningrad region, shall be put into the fixed assets before the end of 2020, allowing Kolskaya wind farm to achieve targeted parameters of the project.

In 2018, the subsidiaries signed agreements with major counterparties for supply and installation of wind turbines, balance of plant and EPCM (engineering, procurement, construction management) services for the projects.

In the second half of 2018, the preliminary works were started at the construction site in the Rostov region. In the second quarter of 2019, the start of preliminary works is planned at the site in the Murmansk region. In the first half of 2019, the construction of wind generation facilities will start at both sites.

The following long-term loan agreements were signed: with the Eurasian Development Bank – to fund the Azovskaya wind farm construction, 9,5 bln RUB in 2018, and with PJSC Sberbank – to fund the Kolskaya wind farm construction, 22,5 bln RUB in 2019.

Construction of wind farms will allow to commission 291 MW of generation facilities operating on renewable energy sources. This will contribute to the decarbonization strategy carried out by the Company and will reduce the volume of CO₂ emissions by 340 kilotons per year due to use of RES.

PJSC Enel Russia considers a possibility of expanding its RES asset portfolio and develops RES based investment projects. In partnership with other participants of RES market, PJSC Enel Russia elaborates proposals for improving regulatory framework governing the functioning of RES generation as well as further encouragement of long-term development of RES generation.

6.1.2. New solutions and digitization

Innovation approach in technologies

103-1 103-2 103-3

Currently the key factor in the Company’s success is the development of innovations and the establishment of innovative culture that allows changing a business model under the influence of external and internal factors. To maintain our competitive advantage and meet the challenges of the modern world, it is important to recognize the changes as opportunities for rethinking of a business model, introducing new technologies, using Big Data, applying Agile approaches.

We are changing to meet the requirements of the Russian laws and the best international practices. Since 2016, digitization is a key element of the Company Strategic Plan focused on creating sustainable long-term value.

Digital transformation is based on ensuring information security, changing IT platforms and cloud solutions. It focuses on customer experience, Company assets and employees. Infrastructure upgrade using digital technologies and platform solutions helps us improving the efficiency and security of energy infrastructure and competitiveness of the Company, as well as ensuring sustainable economic growth.

The new strategy refers to not only technologies but also establishment and development of digital culture. One of the goals of digital transformation is the ability to improve the Company performance through construction of ecosystem with people at its center. On the way to creating a data-driven ecosystem of the Company, the Agile approach becomes a transformation tool. Its principles and values allow reacting faster to the changes that may occur. We created cross-functional work teams in addition to the organizational structure of the Company. The new agile approach is based on trust, transparency, cooperation, meaningfulness and speed in developing ideas and implementing solutions.

Digital Solutions department headed by the Head for Digital Solutions of PJSC Enel Russia is responsible for implementation of digital strategy and management of the issues in introducing digital. The Digital Solutions along with all other business units supervises digital transformation: simplifies implementation of new digital projects, innovative ideas, increases efficiency of management and production processes, builds a digital ecosystem for employees. In September 2018, the IT was renamed to the Digital Solutions. The Directorate has digital hubs created. They are responsible for various areas of digital hubs generation, trading, finance. The purpose of the change is to improve communications, bring IT and business positions together, make business goals comprehensive for IT, and IT technologies available for mass use in solving specific production problems.

We monitor regularly compliance with legal requirements in digital solutions (Federal Law No. 152 “On personal data”, Federal Law No. 187 “On Security of Critical Russian Federation Information Infrastructure”) and fulfillment of the requirements of internal controls. To ensure efficient operation and modernization of the systems, platforms and services, the best practices and decisions of internal and external audits are used. An action plan is prepared by their results. Based on the results of performance review of internal controls in 2018, a report on compliance with internal control requirements was prepared and submitted to the Company management. In 2018, a system was implemented for managing roles and user accounts. It allows automating the processes of control of user rights.

Automation and digital technologies

Creation of digital hubs and use of Agile approaches gave a new powerful impetus to further development of tools and services: digitization of generation management was brought to a new level in terms of support to operational work, analytical reporting and interactive monitoring.

Mobile and web solutions provided operating personnel with new opportunities to improve quality of the production process while providing tools to control deviations from key parameters and indicators of equipment operation mode.

The more stringent requirements of the System Operator in terms of running the electrical mode for maintenance of the set voltage level on the busbars of power plants and control of reactive capacity values caused a need to provide personnel with online monitoring and warning tools. Participation in the market of system services of combined-cycle gas turbines required prompt implementation of replacement data transfer scheme. The team of experts from the Digital Solutions

met all these challenges successfully and a business customer based on their own corporate system. "Generation Management and Market".

Analytical reports of the Energy Management units are formed using digital means of SAS platform. The produced reports are available on the Web and on mobile devices. A universal e-API interface is developed in accordance with corporate standards of digital interfaces. It is used to connect a commercial dispatching system and business intelligence system.

The tools of the corporate system for collection and display of process information based on PI-System were used actively to collect and deliver data for global projects on organization of Data Lake of production data, predictive analytics, and heat rate management.

Several projects for industrial Internet of Things (IoT) at power plants are in progress. After implementation of pilot solutions of industrial IoT and integration into corporate digital ecosystem, it is planned to share this experience to address a wide variety of generation needs: technical measurements, data collection from the remote facilities having no computer network, measuring and monitoring subsystems for the time of maintenance, etc.

In 2017, the implementation of the Digital Station project program began, under which initiatives on predictive diagnostics are being implemented with the introduction of Predix (General Electric) and Prism (Schneider Electric) systems. The essence of predictive analytics and other control specific fuel consumption. These systems work in the following way. Using information from CCGT sensors, the systems monitor equipment operation and, based on prediction models, predict possible equipment failures. Implementation of the systems will allow minimizing the number of accidents and damage from them.

During implementation of the Collaborative Planning project, the process of maintenance planning and control of preparation for commencement of maintenance is digitalized. The global system is based on experience gained by the Company for preparation and performance of overhauls.

Heat Rate Management – system for monitoring equipment performance for fuel consumption. The system will allow real-time remedial actions, simulating various operational scenarios and comparing equipment performance by target values.

To reduce IT operating costs, in December 2018, migration was completed to corporate systems cloud storage for SAP WISE ERP (Finance and Control, Equipment Technical Maintenance, Project Management, Materials Management, Procurement), GIEMS KPI and Reporting / BW Tariff for preparation of documentation.

To optimize costs and in accordance with the recommendations of the Federal Tax Service of the Russian Federation, the Company launched in 2018 a project to integrate existing Financial Document Management System with the Legally Important Document Management System for exchanging reporting documents in electronic format. In April 2019, it is planned to start using the integration solution for cooperation with contractors an additional agreement is already signed with for electronic documents circulation. After pilot operation of the integration solution, it is planned to significantly expand the number of counterparties the Company will exchange primary accounting documents with in electronic format.

Cyber Security

The main focus is on proper application of cybersecurity and data protection guidelines in development of the processes and IT solutions with regard to all potential constraints to “anticipate, protect, detect and respond” to attacks on information systems. In 2018, the first stage of the project was implemented. “Update of personal data processing segment” was implemented. During internal control of the Company financial statements, the rights of access to critical information systems were monitored, the rights of local administrators were audited, and information infrastructure of the Company was tested periodically using an information security vulnerability scanner.

To implement the requirements of Federal Law No. 187 “On the Security of Critical Information Infrastructure of the Russian Federation”, a set of measures was taken to inventory and categorize Critical Information Infrastructure (CII) facilities, FSTEC was notified of the results of facilities categorization, and new switching equipment and specialized anti-virus software were acquired for upgrading.

6.1.3. Customer Focus

Main approaches to interaction with customers

103-1 103-2 103-3 102-43

PJSC Enel Russia operates in the wholesale electricity and capacity market and interacts with electric power suppliers (generation companies) and electric power buyers (retail power companies, large consumers of electric power, guaranteed suppliers) who obtained the status of the wholesale market entities, wholesale electricity and capacity market infrastructure organizations and other organizations. Enel Russia operates in accordance with Russian legislation, in particular Federal Law dated 26.03.2003 No.35-FZ "On electric power industry" Decree of the Government of the Russian Federation dated 27.12.2010 No. 1172 “On approval of the Rules of the Wholesale Electric Power and Capacity Market and on introduction of amendments into some acts of the Government of the Russian Federation regarding organization of the wholesale electric power and capacity market functioning” and standard form of the Contract on Joining the Trading System of the Wholesale Power and Capacity Market posted on the official website of the Association NP Market Council.

Responsible persons during the process of interaction with the customers in the wholesale electricity and power market are the Energy Management headed by the Head of Energy Management, Head of Back-office.

This material topic is relatively new so a management approach for it has not been developed yet. At this stage, the performance indicator is fulfillment of the requirements of the Rules of the Wholesale Electricity and Capacity Market, the Contract on Joining the Trading System of the Wholesale Power and Capacity Market. Enel Russia considers implementation of new solutions and digitalization of business processes as potential for further development and intensification of the customer focus approach.

PJSC Enel Russia seeks to establish customer relationships based on mutual respect showing competence and professionalism and client-oriented approach. In all its business practices, Enel Russia complies with the Code of Ethics and Zero Tolerance to Corruption Plan.

Communication with customers must be transparent, accurate and comprehensive, and comply with applicable laws. Enel Russia undertakes to consider always proposals and respond to complaints from consumers or their associations through an appropriate operational communication system (e.g. direct contacts, phone and e-mail). In customer interactions, the Company guarantees a high level of personal data security. The Company timely informs about its activities by posting information on its official website. The Company promptly notifies the customers about any changes regarding implementation of agreements by sending formal letters in electronic form and by mail.

6.1.4. Business Ethics. Code of Ethics and Anti-Corruption Policy

102-16 102-17 205-2

The Company pays great attention to the issues of ethical behavior both in relation to internal and external stakeholders. Control of observance of the Code of Ethics, the basic document containing description of ethical standards and degree of responsibility of employees during their labor and corporate activities, is entrusted to the Internal Audit Department. The text of this document is publicly

available on the [official website of the Company \(https://www.enelrussia.ru/ru/investors/a201612-basic-documents-.html\)](https://www.enelrussia.ru/ru/investors/a201612-basic-documents-.html) and is obligatory for review and compliance by all employees of the Company.

In accordance with the Regulation on Internal Audit Department (clause 12, p. 11), posted on the [official website of Enel Russia \(https://www.enelrussia.ru/ru/investors/a201612-basic-documents-.html\)](https://www.enelrussia.ru/ru/investors/a201612-basic-documents-.html), the employees of the Department in addition to exercising control functions are authorized to provide internal ethical counseling services to the Company employees as well as carry out investigations into alleged violations of the Code of Ethics.

Quarterly, the Internal Audit Department jointly with the Communications prepares and launches a screensaver on corporate computer screens containing information on key ethical issues for proactive communication with employees. Among other things, this screensaver contains information with contacts to report on ethical issues.

The Company has established constantly operating communication channels, through them any person, either an employee or a representative of other stakeholders, can send complaints about violations or alleged violations of the Code of Ethics to the Internal Audit Department of Enel Russia. Employees of the Internal Audit Department analyze all the complaints received. If necessary, they contact the applicants and persons involved in the alleged violation. The Internal Audit Department of Enel Russia takes measures to ensure that reporting persons are not subjected to any acts of retaliation, i.e. actions that may entail even suspicion of discrimination or punishment (in case of suppliers, e.g., termination of business relationships or, in case of employees, impossibility of promotion, etc.). In addition, the person sending the appeal is guaranteed confidentiality unless otherwise required by law.

The reports on violations of the Code of Ethics may be presented as follows:

- by email: audit.coe@enel.com;
- regular mail: Internal Audit Department, Enel Russia, 7 Pavlovskaya Street, building 1, Moscow 115093, Russia

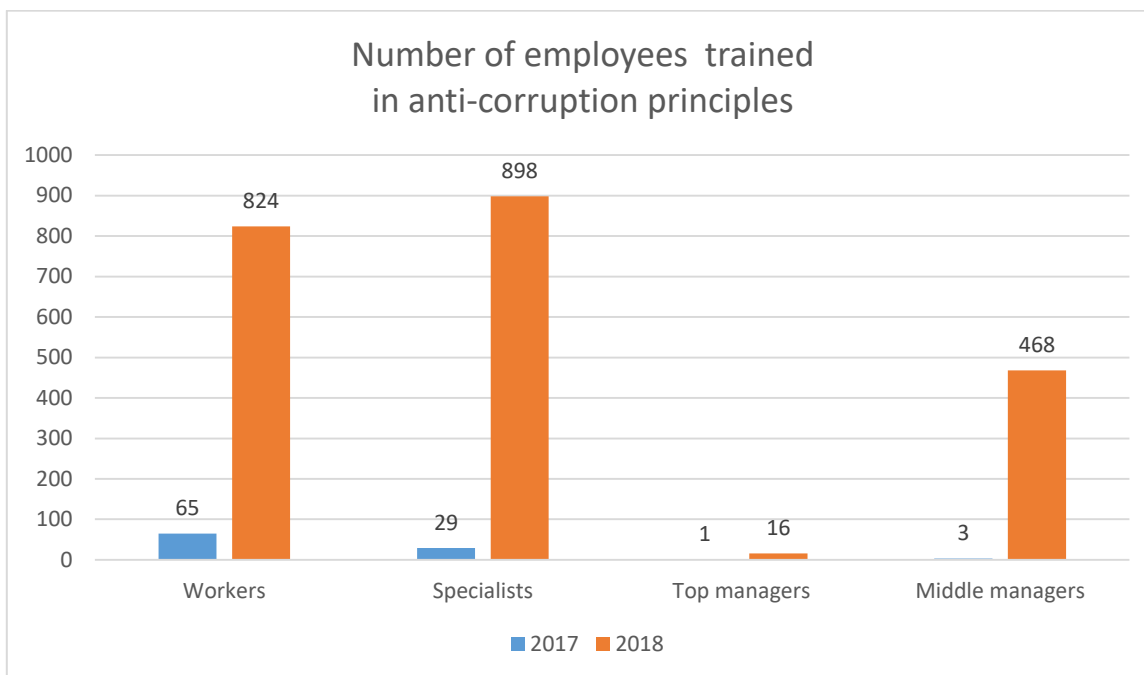
In total during the reporting year, Internal Audit Department made 6 appeals that were duly considered and for them the appropriate response measures were taken.

PJSC Enel Russia rejects corruption in all its forms and monitors closely compliance with the principles of honesty, transparency and openness, both by all employees of the Company, and by all other stakeholders (both private and public) who contribute in one way or another in achieving the Company objectives or interact with it otherwise. A prerequisite for all contracts with business partners is the requirement to carry out their activities in accordance with the Company's Code of Ethics, Zero Tolerance to Corruption and Global Compliance Program on Corporate criminal liability. These documents are publicly available in the section "For Investors – Basic Documents" on the official website of the company, www.enelrussia.ru.

The Company has the following ways to inform employees about the basic principles of countering corruption:

- mandatory introductory induction for all newly hired employees. In 2018, 100% of newly hired employees went through this induction (155 persons or 6.21% of the total number of employees);
- annual training sessions are held for employees (managers, heads, professionals, workers) about counter corruption policies and methods. In 2018, 2,206 employees (86.44% of the total number) took the opportunity to familiarize themselves with this group of principles, using the corporate electronic document management system and the ELS corporate educational platform. Starting in 2019, in order to regularly inform about the basic principles of anti-corruption, training sessions will be held through the corporate educational platform

Education, as well as periodic informational meetings with employees of the Internal Audit Department will be held



The Members of the Board of Directors of PJSC Enel Russia are not employees of the Company, therefore information sessions in ethics and anti-corruption are not provided for them. However, once a year, the Head of Internal Audit reports to the Board of Directors on the results of audits conducted during the year to comply with the requirements of the Enel Global Compliance Program, the global program of Enel Group that includes compliance with all anti-corruption policies and methods.

6.1.5. Political participation

415-1

In accordance with clause 3.26 of Chapter IV of the current Code of Ethics, PJSC Enel Russia does not finance political parties, their candidates or representatives either in Russia or abroad, and also does not sponsor events or holidays held only for the purpose of political propaganda. PJSC Enel Russia refrains from exerting any direct or indirect pressure on politicians.

6.2. Responsible attitude to the environment

6.2.1. Environmental strategy and environmental management

Corporate environmental strategy

103-1 103-2 103-3

Ensuring compliance with environmental regulations and legal requirements, environmental protection, combating climate change is an integral element of the Company strategy. Enel Russia operates and develops generation facilities in a responsible manner while protecting environment, preserving biodiversity and using natural resources rationally in accordance with permitting documentation. We invest in new technologies, cooperate with start-ups and look for innovative

solutions to improve environmental sustainability. Management of compliance with environmental regulations and environmental issues allows reducing the risks and maximizing operational efficiency.

Environmental problems solving is one of the most important priorities for PJSC Enel Russia. We adhere to an integrated policy in quality, health, safety and environment. It demonstrates our commitments to continuous improvement of environmental performance of our power plants, mitigation of negative environmental impact and compliance with the requirements of Russian and international standards. In 2018, the Company passed certification according to the international standard ISO 14001:2015 "Environmental Management Systems".

In 2018, when mastering the best practices in environmental management at PJSC Enel Russia, improvements were introduced in the process of environmental risk assessment. In addition, more attention has been paid to the needs and expectations of stakeholders in environmental protection.

The main documents regulating the environmental strategy and environmental management are:

- Integrated policy on quality, health, safety and environment of PJSC Enel Russia that establishes the basis for achieving environmental goals.
- The policy of termination (suspension) of work at PJSC Enel Russia, according to it any employee of the Company can stop any work that creates risk of environmental damage.
- HSEQ Integrated Management System Manual that describes the main elements of integrated management system including environmental management.
- Procedure for Interaction with Suppliers and Contractors in HSEQ that defines the basic environmental requirements for suppliers and contractors.
- Internal procedures for power plants.

The Managers of Power Plants are responsible for implementation of the environmental strategy and environmental management. Monitoring and ensuring compliance with environmental standards is within the responsibility of the Environmental Safety Group of Headquarters Branch and Environmental Group the power plants. The head of the Environmental Safety Group defines the work strategy of the Environmental Safety Group and the Environmental Groups of power plants and is responsible for achieving environmental goals. The area of responsibility of the Environmental Safety Group includes preparation of corporate and state environmental reports, support during revision of permitting documentation in environment, participation in improving HSEQ Integrated Management System. The Environmental Safety Group maintains comprehensive cooperation with all organization units of the Company to mitigate the negative environmental impact, ensure compliance with legal environmental requirements and maintain a culture of environmental safety as well as with relevant organizations and associations. In 2018, 119 managers and specialists of the Company received external training in environmental safety.

The Company management performs annual analysis and evaluation of the efficiency and effectiveness of the environmental management system as part of integrated management system. Thus, in 2018, according to the results of annual meeting of the Company management devoted to the analysis of the environmental management system as part of integrated management system, the environmental management system was recognized to be efficient and effective.

Environmental KPIs

The Company environmental strategy is closely related to the Company strategic plan. The objectives of the environmental strategy are set out in the Company Sustainable Development Plan for 2019-2021.

The objectives of the environmental strategy for the period 2019-2021	Planned KPIs	Comment
Particulate reduction at RGRES	by 83% in 2021 compared to 2010	To achieve the goal, the Company implements projects to improve environmental performance of air pollution control equipment.
Waste water volume reduction	by 66% in 2021 compared to 2010	To achieve the goal, the Company implements projects aimed at optimizing water consumption.
The weight of dry ash of RGRES transferred to reuse	1,280,000 tons in 2021	To achieve the goal, measures are implemented as aimed at increasing a portion of dry ash transferred for beneficial use.

Compliance with environmental laws and environmental reporting

Evaluation of compliance with environmental standards and legal requirements is carried out at Enel Russia annually as well as whenever new legislative requirements come into force. The following tools are used for acquisition of input data: checklists, data collected during regular internal audits, results of inspections by government agencies, external and internal environmental audits.

Periodic inspections for compliance with environmental laws are also carried out by the Inspection of the Company.

The analysis of current situation and elaboration of solutions for the issues requiring improvements are conducted on weekly basis at teleconferences of environmental group of power plants and Environmental Safety Group of the Headquarters Branch.

The Company takes special care to timely preparation and submission of internal and external environmental reports. In 2018, the Company prepared more than 70 reports within the scope of state reporting. All reports were submitted in full and on time.

Conducting of environmental audits

The Company is subject to annual internal and external audits of the environmental management system, environmental audits conducted by the Internal Audit Group, inspections performed by the Environmental Safety Group of Headquarters as well as regular inspections as part of environmental supervisory activities of the state agencies.

Responsibility for waste management violations, observance of environmental and sanitation and epidemiological requirements

307-1

The Federal Supervisory Natural Resources Management Service (Rospirodnadzor) performed scheduled field inspection of Sredneuralskaya GRES and Reftinskaya GRES from 25.06.2018 to 20.07.2018. As a result of the inspection, several violations were identified in terms of water use and air protection that were promptly eliminated. The inspection revealed also that Reftinskaya GRES did not comply with the requirements of laws on performance of state environmental impact assessment when decommissioning the waste disposal facility "Borrow pit for backwash waters". Elimination of this inconsistency is in progress.

The following penalties were applied to the Company for non-compliance with the requirements of environmental legislation in the reporting period:

- the penalty for violation of the water use rules of Reftinskaya GRES and Sredneural'skaya GRES during water intake, without withdrawal of water and when dumping wastewater into water bodies, was 0.32 million rubles;
- the penalty for violation of the terms of the special permit of Reftinskaya GRES for the emission of harmful pollutants and exceeding the standard MAE of harmful substances into the atmospheric air, approved according to established procedure, was 0.08 million rubles;
- the penalty for violation of the rules for operating gas-cleaning equipment of Reftinskaya GRES was 0.01 million rubles.

The Federal Supervisory Natural Resources Management Service (Rosprirodnadzor) performed a scheduled field inspection of Konakovskaya GRES from 08.08.2018 till 15.08.2018. Based on the findings of the inspection, a violation of legislative requirements was found in terms of inconsistency of the log of waste flow with the documents confirming transfer of waste generated as a result of economic activity of the power plant. This violation was eliminated promptly. The penalty amounted to 0.02 million rubles.

Following the requirements of environmental protection laws, and for the purpose of sustainable use of natural resources the following priority tasks to be performed were determined:

Power Plant	Project	Terms
Konakovskaya GRES	Project "Liquidation of sludge pond" - obtaining positive opinion of FAI Glavgosexpertiza, project implementation	2019-2020
	Project "Technical refurbishment of the lighting network of the power plant" - replacement of lighting lamps with energy-saving lamps	2019-2021
Nevinomysskaya GRES	Project "Introduction of fish protection facilities at Cooling Water Intake Facility" - finalization of the project, agreement with the state authority, construction and installation works	2019-2020
	Project "Installation of silencers on exhaust pipelines of gas condensate heater (GCH) of boiler TGM-96" - finalization of the project, construction and installation works	2019
	Project "Technical refurbishment of lighting system at NGRES" - construction and installation works	2019-2021
	Project "Technical refurbishment of storm sewer" - project development, construction and installation works	2019
Reftinskaya GRES	Project update "Liquidation of wash water pit"	2019
	Project "Package of measures to reduce irretrievable filtration losses of ash disposal area No. 2" - stage 2	2019
	Project "Installation of telescopic stacks at storage conveyors of fuel feed No. 1»	2020-2021
	Project "Reconstruction of lighting at RGRES" - construction and installation works"	2020-2021
	Establishment of the sanitary protection zone	2019-2020
	Development of draft standards for permissible discharges of pollutants in water bodies through discharge outlet No.7	2019
	Obtaining comprehensive environmental permit	2019-2021
Sredneural'skaya GRES	Development of draft standards of permissible discharges of pollutants into surface water bodies through combined discharge outlet No. 9	2019
	Development of working documentation for the project "Construction of wastewater collection and treatment systems of Sredneural'skaya GRES", performance of procurement procedures for supply of equipment, materials and performance of construction works	2019-2022
	Construction and installation works for the project "Reconstruction of source water conduit (Volchikhinskoye reservoir)"	2019-2020
	Construction and installation works for the project "Technical refurbishment of lighting system"	2020-2021
	Approval of the sanitary protection zone	2019-2020

6.2.2. Climate strategy and decarbonization

Decarbonization of the energy mix

103-1 103-2 103-3

Enel Russia follows the strategy of Enel Group that mainstreamed the development of environmentally friendly energy sources and recognizes the importance of the climate change and the need to take measures to combat climate change. We undertake to support the Group's commitment to achieving a zero carbon balance by 2050, by establishing uniform plans for operation of the Group's facilities and their development.

This material topic is relatively new so a management approach for it has not been developed yet. At this stage, the General Director is responsible for managing, achieving goals and evaluating performance in terms of this significant topic. Deputy General Director – Head of Generation, Deputy General Director – Head of People and Organization, Head of Investments. The Company reports regularly to the Board of Directors and stakeholders on implementation of wind projects (status, costs, etc.).

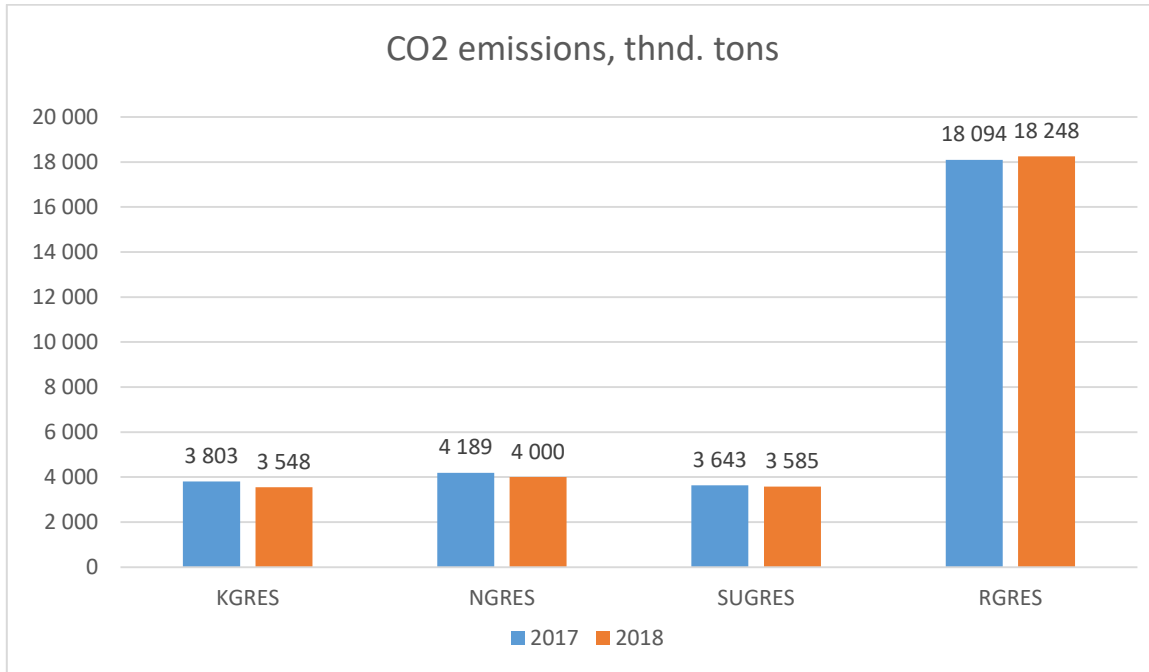
Projects and initiatives:

- Construction of two wind farms with total installed capacity of 291 MW, for them the Company received the right to sell as a result of 2017 tender.
- Preparation for participation in the tender for the construction of new facilities based on renewable energy sources, to be held in May-June 2019. The Company also actively advocates for the extension of the state program for development of renewable energy in the Russian Federation 2024.
- Preparation for the participation in the program for modernization of thermal power plants. The Company plans to participate in the tender for selection of the projects for modernization of thermal power plants. The tender must be held before beginning of April 2019.
- Possibility of stepping back from coal generation. The Company is at the advanced stage of sale of Reftinskaya GRES, and will disclose news on the results of negotiations / further steps in a prompt manner. In any case, the decision is subject to approval by the Board of Directors and General Shareholders' Meeting.

Control and amount of CO2 emissions, emission-to-revenue ratio

305-1 305-5

In 2018 compared to 2017, the total direct greenhouse gas emissions in CO2-equivalent decreased by 347,726 in metric tons of CO2-equivalent. The calculations take into account only CO2 gas. CH4, N2O, HFC, PFO, SF6, NF3 gases are not taken into account. Source of emission factors used for calculations – The guidelines and manual for quantifying greenhouse gas emissions by organizations engaged in economic and other activities in the Russian Federation, are approved by order of the Ministry of Natural Resources of Russia dated 30.06.2015 No.300.



6.2.3. Control of air and water quality

In order to ensure environmental protection, impact on the air and water is regularly controlled at all power plants of PJSC Enel Russia, data on emissions and discharges of pollutants for the following are collected and processed on a regular basis:

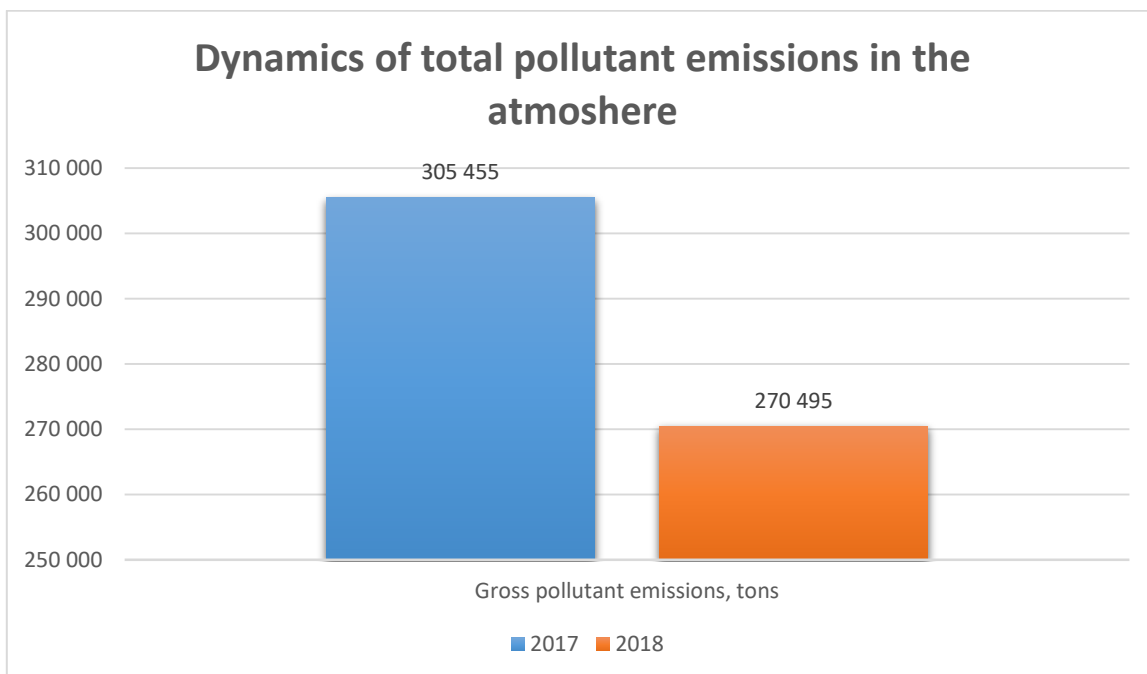
Emission of pollutants into the atmosphere

305-7

We apply "operational control" approach to consolidation of emissions that provides for accounting of all emissions arising during economic activity controlled by the Company or its subsidiaries in terms of the presence of permits to conduct activities.

Detailed data on emissions of pollutants: NO_x, SO_x, persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants, particulate matters (PM), as well as greenhouse gases are given in the Annex, p. 178.

In 2018 compared to 2017, gross emissions, total gross emissions of pollutants into the atmosphere throughout the Company, including but not limited to NO_x, SO_x, persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous atmospheric pollutants, particulate matter (PM), decreased by 11.4%.



In 2018, we began implementation of projects for reconstruction of electrostatic precipitators at power units No.3 and No.9. The reconstruction project at unit 9 is completed.

	2018	2017	2018 vs. 2017
hard fuel ash emissions of RGRES	41 602 tons	66 714 tons	-37,6%

There was no excess of established standards by maximum permissible emissions at all power plants for the reporting period. The calculations of gross emissions of pollutants into the atmosphere are made based on methods provided for in the relevant projects of maximum permissible emissions developed for each power plant in accordance with legislative requirements. The calculations are based on the standard RD34.02.305-98 "Estimating gross emissions of pollutants into the atmosphere by the boiler installations of thermal power plants". Nevinnomysskaya GRES has installed systems for online monitoring of emissions on the equipment of units 6, 7, 8 and 410 MW CCGT. The gross emissions for such sources are calculated based on online monitoring data.

It is necessary to note a number of projects and initiatives aimed at reducing the sound level from production equipment and ensuring that the equivalent sound level at the border of sanitary protection zone of the power plants does not exceed. Thus, in 2018, Sredneuralskaya GRES implemented a project "Installation of silencers at TGMII-114 boilers". 22 silencers are installed at units No.9, 10, 11. After implementation, no excess of the equivalent sound level was recorded at the boundary of sanitary protection zone. At Nevinnomysskaya GRES, the project "Installation of silencers on exhaust pipelines of gas condensate heater (GCH) of TGM-96 boiler" is currently being finalized and construction and installation works are kept on.

Responsible water consumption

303-1 303-2

The responsible water consumption issues are closely related to the interests of sustainable development and the needs of future generations.

Despite the fact that there is no water shortage in the regions where the Company operates, the Company is aware of importance of rational water consumption issues and is ready to take efforts to optimize and reduce specific water consumption.

The production branches of PJSC Enel Russia use different types of water intake, however, the main type of water intake for the purposes of using water in the process of generating electricity is water consumption from surface water bodies. At Konakovskaya GRES and Reftinskaya GRES parallel with water intake from surface water bodies, water is consumed from artesian wells. At Nevinnomysskaya GRES and Sredneuralskaya GRES parallel with water intake from surface water bodies, water for service and drinking needs comes from external organizations.

The main volume of water discharged by the production branches of PJSC Enel Russia is considered clean according to the standard. Wastewater to be treated is purified by mechanical and physicochemical methods before discharge.

Used water is carried through the discharge channels into the water bodies. Sanitary wastewaters are sent to external organizations, mainly “vodokanals”.

A full description of the methods of water intake, a list of water intake points, types of water consumption and methods for waste water discharge as well as quantitative data on the total water intake for the Company needs are given in Annex on p. 174. For all water intake points, a quantitative assessment is performed as regards Company impact on water resources: regular monitoring of water consumption and ensuring compliance with relevant limits on water consumption. Quantitative assessment of Company impact on water resources is performed on monthly basis. For quantitative assessment of Company impact on water resources, significant water intake points are equipped with water consumption meters. For water intake points that are not equipped with water meters, water consumption volumes are determined by calculation.

Enel Russia is committed to maintain positive and constructive relations with stakeholders within the framework of common water intake: with government agencies, relevant organizations and members of public. Written and verbal complaints from external stakeholders regarding water intake and other environmental issues are subject to registration and internal investigation. For each complaint, feedback is provided in a compulsory manner to the person that lodged complaint.

First of all, in the area of responsible water consumption, attention of the Company is focused on not exceeding the water consumption rates established in the relevant permitting documents of the power plants. In this regard, regular monitoring is conducted for the volume of water consumption and comparison of actual water consumption with established limits. When the volumes of actual water consumption are close to the established limits, the corresponding remedial actions are implemented but in 2018 the water consumption at all power plants of the Company was within the established limits. Particular attention was also paid in 2018 to the initiatives aimed at optimizing and reducing specific water consumption.

As regards optimization of waste waters, maintenance was carried out at Reftinskaya GRES for equipment of filtrate water catchment pump stations No. 2, 3, 4 of leakage waters of ash disposal area within the project scope. “Package of measures to reduce irretrievable filtration losses of ash disposal area No.2”.

The power plants of the Company discharge waste waters in accordance with applicable laws and timely obtained permitting documentation. We use currently only state standards and regulations of the Russian Federation regarding the quality of waste water discharge:

- Order of the Ministry of Agriculture of Russia dated 13.12.2016 N 552 "On approval of standards of quality water for the water bodies of commercial fishing importance including the standards of maximum permissible concentrations in the waters of water bodies of commercial fishing importance”.

- SanPiN 2.1.5.980-00 Hygienic Requirements to Surface Water Protection.

Main projects and initiatives of PJSC Enel Russia in water consumption and drainage in 2018:

- ✚ On Konakovskaya GRES: a package of restoration works was carried out for the production building at Konakovskaya GRES, installation of metal tank for receiving source waters with piping, cleaning and restoration of receiving tanks and switching chamber within the project scope "Technical refurbishment of industrial duct treatment complex".
- ✚ On Konakovskaya GRES: the draft standards for permissible discharges of pollutants to surface water bodies were updated.
- ✚ On Reftinskaya GRES: the draft standards for permissible discharges of pollutants to surface water bodies through discharge outlet No.3 were updated.
- ✚ On Sredneuralskaya GRES: large-scale project is implemented for the construction of the system for the collection and treatment of waste waters. In 2018, a positive opinion was received from FAI Glavgosexpertiza of Russia and a construction permit.
- ✚ On Sredneuralskaya GRES: the emergency section of 480-m long Volchikhinskoye reservoir water pipeline was rehabilitated using trenchless method by laying a fibreglass pipeline as part of the project "Reconstruction of source water conduit".

6.2.4. Resource use

Energy resources information

Fuel consumption structure is shown in Table. For breakdown by plants, see the section 8.4. Structure of generation facilities and structure of fuel consumption.

Type of fuel, unit of measurement	2018	2017	2018 vs. 2017
Gas, thousand m ³	5 982 214	6 230 644	-4%
Coal, tons	11 475 102	11 586 811	-1%
Fuel oil, tons	26 582	31 692	-16,1%

*the share of fuel oil in the fuel mix for the period of 2017 - 2018 decreased from 0.314% to 0.267%.

	Change of fuel volume burned in 2018 vs. 2017 (type of fuel)
Konakovskaya GRES	-5.9% (gas)
Nevinnomysskaya GRES	-5.3% (gas)
Reftinskaya GRES	-1% (coal)
Sredneuralskaya GRES	-0.6% (gas)

In 2018, the volume of electric power consumed by the Company for BOP needs amounted to 2,138.1 GWh, production cost amounting to 3.8%.⁶ The costs for natural gas and coal - 41.1% and 20.7% respectively, fuel oil to 0.5%.

In 2018, the volume of diesel fuel used by the Company amounted to 2,409 ths litres (or 1.854 tons), automobile gasoline - 43.23 ths litres, cost value was 0.126% and 0.003%, respectively.

Energy consumption, energy efficiency indicators

302-1 302-3

Heat rate (specific consumption) of specific fuel (non-renewable energy sources):

Indicator	UoM	2018	2017
Specific fuel equivalent consumption for electric power (gas + coal)	g/kWh	327.0	329.9
Specific fuel equivalent consumption for heat power (gas + coal)	kg/Gcal	161.5	160.3

When calculating this indicator, the generated power is taken into account without regard to BOP needs.

The volumes of electrical power and heat power of BOP consumption:

Indicator	UoM	2018	2017
The volume of electric power for BOP needs for the production of electrical and thermal energy, in % of the total volume of electrical energy	%	4.9	5.0
Electric power for BOP needs	bln kW*h	1.910	2.047
Heat power for BOP needs	ths. Gcal	11	10.5

In 2018, a number of initiatives were implemented to reduce balance-of-plant needs for each power plant, for example, initiatives for technical refurbishment of the lighting system that involve a partial replacement of lighting lamps with LED ones. In addition, to reduce fuel consumption, we implement the measures within the scope of activities for improvement of operational efficiency.

Secondary resources consumption

301-1

At different levels of production process, we consume secondary resources. A significant portion of these resources are chemicals used in preparation and treatment of water. The Annex (p. 173) provides a table that shows the volume of consumption of such resources in 2018. Consumption of chemicals for water treatment in 2018 remained at the same level if compared to 2017.

Waste management

306-2

⁶ According to RAS results (Russian Accounting Standards)

PJSC Enel Russia carries out waste management activities in full compliance with legal requirements.

Thus, a license was re-issued in 2018 for carrying out activity for collection, transportation, processing, disposal, neutralization, dumping of wastes of hazard class I-IV. We also received approved standards of waste generation and limits for their disposal. Detailed information on waste generation based on internal accounting data in the field of waste management is given in the Annex (see p. 183).

Internal accounting in the field of waste management is conducted in PJSC Enel Russia in accordance with the classification system of waste coming from production and consumption, and valid in the Russian Federation. This system provides for the separate waste collection divided into 5 hazard classes depending on the degree of negative impact on the environment (from class I – extremely dangerous, to class V – practically non-dangerous).

Konakovskaya GRES

In 2018, waste generation increased by 9.7% compared to 2017, mainly due to the works on cleaning of receiving tanks V= 600 m³ (2 pcs) during technical refurbishment of industrial duct treatment complex.

In 2018, we continued to work on the project “Liquidation of sludge pond” of Konakovskaya GRES. The project received a positive opinion from the state environmental expertise of Rosprirodnadzor management in the Tver region. The implementation is scheduled for 2019-2020.

Nevinnomysskaya GRES

In 2018, waste was generated by 12.2% more than in 2017, mainly, as a result of dismantling the equipment of 170 MW CCGT, maintenance of fuel oil tank No. 3.

Reftinskaya GRES

In 2018, compared to 2017, waste generation increased by 3.2%. The bulk of wastes ($\approx 99\%$) consists of wastes of class V hazard: ash and sludge mixture from combustion of coals is almost non-hazardous. In 2018, almost no ash and sludge mixture waste from combustion of coals was delivered for disposal. To reduce technogenic impact on environment, a technical specification was developed for fly ash in 2018. Part of ash is transferred as a product to be used in production processes by other industrial enterprises.

Generation, delivery recycling and disposal of ash and sludge waste.

Indicators	Unit of measurement	2018	2017
Generation of ash and sludge waste	tons	4,624,002	4,478,821
Delivery of ash and sludge waste for recycling	tons	0	241,792
Disposal of ash and sludge waste	tons	4,624,002	4,237,028
Total waste	tons	4,641,607	4,496,978

Sredneuralskaya GRES

In 2018, waste generation increased by 69.6% compared to 2017 as a result of increase in the scope of maintenance works on the main and auxiliary equipment, dismantling the equipment of stage 1.

6.2.5. Biodiversity and natural heritage preservation

304-1 304-3 304-4

Preservation of ecosystems and protection of biodiversity are key principles for sustainable development. We take measures to prevent negative impact on biodiversity and compensate consequences of negative impact.

We are committed to taking into account the peculiarities of the biodiversity of our territories during design, construction, operation and maintenance phases.

For each new project, we conduct a study of potential environmental impact as well as impact on animal and plant species. We are open to dialogue and cooperation with local communities, environmental associations in biodiversity conservation.

The production sites of PJSC Enel Russia are not located in the protected natural area and territory with appreciated value of biodiversity that is outside the boundaries of protected natural territories. The production site of PJSC Enel Russia Sredneuralskaya GRES is located near the specially protected natural area “Isetskoe lake with the surrounding forests”. The size of the production site is 0.73 km²



Fig. 1. The territory of Sredneuralskaya GRES, adjacent to the SPNA Isetskoe lake with the surrounding forests.

Sredneuralskaya GRES is located near the Isetskoye reservoir of lake type located in Verkhnepyshminsky district in the north of the city of Ekaterinburg. In order to preserve the picturesque natural reservoir, a typical landscape for the southern taiga Transurals, Decree of the Government of Sverdlovsk region dated January 17, 2001 No. 41-III the Isetskoye Lake with

surrounding forests was declared a landscape reserve. The area of specially protected natural territory is 4738 ha.

The reservoir at the source of the Isetskoye Lake - Iset River was created in 1725 during the construction of a dam. Since 1936, during construction of Sredneuralskaya GRES on the bank of the Isetskoye reservoir, it became a cooling reservoir for Sredneuralskaya GRES.

The Isetskoye reservoir is rich of fish; perch, rudd, bream, tench, ruff, perch and pike are found here. Fish species such as grass carp, white silver carp and mirror carp are naturalized.

At the plants of PJSC Enel Russia, water intakes are equipped with effective fish protection facilities (FPF) that allows preserving biodiversity of surface water bodies.

From 2013 to 2017, fish stocking at the Isetskoye reservoir was carried out within the scope of compensatory measures to replenish the biological balance of the reservoir during the construction and operation of the cooling water intake facility of 410 MW CCGT of Sredneuralskaya GRES. The Company stocked young grass carp and silver carp to the Isetskoye reservoir for five years. Water intake from the Isetskoye reservoir for the production needs of the plant is carried out by three water intake facilities and all of them are equipped with fish protection facilities that are designed to reduce the impact of the power plant production cycle on the reservoir ichthyofauna by preventing water bioresources from entering the water intake of Sredneuralskaya GRES. In 2018, ichthyological studies and calculations were carried out to assess the efficiency of fish protection facility at cooling water intake facility No.1 (waterfront pumping station). The efficiency amounted to 80.5%. The facility is put into operation.

In 2018, we continued to work on the project “Implementation of fish protection facility at Cooling Water Intake Facilities” at Nevinnomysskaya GRES. This water intake is not the main one. The main water intake is already equipped with fish protection facility. The design documentation was developed and sent for agreement to the Territorial Administration for the Sea of Azov and the Black Sea of the Federal Agency for Fishery. In 2018, we confirmed also the efficiency of fish protection facility at the Barsuchkovsky water intake of the plant (more than 70%).

In addition, the Company implements initiatives aimed at restoring a natural landmark of regional significance “Karacharovo Park” (the Tver Region). Despite the fact that the activities of PJSC Enel Russia do not have a negative impact on the territory, we have been implementing an environmental task force in this park for three years while involving local people, employees of Konakovskaya GRES and the Central office for participation in it. This project is being implemented with the support of the Ministry of Natural Resources and Environment of the Tver Region.

In the territory affected by the activities of the organization, there are no species listed in the red list of the International Union for Conservation of Nature (IUCN), and species included in the national list of protected species (Red Book of the Russian Federation). It must be recognized that there is a potential habitat for species included in the IUCN red list and the national list of protected species in the area affected by the Company activities, since the habitats of such species may coincide with the regions where our facilities are located. However, the Company has not conducted any special studies in this area.

6.3. Health and Safety. Health and safety management

103-1 103-2 103-3 403-1 403-2

Enel Russia develops and strengthens health and safety culture for the benefits of all those involved in its production activities. Safety is of our highest priority, so we suspend any work that can jeopardize the health and safety of workers.

The Company is aware of its responsibility to ensure safe working conditions for all participants in the production activities - both its own employees and employees of contractors that the Company involves to carry out maintenance of equipment, buildings and facilities of the power plants.

The Company raises awareness of occupational risks, encourages and supports responsible and safe behavior. Preservation of life and health, care for psycho-physiological state during working and non-working hours comprise our work in health and safety.

The Integrated Health and Safety management system was implemented in accordance with the approved standards in labor protection and risk management guidelines. It covers all activities of the Company, all power plants and all employees of the Company

6.3.1. Health and safety management

403-5 403-9 403-10

The Occupational Health and Safety Management System is based on HSEQ integrated policy of PJSC Enel Russia and is aimed at continuous reduction of the risk of injuries and accidents.

The policy establishes the following fundamental principles:

- Compliance with the requirements of laws of the Russian Federation in health and safety;
- Compliance with the requirements of Enel Group in health and safety;
- Annual certification and maintenance of health and safety integrated management system in accordance with the standard OHSAS 18001. In 2018, the Company passed certification according to the international standard OHSAS 18001:2007 "Occupational health and safety management system";
- Striving for achieving "Zero accidents" target through continuous control of processes, Root Causes Analysis of all injury cases and Significant Near Misses, permanent improvement;
- Risk assessment of injuries and accidents at work and use of systematic approach to reduce and eliminate the possibility of such cases to repeat;
- Control of knowledge, improvement of competence and constant education and training of employees
- Involvement of employees of the Company and representatives of contracting organizations in the issues of health, safety and environment protection;
- Using the best available technology and expertise in combination with operational processes update and optimization;
- Maintenance and development of an open dialogue with local communities, administrative bodies and other stakeholders in the field of labor protection and environment;
- Integration of all processes with HSEQ, for an increased effectiveness of the HSEQ process and a final added value to Company in the whole.

The Company has a Stop Work Policy, according to it any employee of PJSC Enel Russia, regardless of his position, status or role, has the right and must demand termination of any work that, in their opinion, poses threat to their life and safety and/or other people, and also create a risk of damage to the environment, or to the country's archaeological or cultural heritage, while notifying the detected violation of health and safety requirements to a responsible person authorized to terminate the works.

In addition to the fundamental health and safety policies mentioned above, the Company has implemented and applies the following documents, regulating main processes in this respect:

- Policy of zero tolerance to consumption of alcohol, drugs or other intoxicants and limitations of smoking at workplace;
- Procedure for Interaction with Contractors in Health, Safety, Environment and Quality;
- Policy on asbestos management;
- Safe works in the Confined Space;
- Operational instruction on safe performance of works on chimney stacks;
- Operational instruction on safe performance of works at height;
- Regulation on Industrial Safety Management System;
- Operational instruction on the alcohol testing system;
- Operational instruction on the personal protection equipment management;
- Operational instruction on the LOTO locking system;
- Provision "On application of permit to work system at the power plants of PJSC Enel Russia.
- Regulation on risk assessment in the field of Health and Safety for employees during the performance of works.
- Policy on the prevention of stress and promotion of well-being in the workplace.
- Regulation on the organization of inspections in the field of Health, Safety, Environment and Quality in PJSC Enel Russia.

Enel Russia has a single vertically integrated health and safety management system that provides centralized control and single strategic approach at all levels of the Company. Responsibility for health and safety lies with the General Director, Head of Generation, Head of Health, Safety, Environment and Quality. The occupational health issues at the power plants are supervised by health and safety services, with methodological support from the Health and Safety Group of the Central Office.

Despite the fact that specialists in occupational safety are placed in a single function, all Company employees, regardless of their position, pay special attention to occupational health issues and maintain the Company principles. We pay close attention to ensuring that our employees have the necessary knowledge and skills to perform the assigned tasks safely, and therefore each employee receives training necessary for their position and regular knowledge assessment.

The scope of training includes regular consideration of such issues as basics of occupational health, fire safety or industrial safety, works at height, works in confined spaces, etc. Entire training is delivered in a language that is understandable for all trained employees. If training is conducted in a foreign language (English or Italian), an interpreter is invited. Training is conducted either by a certified internal trainer or employees are trained at an external accredited organization, for example, in Rostekhnadzor. Training can be also extramural, using software, followed with knowledge assessment. There are special commissions for examination of knowledge at the plants to issue a confirming certificate by the results. The Company involves contractors for training sessions and training on additional topics that can lead to reduction in the number of injuries and industrial incidents (root cause analysis of accidents, use of personal protection equipment, proper use and assembly of scaffolding).

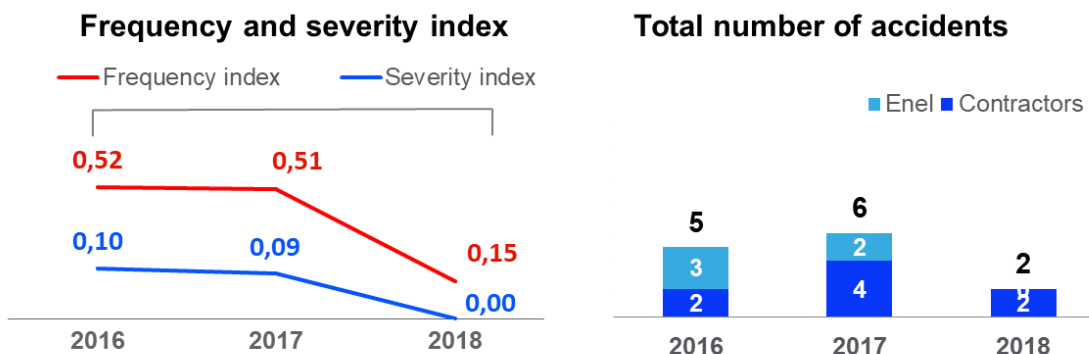
We improve constantly the frequency and severity indices - main statistical indicator for the evaluation of efficiency of the Company management approach in occupational health but our main goal is to achieve "Zero accidents". To implement this strategy in the field of occupational health and to prevent the recurrence of accidents, the Company performs continuous monitoring of dangerous situations and other hazardous situations that could result into an accident. All abnormal situations are investigated by special commissions, as a result of them a set of measures is developed aimed at preventing similar incidents in the future.

In PJSC Enel Russia, the combined statistical indices are used as the main statistical indicator. In the calculation of the index, accidents involving both internal employees and employees of contracting organizations performing work in the territory of production branches are taken into account. These indices correspond to generally accepted indices of frequency and severity.

In 2017 – 2018, not a single case of fatal injuries was recorded at the Company either among the Company's employees or among the contractors' employees.

Compared to 2017, the Company's indicators in the reporting period in the field of Health and Safety have improved. Thus, the combined frequency index in 2018 was 0.15, and the combined severity index dropped to 0. For comparison, in 2017, the indices were 0.51 and 0.09, respectively (based on 1 mln. working hours).

Despite the positive dynamics, there were 2 industrial accidents with contractors in 2018 (for comparison, in 2017, 6 injured people were recorded, including cases with contractors). Both cases, in accordance with the Russian classification, fall into the category of “light” accidents. The main injuries were bruises and fractures.



* Index of severity: the number of deaths and severe accidents (Enel + contractors) per million working hours (Enel + contractors)

To determine the hazardous factors of production at each power plant, annual risk assessments are carried out, its result is approved by the Power Plant Manager. This assessment contains a register of all operations performed at the plant, information about hazardous factors and hazards inherent to each type of work, risk matrix and measures to eliminate or reduce the hazardous factors. The measures for elimination or reduction of hazardous factors may include technical measures for elimination of hazardous factors, requirements for the use of collective and individual protection equipment, preparation of workplace and implementation of production control, information, training, delivery of inductions and training sessions.

According to Order of the Ministry of Health and Social Development of the Russian Federation dated 12.04.2011 No. 302H, medical examinations of personnel are conducted on a regular basis to monitor the health of employees.

In 2017–2018, neither the Company's employees, nor the representatives of contracting organizations had any cases of occurrence of occupational diseases arising under the impact of production factors, as well as fatal cases due to diseases associated with production.

It should be clarified that there is no separate statistics on the occurrence of occupational diseases among the representatives of contracting organizations, hence the impossibility to determine for certain whether a certain disease was caused precisely by the influence of factors at the Company's production branches, or was a combination of all factors as a result of the works of the contractor's

representative at various production sites. Representatives of contractors did not notify the Company about any cases of occupational diseases of their employees caused by the influence of production factors of PJSC Enel Russia.

The Health and Safety issues are of priority for each manager and are always number one on the agenda of each meeting, whether it is a weekly action meeting of the director, a meeting of the Board of Directors or general shareholders' meeting. In addition, the Occupational Health indicators of PJSC Enel Russia comprise the key performance indicators of managers and employees of the Company.

Evaluation of management approach in health and safety is performed within the scope of annual meeting of Company management on the analysis of HSEQ Integrated Management System. In 2018, by results of the meeting, the system was recognized as effective and further steps were outlined to achieve a zero accident goal. In addition, at the regular meetings of the Board of Directors of the Company, the first item on the agenda is the report of General Director on Company activities with the first issue represented by occupational health and current injury rates.

Informational meetings SHE 365

SHE 365 (Safety, Health, Environment) - one of the important projects for occupational health in 2018 that involved about 70% of personnel of the plants. This is a global project related to healthcare of employees, occupational health and environment 365 days a year, 24 hours a day. More than 40 training sessions were held at all powers plants of the Company with participants ranging from top management to the workers during the year - they all shared the same table while discussing new ideas for improvements in occupational safety, health, environment and sustainable development. As a result, an action plan was developed for improvements in these areas.

The projects for monitoring of psychoemotional state of workers and prevention of their negative impact on production processes

The psychological state of employees and assessment of work-related psychological risks are under constant focus of the Company. The reason for such close attention to these issues is that certain psychological states can really harm employees at their workplace, even becoming cause of potential incidents and reducing efficiency of the Company. Thus, in 2017-2018, the Company developed and implemented a program aimed at providing all employees with the tools for resolving stressful situations. The program Stress.0 consisted in holding a special information campaign as well as assessment of risks associated with work stress at all organization units. Following the results of program implementation, remedial and preventive actions were identified to reduce and prevent the negative effect of stressful situations.

At the end of 2018, implementation of the global CAR project (Competences, Attitude, Reliability) was started. Its goal is to reduce the risk of injury during the most important and risky operations. The project takes into account the fact that this risk may increase in the cases of employees' inclination to risky behavior. Within the scope of the project, the main operations were identified, when the employees are under the highest risk of injury. The project provides for testing employees, identifying the most risk-prone employees and taking remedial actions to reduce this type of risk - training and educational programs, both of technical and behavioral nature.

Additional support in matters of Health and Safety during maintenance activities

To support the local H&S structure in ensuring safe performance of works during major overhauls, special projects and other complex technical measures, a safety moving pool was created (SMP). It

participates in all major overhauls, refurbishment and reconstruction projects, other complex technical measures (including intermediate and current equipment maintenance on a selected equipment). The main task of SMP is to stimulate uniform professional growth and improvement of the safety culture among the employees of PJSC Enel Russia and the personnel of contractor organizations performing works at the branches of PJSC Enel Russia, in the form of additional consultations and monitoring occupational and industrial safety during the implementation of overhauls, intermediate and current maintenance of equipment, as well as complicated works that entail high risks.

In 2018, more than 60 persons were involved, with periodic rotation. As a result of the SMP work, more than 4,000 inspections were carried out over the whole year, more than 2,000 received positive ratings, but at the same time more than 700 violations and non-conformities were detected to regulatory documents and standards of Enel Group, more than 400 meetings were held with contractors and workers involved in repair companies. The main goal of the creation of SMP, that is the achievement of zero accidents target on the followed projects, has been achieved.

6.3.2. Policies, management and measures in case of emergency situations
Approach of the Company to emergency management and response measures

EU21

A critical event is an event of a natural, accidental or criminal nature that may have an actual or potential negative impact on the safety of people, continuity of work, reputation of the Company, interests of stakeholders. The nature of these events may vary, therefore, the Company takes into account various opportunities and available resources in the process to prevent such events or eliminate their consequences.

The degree of impact of a Critical Event is classified using special codes, while the assigned status codes depend on estimated impact and severity of crisis situation:

Country Green Code (at Country level)	a critical event that has a slight impact on PJSC Enel Russia and can be eliminated using specially pre-scheduled actions (according to the Procedure/Operating Instructions of the line/supporting organization unit)
Country Yellow Code (at Country level)	a critical event that has a medium degree of impact on PJSC Enel Russia and can be eliminated at the level of PJSC Enel Russia using special action plans in crisis situations
Country Red Code (at Country level)	a critical event that can affect PJSC Enel Russia significantly and that requires development of special strategy at the level of PJSC Enel Russia

These codes are adopted within Enel Group and are implemented by global Policy No.24 dated 18.12.2018, localized at the country level by adoption of Policy No. 298 dated 06.02.2019 "Critical event management". This policy regulates the technical processes and procedures for efficient crisis management, defines existing impact matrix as well as reports and plans that ensure preparation, training, education, drills, coordinated communication and interaction with local stakeholders.

Assignment of a particular code according to Policy No. 298 is carried out based on impact matrix. A decision is made by the Crisis Evaluation Committee of PJSC Enel Russia and approved by the General Director.

In accordance with this policy, the Company has a Group created to control critical events. Its task is to collect data and information that help identifying the events that could potentially develop into a crisis situation. If the Critical Events Control Group identifies the problem based on the information collected, its status is assessed with regard to potential impact as well as the possible

consequences of its publicity in the media and likelihood of pre-crisis situation, in accordance with the recommendations of the Communication Planning Group, real-time response and performance maintenance.

A notification of pre-crisis situation is carried out through an informational message sent to:

- General Director of PJSC Enel Russia;
- Crisis Evaluation Committee of PJSC Enel Russia;
- Territorial Referents and Referents from the business line of PJSC Enel Russia on crisis management.

Since the power plants of the Company are classified as hazardous production facilities, according to Decree of the Government of the Russian Federation No. 730 dated August 26, 2013. PJSC Enel Russia has to develop a plan for localization and elimination of consequences of accidents (PLECA) to ensure readiness of organizations to the actions for localization and elimination of the consequences of accidents. The plans developed by the Company are authorized by professional emergency rescue teams the Company has agreements with for the maintenance of hazardous production facilities. PLECA are subject to revision in the following cases:

- a) at least 15 calendar days prior to expiration of the previous action plan;
- b) no later than 1 month after the following events:
 - reconstruction, technical refurbishment of the facility or introduction of changes in production technology;
 - introduction of amendments in methods of measurement or types of measuring instruments used during production control over compliance with industrial safety requirements at the facility;
 - introduction of amendments in the process control systems at the facility;
 - introduction of new or closing abandoned mine workings, introducing changes to ventilation schemes for them as well as after changing the exit ways of workers in case of accident;
- c) in accordance with technical investigation report on accident causes at the facility;
- d) under an order from a federal executive authority in the area of industrial safety or of its territorial unit if there are inconsistencies between information in the action plan and information obtained during federal state supervision in industrial safety; or if new risk factors are found following technical investigations of the reasons of accidents at similar facilities.

In accordance with Order of Rostekhnadzor dated December 26, 2012 No. 781 "On Approval of Recommendations for development of the plans for localization and response to accidents at explosive and chemically hazardous production facilities" during the year, it is planned to conduct training sessions in the organization units for possible accidents mentioned in PLECA.

At the power plants of PJSC Enel Russia in accordance with Decree of the Government of the Russian Federation No. 613 dated August 21, 2000 to prevent and eliminate the consequences of oil spills and to protect population and environment from their harmful effects, the oil spill prevention and response plans (OSPRP) are developed. OSPRP are developed in accordance with applicable regulatory legal acts with regard to the maximum possible amount of spilled oil and petrochemicals, authorized by Rostekhnadzor and approved by the territorial body of EMERCOM of Russia.

In order to work out OSPRP, comprehensive training or drills are held at the federal and regional levels at least every 2 years.

Training and orientation of the Company employees as well as representatives of contractors and subcontractors takes place during crisis management drills. The procedure for organizing preparation and conduct of drills is set out in Operating Instruction No. 0188-OI-SEC dated 28.07.2015 "Organization of drills at the power plants".

Emergency management activities as well as development and application of prompt response measures are conducted based on the following legislative acts:

- Federal Law of the Russian Federation No.256-FZ "On safety of the fuel and energy industry facilities" dated July 21, 2011
- Federal Law of the Russian Federation No.116-FZ "On industrial safety of hazardous production facilities" dated July 21, 1997
- Federal Law No. 68-FZ "On population and territories protection against natural and man-caused emergency situations" dated 21.12.1994.
- Federal Law of the Russian Federation No. 117-FZ "On safety of hydraulic structures" dated 21.07.1997.

In case of emergency situations that entail a complete termination of generation of electric power and heat power, the power plants of Enel Russia being the facilities of the operating and dispatch control management of the grid act on the principles of the standard GOST R 58085-2018 "Unified power system and isolated power systems. Operating and dispatch control Rules for Preventing the Development and Elimination of Violations in the Normal Mode of the Electrical Part at Power Systems. Regulations and requirements".

The new standard was approved by Order of Rosstandart (Federal Agency on Technical Regulating and Metrology) No. 129 dated March 13, 2018. This document was developed by the "System Operator of the Unified Energy System" under the National Standardization Program as part of activities of the Subcommittee SC 1 "Electric Power Systems" of the Technical Committee for Standardization TC 016 "Electrical Power Engineering".

GOST R 58085 2018 establishes the basic principles, norms and rules regulating organization and procedure for prevention of development and elimination of violations of the normal mode of the electrical part of the UES of Russia and technologically isolated territorial electric power systems as well as process disturbances in operation of electric mains and electric power facilities. In addition, the document regulates the procedure for dispatching and operating personnel to prevent the development and eliminate violations of the normal mode of the electrical part of the power systems. Inclusion in the network and restoration of power supply is carried out within the shortest possible period as agreed with "System Operator of Unified Energy System". Minimization of time spent for emergency maintenance due to the need to reduce the losses incurred by the Company in the capacity payment (according to "Procedure for determination of volumes of capacity actually supplied to the wholesale capacity market" No.13).

Local and federal executive authorities are involved (by agreement) in preparation and conduct of drills.

The procedure and plan for responding to critical events or emergencies is communicated regularly to the employees of the power plants and contractors' employees during delivery of scheduled classes, briefings and drills.

6.3.3. Promotion of healthy lifestyles

403-6

Development of the culture of health and sports as well as promotion of healthy lifestyle comprise an integral part of overall corporate culture of responsible companies that care for their employees including also PJSC Enel Russia. The programs are implemented in close cooperation with People and Organization, Health, Safety, Environment and Quality and Sustainability Unit. The programs include numerous initiatives ranging from regular informing of employees about importance of healthy lifestyle, topical lectures on prevention and diagnosis of the most common diseases, and finishing with arrangement of specific sports events. For example, the Company employees participate

in athletics marathons, cycling parades, sports and athletics competitions of work collectives and industry tournaments in various sports.

Since 2017, the Company has held a corporate tournament among employees of all branches of the Company. The sport for the tournament of the current year is determined by the general vote (in 2017 it was a volleyball tournament, and in 2018 it was a mini football tournament). The tournament is held at the power plant; which team became the winner in the previous year tournament. Not only Company employees but the members of their families too (through family sports events) as well as representatives of contractors whose teams are invited to participate in the tournaments organized by PJSC Enel Russia are involved in the events promoting a healthy lifestyle. The primary trade union organizations of all power plants of the Company take also active part in organizing and conducting corporate sports events and promoting a culture of healthy lifestyle.

6.4. Management, development and motivation of employees

103-1 103-2 103-3 202-1

Human resources is the main and most valuable asset of the Company. We provide equal conditions for all in employment, committed to attracting the most talented specialists and motivate them to grow and develop in their personal and professional plans. The Company has established efficient personnel training system that allows us to grow future managers. We pay competitive salaries that are comparable to the level of the industry and significantly exceed the average salaries in the territories of our power plants (see comparative data in Annex p. 189).

We comply unconditionally with labor laws, principles of corporate and professional ethics.

The objectives of management, development and motivation of employees are set out in the Company Sustainable Development Plan for 2019-2023 (see section “Sustainable Development Plan for 2019-2023” p. 17).

We are committed to preserve and maintain a high level of professional expertise of employees and developing competencies that meet the requirements of new Company development line with a focus on innovation, digitalization, and rapid response to economic challenges. We help improving efficiency and creating a basis for business evolution by introducing a culture of agile thinking and digitalization of processes. In 2018, more than three thousand hours we invested in the training of employees for Agile philosophy.

The main documents regulating management, development and motivation of employees are the following:

- Collective agreements of the Company’s branches;
- Trade union policy;
- Regulation "On types of personnel education and training, as well as responsibility for their organization" – determines the process of compulsory training at the Company;
- Global Policy “On diversity and inclusion” – at the global level, it establishes guidelines for equal opportunities, inclusion and non-discrimination. We follow the principles of the Policy and plan to localize the Policy in the near future.
- The policy for remuneration and reimbursement of expenses (compensation) of the members of executive bodies and other key executives – regulates the procedure for remuneration of management personnel;
- The provision for rewards and incentives to the employees of PJSC Enel Russia associated with holidays and anniversaries – establishes a system of rewards and incentives for the employees who made a great personal contribution to development of the industry and the Company, to improvement of production efficiency, to mastering advanced technologies, resolving social and economic development issues.

Responsibility for management, development and motivation of employees lies with the Deputy General Director - Head of People and Organization. People and Organization includes the following organization units:

- Planning and Organization Group;
- HR Administration and Payroll;
- Training and Recruitment Group;
- HR Development Group;
- HR Digital Hub.

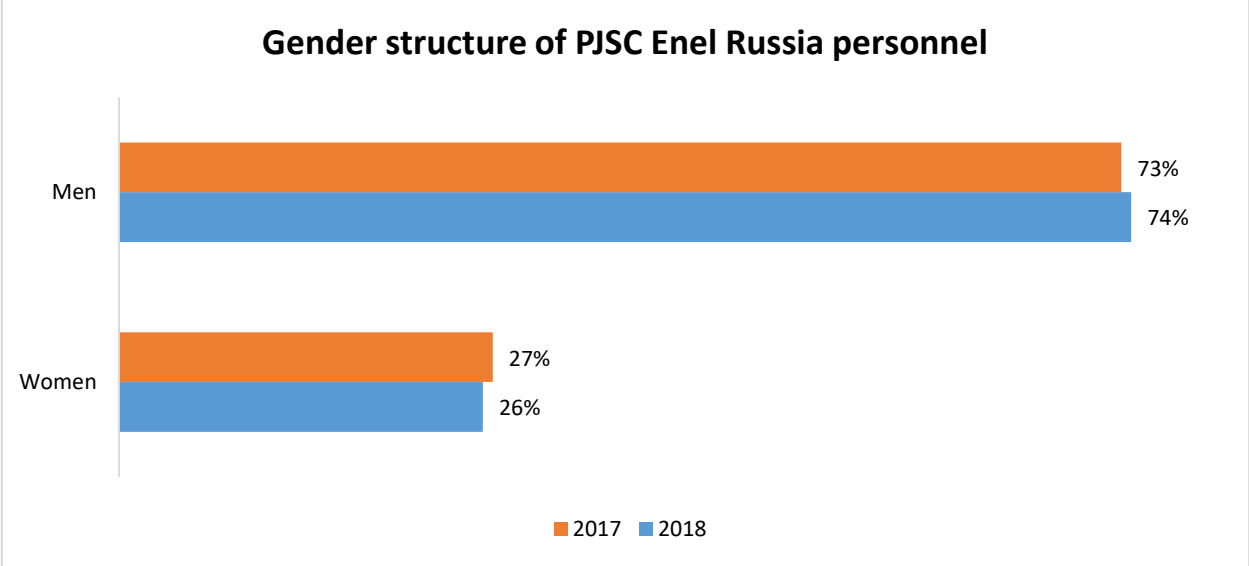
To improve efficiency of work, the employees of People and Organization master the best practices and increase improve their expertise by participating in internal and external informational and training workshops and professional conferences. People and Organization has a practice of evaluation and annual feedback from line managers regarding performance of key processes. The efficiency of the processes is also analyzed by internal and external audits.

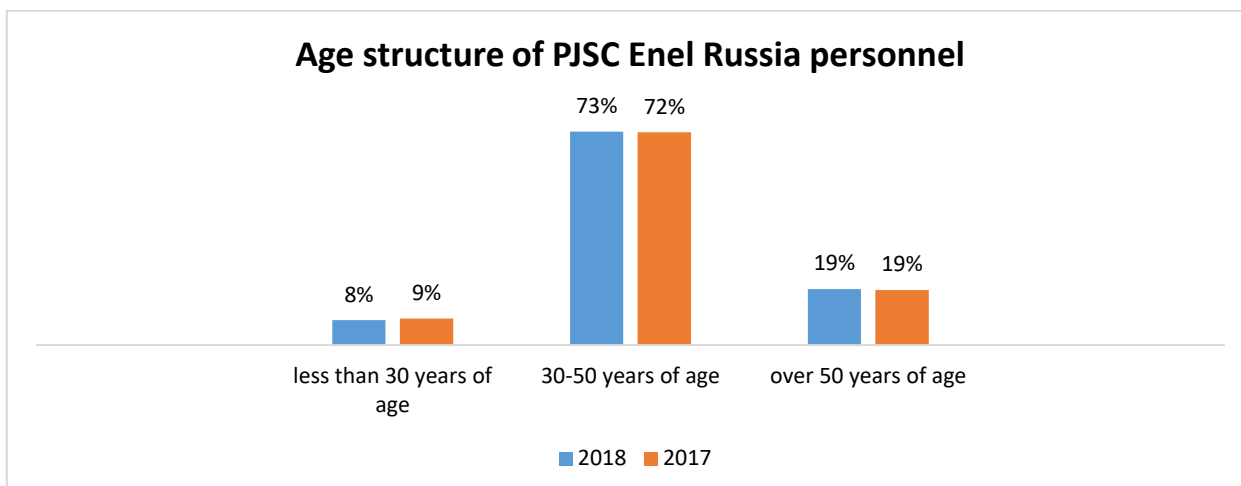
6.4.1. HR policy and social & cultural diversity

Diversity and inclusion

401-1a 405-1

The diversity policy is an integral part of a successful socially responsible business. At the basis of the fundamental values of PJSC Enel Russia lies respect for the diversity of cultures and non-discrimination policy. We are guided by the diversity policy of Enel Group. According to Enel Group diversity means people from different countries, cultures, with various professional experiences, different ages, gender, able to work anywhere in the world and to make a contribution by having different points of view to ensure the best decisions and most efficient implementation of innovations.

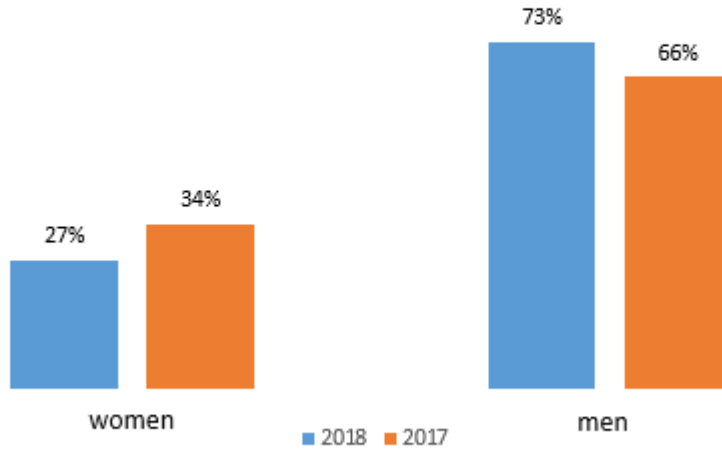




The Group stands for diversity in order to rationalize, improve life, growth and development of the Group as a whole. Enel is committed to the balance of work life and working conditions, providing opportunities for both professional and personal growth. Enel is a Company that employs many generations of people, committed to create jobs where the age aspect plays a key role in the exchange of knowledge and training. Enel diversity policy of Enel Group does not accept any forms of discrimination and advocates for ensuring and promoting diversity, taking into account individual characteristics and equal opportunities. The management of Enel makes every effort to promote and maintain an atmosphere of respect in terms of dignity, appraisal and individuality.

- In Enel Russia, both men and women have prospects for advancing to key managerial positions under equal conditions. There are currently 5 female top-managers in the first line of the General Director, which is 35,71% from the total number (In total, there are 14 directors directly subordinate to the General Director).
- The Company complies with the gender non-discrimination principle when determining the size of wages.
- When recruiting personnel, the Company is guided by the principles of equal opportunities. The Company guarantees that the candidates of both sexes are equally considered at the selection stage.

Gender structure at the stage of recruitment of new employees in PJSC Enel Russia



- The Company has a practice of appointing employees younger than 35 years old and over 50 years old as internal trainers, this confirms fully its respect for all ages.
- To maintain the balance of work and personal life as well as within the scope of “parenthood” program, the Company provides a possibility of remote work and flexible hours for certain categories of employees.
- The Company has a practice of holding a week of diversity that covers such important topics as support for employees with disabilities, success stories of women managers, sharing experience between young and adult employees, and master classes for parents.
- In 2018, the Company celebrated the “Youth Day” where young employees from all power plants shared their achievements and successes both in professional sphere and in sports life.

Non-discrimination

All employees are considered exclusively in terms of their abilities and professional skills for all decisions that affect labor relationships. All forms of political, religious, national, ethical, racial, linguistic, gender and age discrimination are prohibited, as are all forms of discrimination against personal qualities. Enel stands for equal opportunities and equal treatment for all forms of diversity.

Enel Group stands for the establishment of actions, practices, processes and services that do not restrict access to them by any interested parties, be it an employee, customer or contractor.

Balance of work life

Enel Group proposes decisions to balance work life, supporting the actual and daily needs of employees to promote respect in all situations that an employee may encounter in their working life.

6.4.2. Training, motivation and social policy

Personnel development and training

404-1

The Company has created a system of staff succession to preserve continuity of technologies, traditions, processes, corporate culture, retain the most talented and promising employees as well as improve loyalty and motivation of staff. The system includes analysis of current staffing for key management positions, compilation of short and long-term plans for training and development. When replacing key management positions, the system provides the Company with trained personnel and helps simplifying the on-boarding process of employees. In 2018, 58 employees were included in the succession plan. The efficiency of newly appointed employee is assessed using feedback from immediate supervisor. To improve the quality of training of successors in the organization, the method of focal observation by a successor of the actions of key manager and the study of specifics of their work will be used.

In order to preserve and keep a high level of professional expertise of employees and develop their competencies that meet the requirements of the Company's new development course towards innovations, digitalization and rapid response to economic challenges, 120,594 hours of training were conducted in 2018, of which 43,352 hours comprise internal training.

The key areas of training in 2018 were the following: mandatory vocational training (76,365 hours); health, safety, environment and quality training (29,277 hours); soft skills training (8,069 hours) and digitalization training (5,701 hours).

Training and development programs cover the entire staff of the Company, the average number of training hours per employee was 48.6 hours.

Knowledge management, preservation and transfer of experience

404-2

The Company has a mentoring system applied to increase expertise and competencies of employees. Mentoring is part of our corporate culture. Mentoring is focused on specialists and workers of power plants of PJSC Enel Russia. In 2018, to improve the quality of knowledge transferred as well as to raise the status of mentor's role, we reformed the mentor training process and updated the rules for choosing the best mentor on a competitive basis.

We built a system of internal training in technical and non-technical areas. Already about 100 employees deliver lectures and trainings on a regular basis. Feedback from the participants and managers helps us improving the efficiency of internal training. The internal training system allows us to increase the number of training hours and increase the level of staff involvement. In addition, the Company has the practice of co-financing foreign language training.

We are committed to increase our internal customer focus and involvement and willingness to cooperation. The Company implemented the practice of cross-functional exchange – E-Cross. There are several formats for cross-functional immersion: short and general informational meetings (induction), interactive master classes for the subject-related immersion in the activities of a particular function. In addition, we deliver internal internships that allow studying the activity of related functions in real time in practice.

Youth policy

Development of young employees is the key priority of HR management policy. In 2018, the Company introduced a program for development of communication and management skills of potential employees of the technical unit under the age of 35 years old - "Your chance". The program participants solve current business objectives, develop, protect and implement their qualification project. According to the results of the internal competition, 13 people were selected for a comprehensive training program. The manual of the technical unit acts as expeditors of the program. The brightest participants of this program are included in the list of successors to key management positions in the technical unit in the long term (3-5 years).

In addition, it encourages participation of young professionals in industry-related events and professional competitions. For example, in 2018, young specialists of PJSC Enel Russia participated in the International Youth Energy Forum within the scope of St. Petersburg International Economic Forum. In 2018, a team of 8 people from Sredneuralskaya GRES participated in the industry competition of professional skills among operational personnel.

Feedback

404-3

Until 2018, the corporate performance review process had a quantitative basis and was carried out upon the past period. In 2018, the performance review for 2017 was canceled due to significant transformation of this process at the global level in all countries of the Group presence. In 2018, the Company implemented the evaluation process based on open feedback that is characterized by the following key points:

- feedback can be obtained from both the manager and colleagues regardless of hierarchy;
- feedback is based on corporate behavior model;
- feedback is not bound to particular reporting period but can be given at any time using an online tool (platforms on PC or applications on smartphones).
- the feedback form contains mandatory information about specific situation when a particular behavior appeared, this increases the fairness of evaluation process.
- the feedback form contains mandatory information about the strengths of the employee as well as recommendations for development.

As a result of the personnel appraisal process for 2018, 99% of employees received feedback.

Staff motivation

PJSC Enel Russia provides its employees with competitive salary and increases it annually in line with market trends and based on the reviews of remuneration rate in the industry. Remuneration rate, as well as the proposed compensation package, remain among the most attractive ones in the industry and regions where the Company's power plants operate.

Optimization and harmonization of the bonus and incentive system of employees is one of the priorities of the Company's management. We established a transparent system of setting objectives and bonuses aimed at compliance with the principle of justice and equality of the employees. In accordance with the Code of Ethics, we do not tolerate any form of discrimination based on age, gender, sexual orientation, race, health, nationality, political opinion, religious belief, etc., including during determination of the size and composition of remuneration of employees of the Company as well as benefits and social guarantees.

Social partnership and social policy

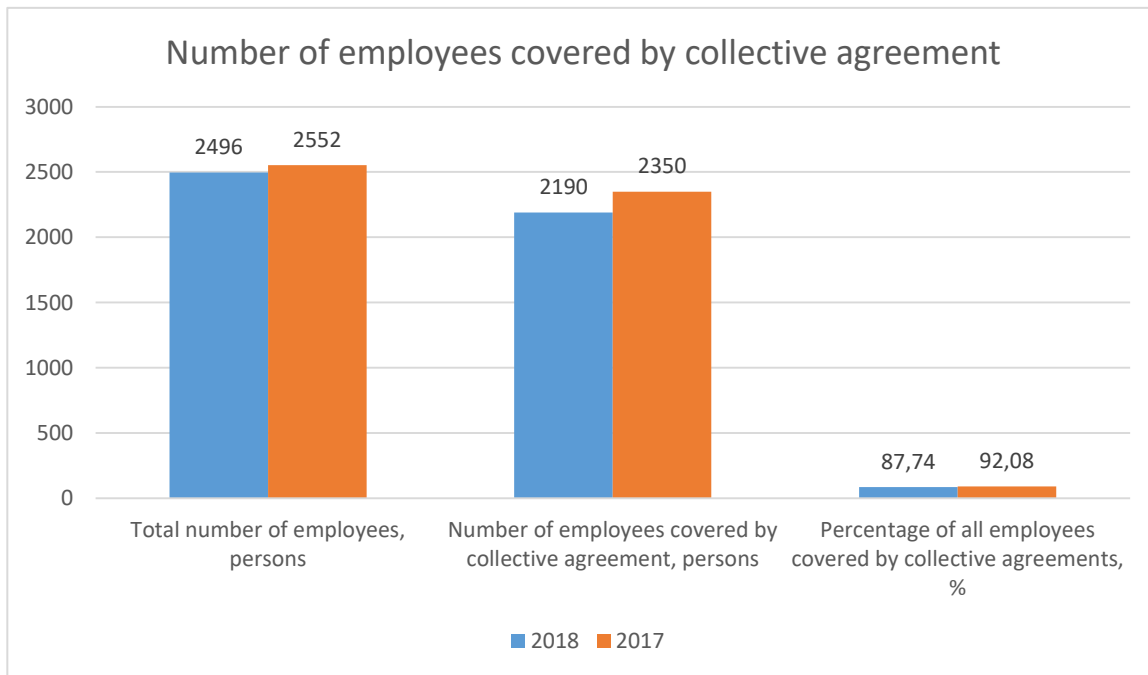
102-41 401-2

Defining implementation of the principle of alignment of interests of employees and the employer as the strategic direction of social partnership development, the Company leverages the opportunities of social partnership when taking decisions on the main issues of regulation of social and labor relations. Primary trade union organizations of all five power plants being the members of All-Russian Electric Trade Union (ARETU) public organization uniting about 90 per cent of the Company's employees are the Company's partner. Collective agreements of power plants based on long-term practice of effective social partnership have been recognized as the best among branch and regional trade unions for a number of years.

- The collective agreement of Nevinnomysskaya GRES received the following recognitions: the best in the Stavropol Territory (All-Russian electrical trade union – ARETU) and the 3rd place in the industry competition (ARETU) in 2014, the best in the Stavropol Territory (ARETU) and the 2nd place in the industry competition (ARETU) in 2015, the best in the Stavropol Territory (ARETU) and the 2nd place in the industry competition (ARETU) in 2016, the best in the Stavropol Territory (ARETU) and the 3rd place in the industry competition (ARETU) in 2017
- The collective agreement of Reftinskaya GRES in 2013 was recognized the best in the Sverdlovsk Region (ARETU) and won the 2nd place in the industry competition (ARETU).
- The collective agreement of Sredneural'skaya GRES in 2014 was recognized the best in the Stavropol Territory (ARETU) and won the 2nd place in the industry competition (ARETU), in 2017 it was recognized the best in the Sverdlovsk Region (ARETU) and won the 2nd place in the industry competition (ARETU).
- The collective agreement of Konakovskaya GRES in 2017 was recognized as best in the Tver region (Federation of Independent Trade Unions of Russia).

Current collective bargaining agreements were accepted for a period of three years until December 31, 2019. Collective agreements cover 2190 persons. Nevertheless, the parties of social partnership find opportunities for their improvement.

The number of employees covered by the collective agreement



Implementation of well-balanced and responsible social policy became the Company's continuing tradition. Employees have a social package exceeding the level guaranteed by the labor laws and sectoral tariff agreement in the electric power industry. Former employees - veterans of the electric power industry - receive corporate pensions.

The Company has created favorable conditions for keeping and improving health of employees, in particular, 100% of the Company employees, namely employees hired by the Company on a permanent, temporary, full-time and part-time basis, as well as employees provided to the

Company under outstaffing contracts, are provided with life insurance and voluntary medical insurance policies. The voluntary medical insurance policy allows the Company's employees to promptly receive qualified medical assistance in the most popular and sought-after medical institutions in the region where the employee lives. The life insurance policy covers the risks associated with onset of fatal accident, disability or injury due to industrial incident, or initial diagnosis of a critical illness (life-threatening illness). In the reporting year, there were no cases of payments due to death or of disability due to an industrial incident because of lack of grounds. The recognition of a case as an insured one and the decision on compensation payments is made by the insurance Company.

The Company employees have a possibility of annual free vaccination against flu, this allows reducing the growth of colds during autumn and winter period. In addition, the Company provides free vaccination against tick-borne encephalitis to employees working in the regions that are endemic to tick-borne viral encephalitis, whose nature of work contains the risks of a tick bite.

In the event of temporary disability of an employee related to illness or maternity leave, the Company assumes the cost of additional financial support for the employee in excess of the standards established by law, in order to minimize employee's possible losses related to a temporary suspension of work activities in this period.

The Company implements a program of non-state pension coverage for employees, aimed at developing corporate culture and motivating employees to work effectively, retaining qualified specialists and attracting workers in scarce specialties, as well as creating economic stability of the Company's employees. The right to receive a non-state corporate pension is received by those employees who, at the time of the onset of pension bases, have been working in the Company for more than 10 years.

6.5. Human Rights

412-2

Observance of human rights is at the core of corporate culture of Enel Group. One of the most important challenges for the Company is to keep pace with a constantly changing world marked by profound social, economic, and cultural gaps and differences.

On September 25, 2013, the Board of Directors of Enel Russia approved the Human Rights Policy to integrate the UN-proposed Guiding Principles on Business and Human Rights into the Company procedures. The Policy is based on the respect of all rights and, in particular, on the following principles.

Regarding employment practices:

- rejection of forced or compulsory labour, as well as child labor;
- respect for diversity and non-discrimination;
- freedom of association and collective bargaining;
- compliance with health and safety requirements;
- fair and favorable working conditions.

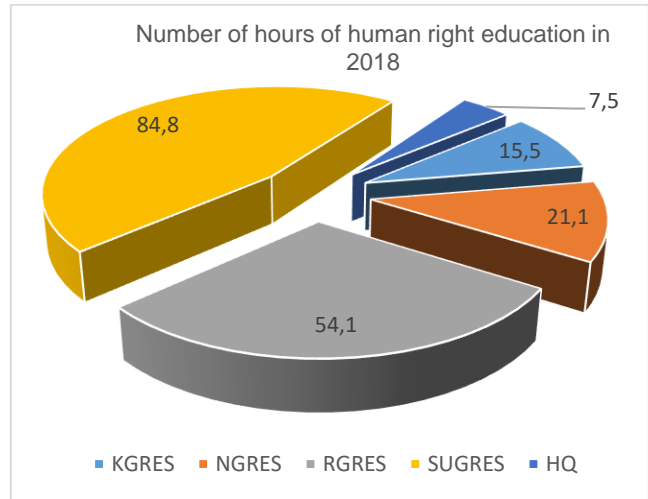
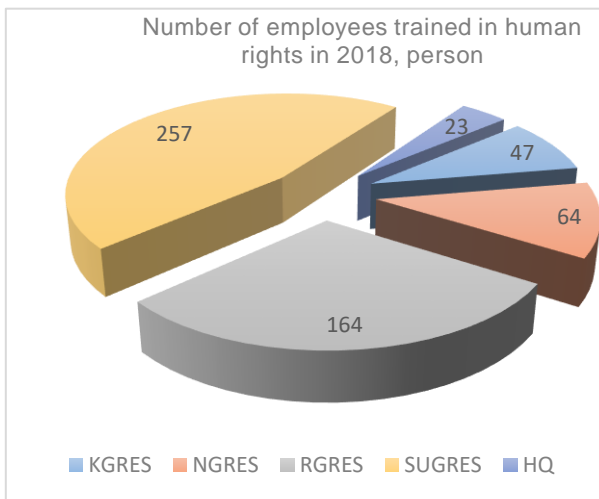
Regarding society:

- respect for the rights of communities and native populations (with focus on those that could be affected by projects and industrial activities of the Company);
- zero tolerance to corruption;
- confidentiality and proper use of communication tools.

The Company's corporate practices are based on recognized international standards in human rights, such as:

- The Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights; main conventions of International Labor Organization (ILO) including conventions on the rights of indigenous and other tribal and semi-tribal populations in independent countries;
- ILO Declaration on Fundamental Principles and Rights at Work;
- The United Nations Convention on the Rights of the Child, the European Convention on Human Rights.

In late 2018, Enel Group launched an online training course on observance of human rights completed by 555 employees during the reporting period, this amounts to 183 hours. In 2017, such training was not conducted; therefore, quantitative data are provided only for 2018.



6.6. Social impact

6.6.1. Engaging the local communities

103-1 103-2 103-3 102-12 102-26

Enel Russia seeks to become a driver of changes and to look for new business opportunities in dealing with social and environmental issues. For this purpose, we establish strategic and comprehensive partnerships with stakeholders including local community, and measure the social impact of our operations and our projects and initiatives in the long term. Engaging the local communities – this is one of the bases for Sustainable Development Plan of Enel Russia. Taking into account the needs and priorities of local community in its activities, the Company can tackle new challenges in a rapidly changing environment, create a more competitive business model, strengthen the strategy and improve ongoing processes. The activities for engaging the local communities are aimed at minimizing risks in relations with them as well as at creating new opportunities for the Company and community while developing joint initiatives.

We rely on the local communities we work in. Enel Russia respects the rights of local communities, supports them and promotes their development. Ongoing dialogue, engaging small and medium-sized businesses, NGOs and other organizations of local scale allows us to develop projects that contribute to the creation of shared value in the long term. Our objective is to find opportunities

for creating shared value for the Company and its stakeholders. This allows us to combine effectively increased competitiveness with improved conditions for economic and social development at the regional level.

The Company's activities for engaging the local communities are regulated by the following documents:

- Operating Instruction "On Charity And Social Activities" – determines the principles for formation of the program on social support of local communities and directions of assistance;
- Operating Instruction "University Relations" – sets the Company's approach to interaction with educational institutions;
- Procedure "CSV Process Definition and Management" – regulates implementation of the concept "Creating Shared Value" throughout the entire value chain.

The Deputy General Director – Head of People and Organization in PJSC Enel Russia also responsible for Sustainability, who is also the Chairman of the Board of Directors of PJSC Enel Russia, is responsible for development and implementation of programs for engaging the local communities. The Sustainability Unit ensures compliance of sustainable development projects at the country level with the goals of Enel Group including the UN SDGs, model "Created Shared Value". In addition, the Sustainability Unit is responsible for interacting with local communities.

We use the tools and methods developed by Enel Group to evaluate the efficiency of managing the activities for engaging the local communities. All projects for engaging the local communities are evaluated in terms of their contribution to the UN SDGs. To measure the contribution to SDGs of a particular project, we count the number of beneficiaries. In 2018, we transformed the calculation method significantly: if earlier both direct and indirect beneficiaries were taken into account, i.e. those who could use the created value under certain circumstances, now we take into account only direct beneficiaries. In this regard, their number decreased but the quality and reliability of the data improved.

Another tool for evaluation of social and economic impact we started applying in 2018 for selected projects is a preliminary impact evaluation. It makes implementation of Creating Shared Value model comprehensible and transparent. Preliminary impact evaluation allows provide rationalization for the relationship between social investments and business while determining direct economic effect for the Company and community. A business operating in the interests of sustainable development creates an interconnected ecosystem in the territory of its presence. Its main goal is to take into account and meet the interests of all parties involved.

In addition, the tools of Creating Shared Value model are used to evaluate the efficiency of performance (see section "Creating Shared Value" p. 71).

Selected projects 2018

"Big goals – small steps"

In 2018, under the auspices of the Year of the Volunteer in Russia, we launched "Big Goals – Small Steps" project designed to help employees believe that change is possible if one starts changing oneself and their immediate circle. The project outlined the UN SDGs and the role of volunteering in achieving them. We offered volunteers to choose three SDGs and come up with at least one good deed, one step for each of them. The leaders who formed teams of like-minded fellows from their colleagues and local community became the coordinators of volunteer initiatives at the power plants. From April to November 2018, the participants developed from scratch and implemented more than 45 various volunteer initiatives and campaigns including organization of voluntary environmental clean-ups, donor initiatives, charity bike ride; carrying out renovation of the facade of the children's

clinic; work in a shelter for homeless animals, delivery of a series of interactive environmental eco-lectures in kindergartens. The teams took more than 1,000 small steps towards the UN SDGs. The project involved 15 leaders; they mobilized more than 80 like-minded colleagues and nearly 200 volunteers from the local community.

Open Power Plant "Changing the world by changing yourself"

“Open Power Plant” is a project of Enel Group that has existed in Russia since 2008. Every summer Enel Russia power plants – Reftinskaya, Sredneuralskaya, Konakovskaya and Nevinnomysskaya GRES – are open for everyone for one day. The guests of “Open Plant” can visit educational and entertainment events, take tours around the power plant including production premises and a museum, to find out more about the history of the plant construction and learn how electric power and heat power appears. This year the topic of the event was sustainable development and the UN SDGs. Under the motto “Changing the world by changing yourself”, the guests of the event studied up on the Sustainable Development Goals and learned how, by changing their daily habits, one can contribute to big changes in the world. In 2018, the Open Plant event was visited by more than five and a half thousand people.

Projects for implementation of the principles of circular economy

In order to gradually implement the principles of circular economy into the Company's business processes, we transfer used IT equipment and furniture in good condition to our social partners, educational and healthcare institutions. Thus, we contribute to the increase of efficiency and improvement of the material and technical conditions of our social partners and develop social infrastructure. The transferred IT equipment helps improving computer literacy and makes modern digital technologies available to the local community.

Cooperation with universities

We have been cooperating with specialized educational institutions for many years: we improve the facilities of colleges and universities, create special laboratories, as well as pay corporate scholarships to the best students and young tutors that allows identifying, supporting and providing additional incentivation the most talented of them. Enel Russia offers also internships at the power plants and at the central office for the students of specialized educational institutions.

PlayEnergy

In 2018, the tenth, anniversary, season of PlayEnergy – a corporate entertaining and educational project of Enel Group, took place as aimed at stimulating design, research and creative activity among schoolchildren and students of secondary and vocational educational institutions. PlayEnergy is designed to spread a culture of responsible energy use among young people, to present them different energy sources and types of generation. Each year, the organizers offer a new project topic that is somehow related to the current topics in the field of thoughtful attitude towards environment, rational use of natural resources, energy efficiency, sustainable development and safety. This year, the children were offered with five ideas for inspiration related to smart solutions: E-Home, E-Mobility, E-City, E-Power, E-World. Under the auspices of PlayEnergy, the energy specialists arrange excursions to power plants for children, open lectures and extracurricular activities. The schoolchildren, along with teachers, study specially designed educational materials, invent their own projects. The main prize of the competition is a trip to Italy. The anniversary season of PlayEnergy-2018 collected a total of 585 works in two age categories. 2,640 schoolchildren and students from 17 settlements of the Tver region, Stavropol Territory and Sverdlovsk region took part in the competition.

6.6.2. Social investments

413-2

The social investments are planned through a dialogue and close cooperation with local authorities, this ensures a better understanding of social and economic context of the region and helps to develop efficient and relevant joint projects in accordance with the UN SDGs. The Company strives for establishing comprehensive and long-term relationships with its social partners, healthcare and educational institutions, regional NGOs. Since 2017, we have repositioned a charitable program into the program "Social support to local communities" that has become one of the main tools for engaging the local communities in social and economic development of the regions of the Company's operation.

We improve the facilities of our social partners, healthcare, educational, social institutions in the regions of presence and create favorable conditions where they can achieve self-sustaining development, learn to form their own income. We solve acute issues of energy efficiency, provide modern technology and equipment so that quality education and healthcare become more available to the local community.

The content of the program is adjusted annually to meet the needs of the local community. In cooperation with the social partners, PJSC Enel Russia seeks to spread among the local community, and especially among the younger generation, a commitment to well-being, which is based on a healthy lifestyle, development and training, environmental education, culture of energy saving and rational consumption. Using the efforts of the Company and its partners from the public and non-profit sector, a foundation is established for an affordable, safe, environmentally friendly urban environment.

In 2018, the Company implemented 51 projects including assistance to 22 institutions of secondary, vocational and additional education, 13 kindergartens, 5 medical institutions, 6 organizations of assistance to veterans and disabled people (the full version of the program is available on the official website of the Company). The beneficiaries under this program amounted to almost 25 ths. persons.

Creating Shared Value

413-1, 413-2

Creating Shared Value (CSV model) has been implementing at the Company since 2017. It integrates social and environmental factors into business processes and entire value chain and underlies sustainable development practices. CSV is an important aspect of business that encourages applying innovative approach and searching for new opportunities while solving social issues.

In 2017, Enel Russia localized procedure No. 211 "CSV Process Definition and Management", thereby formalizing the obligation to implement CSV model at both the cultural and operational levels. The regulations formalizes the fact that sustainability must be embedded in all Company processes in all areas. The model is applied across the entire value chain including business development, engineering and construction as well as operation and maintenance.

The Company implements the CSV model throughout the value chain and at all stages of business management while creating value not only for own shareholders but for all stakeholders including employees and local community.

CSV tools (see the table below) and materiality matrix for each power plant allow us to determine a medium-term and long-term action plan that helps combining the Company priorities with the needs of local communities.

Context analysis	Identification of key factors related to social, economic and environmental aspects of each specific territory.
------------------	---

Identification of the stakeholders	Mapping and weighting of main stakeholders and recording their needs (see section “Engaging with stakeholders” p. 161).
Analysis of priorities and potential risks and opportunities	Identification of priorities, risks and opportunities for the Company and stakeholders.
Definition of the CSV plan	Development of the CSV plan in accordance with identified priorities and preliminary impact evaluation. This tool helps combining the needs and expectations of local communities with business priorities and objectives.
Implementation of the CSV plan	Implementation of the CSV plan in collaboration with strategic partners.
Monitoring, evaluation and reporting	Monitoring of the process, measurement of the impacts and reporting of the key KPIs.

The Company's activities impact the local community in the regions of presence. The company reduces the existing noise load by installing new noise-absorbing equipment at the power units (for details, see the “Air and Water Quality Monitoring section”, p. 45). Particles emissions are related to the activities of Reftinskaya GRES. In 2018, due to the technical refurbishment of two power units with the replacement of electrostatic precipitators, the emissions of solid fuel ash at the whole power plant of Reftinskaya GRES decreased by 37.6%. In addition, in 2011, the company entered into an agreement with the Government of the Sverdlovsk Region on cooperation in the field of environmental protection, in which there is a part on the improvement of the local population until 2021.

6.7. Sustainable supply chain

102-9 102-10 103-1 103-2 103-3 204-1 308-1 308-2

The supply chain management system of Enel Russia guarantees procurement transparency, fair competition, fair partnership and full compliance by all parties with relevant standards. Our objective is to make supply chain more reliable and stable. We are focused on transparency, responsibility and cooperation for efficient management of social, environmental and economic context in the supply chain. Improvement of efficiency when working with suppliers and creation of a system of sustainable procurement and supply chains is our fundamental objective.

We involve suppliers in the procurement process from the point a need arises. The Company is open to proposals and cooperation to develop joint innovative solutions that meet the needs of business. We arrange the work by the principles of trust, openness and involvement, and support communication channels that provide continuous two-way communication.

The Company's procurement activities are regulated by the following documents:

- Procedure “Vendor Rating” – defines the roles, responsibilities, sets a unified methodology for evaluating suppliers and taking measures for development and improvement of the suppliers’ activities;
- Procedure “Supplier Qualification” – defines the criteria and methods for qualifying selection of suppliers;
- Procedure “Tender management” – regulates the roles, responsibilities and methods for management of the procurement process from acceptance of the purchase request to contract signing;

- Policy "Purchase Request Management" – identifies the process for preparation of purchase requests for the purpose of ensuring transparency, correctness and ability to monitor the procurement process on an ongoing basis;
- Policy “Procurement Planning” and Operating Instruction "Procurement planning" – establish how procurement needs planning should be carried out;
- Policy “Contract management” – sets uniform requirements for contract work;
- Policy "Authorization for procurement of consulting services” – establishes the process of negotiation for procurement of advisory services;
- Operating Instruction "Delegated procurement" – defines the roles and responsibilities of all departments of the Company involved in the process of delegated procurement.

The responsibility for ensuring stability and transparency of the procurement process lies with the Head of Procurement. The Procurement Department has four main lines of activity: Procurement of Materials and Equipment, Procurement of Works and Services, Operational Support, Suppliers Qualification & Vendor Rating Unit. The procurement function seeks to maximize creation of business value in various forms: quality, timeliness, safety, capacity, risk reduction. For that purpose, we expand constantly the professional competencies of buyers and apply new process designs.

Key players in the supply chain are manufacturing contractors, distributors suppliers, retailers. Delivery of metal products, piping details, fittings, heating surfaces are a priority to meet the production needs. These purchases account for about half of the budget. The share of Russian companies among our suppliers is 97.68%. Offices, production sites of our contractors are located not only in the regions of presence of Enel Russia but also in other geographical zones of the Russian Federation.

The procurement process is structured as follows:

- creation of a needs plan;
- formation of the procurement plan;
- determination of procurement strategy and preparation of procurement documentation;
- search for contractors;
- technical and commercial expertise;
- analysis of the participants’ bids, selection of the best contractor and agreement signing, management of agreement implementation;
- amendments or additional data to the agreement.

In 2018, the Company initiated the process of procurement transformation. The most important changes that were implemented as part of this project included the following:

Modification of the tendering process	Introduction of a checklist for 75% of ongoing purchases with detailed, arranged, universal, and more standardized technical requirements for the bidders. This allowed performing selection of suppliers based on objective competitive criteria, increased transparency of procurement process through working with suppliers based on the principles of equality and fairness. In addition, the Company can now cover the production needs more quickly by reducing the time for examination of proposals received. This contributes to a more sustainable procurement interaction with other organizational units of the Company and with suppliers.
Switching from DTC (Design-To-Cost) methodology to DTV (Design-To-Value)	When choosing the winning bidder, we are not guided by the “best price” but by such important criteria as safety, quality, flexibility, potential for sharing knowledge and experience, sustainability, partnership, i.e. everything that allows creating additional value for

	business within a short and long-term period. Within the scope of new methodology, the “Should cost” tool is used and allows analyzing the pricing and determining market and fair prices - that helps us to choose more reliable partners and reduce the risks associated with the supply of low-quality products.
Platform implementation "Glassdoor"	The Company employees and suppliers can view information about suppliers in real time including information about the results of their activities, qualification status, contracts signed, tenders, contacts that makes the interaction process more transparent and open.

All suppliers are evaluated in terms of environmental impact. In 2018, there were no significant actual and potential negative environmental impacts in the supply chain. The procedure for interaction of PJSC Enel Russia with suppliers, contractors and subcontractors on environmental issues during performance of works, provision of services and supplies for PJSC Enel Russia is described in the Procedure No.522 "Interaction with suppliers and contractors in HSEQ". Enel Russia pays special attention to the issues of health, safety, environment and quality, and, thus, requires the supplier and its subcontractors to ensure the highest HSEQ standards by incorporating relevant requirements into agreements. Enel Russia seeks to minimize the negative environmental impact and takes constantly important steps in this area. Specifically, the Company organizes the supplier’s personnel training in significant environmental aspects related to its activities, and communicates the Company’s Integrated Policy in health, safety, environment and quality that is publicly available to external stakeholders.

This training is delivered not only for suppliers whose activities can potentially have a negative environmental impact but also for those who are involved in works/services/supplies without having a negative environmental impact.

Therefore, if the contractor’s activity is related to any kind of environmental impact, we evaluate it and take into account at the stage of technical specification authorization, and include a list of our requirements in the subsequent agreement.

Recently, the issues of interaction with suppliers and their evaluation in terms of compliance with environmental requirements has acquired particular importance in the Company. When preparing technical specifications for the supply, internal customers include environmental requirements for potential suppliers. At the stage of selecting a supplier, selection is carried out according to many criteria, among which there are ecological ones. If a supplier can have a significant environmental impact, Enel Russia cooperates with him to achieve positive changes and reduce the impact. In 2018, the share of suppliers that have passed a preliminary assessment for compliance with the environmental criterion was 11% of the total number. It should be borne in mind that purchases up to a certain limit and at the same time not requiring examination by Health & Safety, and, consequently, the environment, as well as those that do not fall within the perimeter of the Procurement Office, can be carried out by other departments of the company, for example, specializing in finance commercial activities, communications, etc. That is, the total number of suppliers includes those with which other divisions of the Company, but not the Procurement Department, interact, and their share is more than 60%.

The suppliers shall inform the Company on all environmental incidents, emergency situations, environmental near misses and violations of the rules related to their activity and take immediate measures for their elimination. This is an essential condition of the agreement. Based on the results of 2018, no such cases were identified (see Annex p. 186)

7. Corporate governance

7.1. Corporate governance system

103-1 103-2 103-3 102-18

We are committed to maintain a balance of interests of all shareholders and form an efficient mechanism for controlling Company management by shareholders. We comply with the disclosure requirements provided by law and are committed to comply with the best national and international practices in development of corporate governance. Our objective is to create the most transparent and efficient corporate governance system among Russian public companies to increase investment attractiveness of the Company.

Corporate governance in PJSC Enel Russia is built in accordance with the requirements of the laws of the Russian Federation, the Listing Rules of the PJSC Moscow Stock Exchange, and also taking into account the recommendations of the Code of Corporate Governance approved by the Bank of Russia.

The main internal documents regulating corporate governance are: ⁷

- Charter;
- Regulation on the order of preparation and holding the General Shareholders' Meeting;
- Regulation on the order of convening and holding meetings of the Board of Directors.
- Regulation on the HR and Remuneration Committee, Audit and Corporate Governance Committee and Related Party Transactions Committee of the Board of Directors;
- Regulation on corporate secretary.

The Company shares are admitted to organized trading in the quotation list of the first (highest) level. During 2018, the Company complied with the requirements for corporate governance stipulated in the Listing Rules of PJSC Moscow Exchange for the shares included in the first level of the List, in particular:

- the Board of Directors is formed at the Company composed of four independent directors;
- The Audit and Corporate Governance Committee as well as HR and Remuneration Committee were headed by independent directors;
- the Company has a Corporate Secretary accountable to the Board of Directors;
- the previously approved dividend policy was in effect;
- the head of the internal audit unit functionally reports to the Board of Directors of the Company, and administratively to General Director.

Dynamics of the implementation of recommendations for the Corporate Governance Code

	31.12.2016	31.12.2017	31.12.2018
The number of paragraphs of the Corporate Governance Code that PJSC Enel Russia fully complies with (1 not applicable)	34	60	74
The number of paragraphs of the Corporate Governance Code that PJSC Enel Russia partially complies with	22	15	5
The number of paragraphs of the Corporate Governance Code that	23	4	0

⁷ These documents are available on the Company's website <https://www.enelrussia.ru>

PJSC Enel Russia does not comply with			
---------------------------------------	--	--	--

During 2018, the Company corrected 14 cases of non-compliance with the best national corporate practices - the Corporate Governance Code.

During 2018, the Company continued to comply with a substantial part of the recommendations of the Code of Corporate Governance, and also took steps to implement a number of previously unobservable recommendations, the most significant of them are as follows:

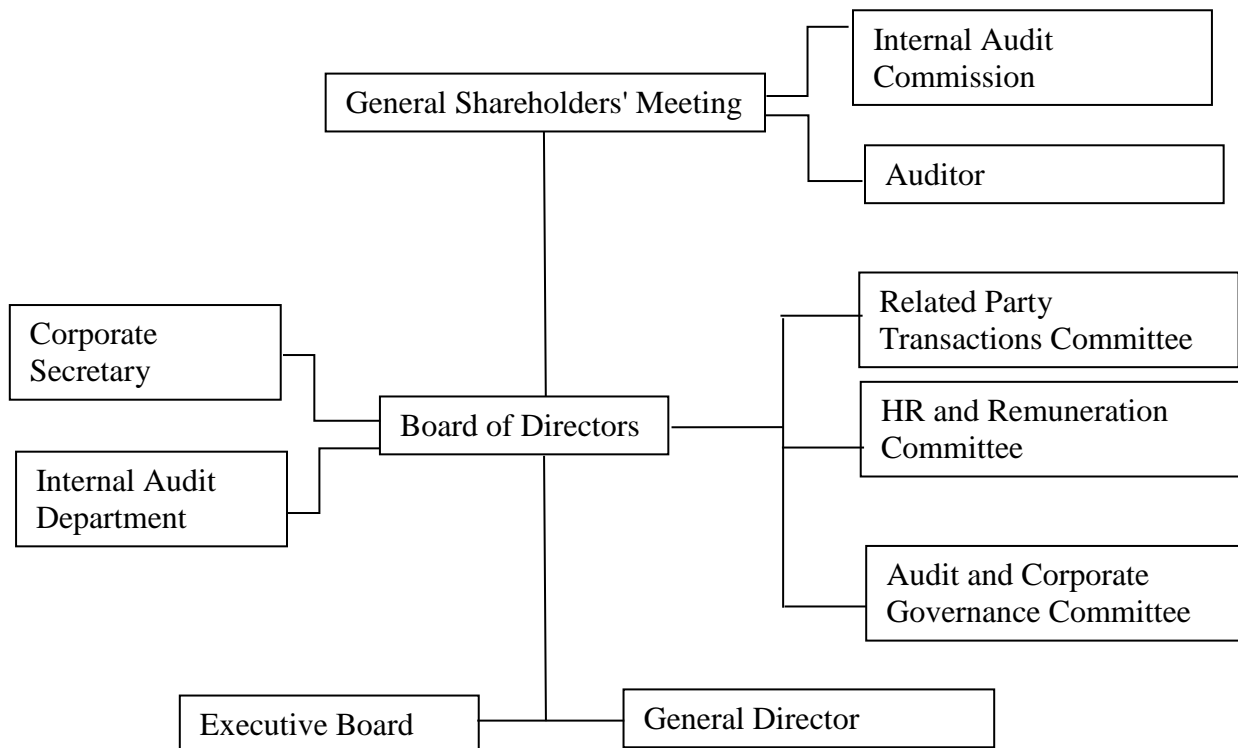
- The position of the Board of Directors on all issues on the agenda including the opinion of the Board of Directors on independence of each candidate to the Board of Directors was included in the materials for the General Shareholders' Meeting held in 2018;

- by the date of the General Shareholders' Meeting, the Company had no quasi-treasury shares, and thus such shares did not participate in the voting;
- independent directors accounted for more than 1/3 of the composition of the Board of Directors formed in 2018 (4 out of 11);
- The chairmen of all the committees of the Board of Directors elected in 2018 (Audit and Corporate Governance Committee, HR and Remuneration Committee, Related Party Transactions Committee) are independent directors;
- the Policy for remuneration and reimbursement of expenses (compensations) to members of executive bodies and other key executives was adopted while clearly defining the approaches to remuneration to the specified persons;
- in accordance with the Regulation approved in 2018 on payment of remunerations and compensations to the members of the Board of Directors, the fixed annual remuneration is set as the only monetary form of remuneration to the members of the Board of Directors for their work in the Company's Board of Directors;
- The Remuneration Committee provided the Board of Directors with recommendations on implementation of the Policy for remuneration and reimbursement of expenses (compensation) to the members of executive bodies and other key executives as well as Regulation on payment of remunerations and compensations to the members of the Board of Directors;
- In 2018, the Board of Directors of the Company approved an information policy developed with regard to the recommendations of the Bank of Russia Code of Corporate Governance and determines an easy procedure for provision of shareholders with access to the information including on the legal entities controlled by the Company.

More details on dynamics in implementation of the recommendations of the Code into the system of corporate governance of PJSC Enel Russia can be found in the Report on compliance with principles and recommendations of the Code of Corporate Governance (see the section “Information on the Company's compliance with the principles and recommendations of the Corporate Governance Code” of this Annual Report).

“Enel Russia” continues also to develop initiatives started in 2017. The Related Party Transactions Committee held 10 meetings and issued recommendations for more than 40 transactions. External consultant assessed the effectiveness of the Board of Directors for 2017, and in 2018 self-assessment of the efficiency of the Board of Directors was carried out, as a result of which no critical aspects were identified in the work of the Board of Directors. The Company annually prepares a report on compliance with the recommendations of the Code of Corporate Governance, which is a part of the Annual Report.

In 2018, the corporate governance system worked efficiently. In future, “Enel Russia” plans to maintain corporate governance at a high level and ensure compliance with the recommendations of the Code of Corporate Governance.



The management bodies of PJSC Enel Russia are General Shareholders' Meeting, Board of Directors, General Director and Executive Board. The Board of Directors is supported by consultative and advisory bodies - Committees that ensure efficient performance by the Board of Directors of its Company's activities overall management functions: HR and Remuneration Committee and Audit and Corporate Governance Committee, Related Party Transactions Committee.

The Company has a Corporate Secretary reporting to the Board of Directors as well as an auditor approved by the General Shareholders' Meeting. In order to monitor the financial and business activities, the General Meeting of Shareholders elects the Internal Audit Commission.

7.2. Management bodies of the Company

7.2.1. General Shareholders' Meeting

The supreme Management Body of PJSC Enel Russia is the General Shareholders' Meeting. The procedure for preparation and holding the General Shareholders' Meeting is defined by the Federal Law On Joint Stock Companies, by-laws of the Bank of Russia, by the Company Charter as well as by the Regulations on preparing and holding the Company General Shareholders' Meeting.

The list of items within the competence of the General Shareholders' Meeting is defined by the Federal Law of the Russian Federation On Joint Stock Companies and the Charter of the Company.

The Annual General Shareholders' meeting was held on June 4, 2018, with the following decisions adopted:

1. Annual report of PJSC Enel Russia for 2017 was approved;
2. The annual accounting (financial) statements for 2017 were approved;

3. The distribution of profit was approved and a decision was made to pay dividends of PJSC Enel Russia by the results of financial year 2017;
4. The Board of Directors of PJSC Enel Russia was elected;
5. The Internal Audit Commission of PJSC Enel Russia was elected;
6. Auditor of PJSC Enel Russia was approved;
7. New version of the Company's Charter were approved;
8. Rules of procedure for Convening and Holding of Meetings PJSC Enel Russia Board of Directors was approved in the new version;
9. New version of the Regulation on payment of remunerations and compensations to members of the Board of Directors of PJSC Enel Russia was approved;
10. Consent was given for conclusion of the agreement for transfer of Contracts (rights and obligations under the agreements) for Capacity Supply to qualified generation facilities operating based on renewable energy sources that were signed by PJSC Enel Russia, in favor of LLC Enel Rus Wind Kola, this is a related party transaction;
11. Consent was given for conclusion of the an agreement for transfer of Contracts (rights and obligations under the agreements) for Capacity Supply to qualified generation facilities operating based on renewable energy sources, they were signed by PJSC Enel Russia, in favor of Enel Rus Wind Azov LLC, this is a related party transaction;
12. Consent was given to issue an independent guarantee of PJSC Enel Russia for Enel Rus Wind Kola LLC, this is a related party transaction;
13. Consent was given to issue an independent guarantee of PJSC Enel Russia for Enel Rus Wind Azov LLC, this is a related party transaction;
14. Consent was given for conclusion of the suretyship agreement of PJSC Enel Russia for obligations of Enel Rus Wind Kola LLC, as a related transaction;
15. Consent was given for conclusion of the suretyship agreement of PJSC Enel Russia for obligations of Enel Rus Wind Azov LLC, as a related party transaction;
16. Consent was given for conclusion of loan agreement between PJSC Enel Russia and Enel Rus Wind Kola LLC, as a related party transaction.

7.2.2. Board of Directors of the Company

102-19 102-20 102-24 102-31

The Board of Directors of PJSC Enel Russia carries out general management of the Company's activities and acts within the framework of the competence and in accordance with the procedure determined by the Federal Law On Joint Stock Companies, the Charter of the Company and the Regulation on Procedure for Convening and Holding Meetings of the Board of Directors of the Company.

The Board of Directors is elected in accordance with the applicable laws and the Charter of the Company until the next Annual General Shareholders' meeting. During the General Shareholders' Meeting, where the Board of Directors was elected, the shareholders were provided with evaluation of candidates, evaluation of independence of candidates based on the criteria for independent status of the members of the Board of Directors contained in the Listing Rules of Moscow Stock Exchange (posted at the portal <https://www.moex.com>) as well as the opinion of the Board of Directors on the status of independence of candidates in accordance with the independence criteria.

The General Director reports regularly to the Board of Directors on the Company activities. The Board of Directors, when overseeing the management of the Company and its activities, may instruct the management of the Company on certain issues. One of the members of the Company's Board of Directors in 2018 was the Deputy General Director - Head of Human Resources and

Organization of PJSC Enel Russia, whose areas of responsibility include, among other things, sustainable development issues. Authorized managers of the Company are vested with the rights and obligations for solving economic, environmental and social problems with the right to delegate authority to other employees in accordance with their competence and function.

The Board of Directors of the Company consists of 11 members. Organization of the activities of the Board of Directors, rights and obligations of its members are defined by the Regulation on the Procedure for convening and holding meetings of the Board of Directors.

Meetings of the Board of Directors are held in accordance with the approved Plan of Work of the Board of Directors, and also as the need arises, but at least once a quarter. The work plan of the Board of Directors is formed on the basis of proposals from the Chairman and members of the Board of Directors, the Audit Commission of the Company, the Director General of the Company, a member of the Management Board and the Auditor of the Company.

The Board of Directors of PJSC Enel Russia elected on 15.06.2017

1. Stephane Maurice Zweguintzow
2. Roberto Antonio Enzo Deambrogio
3. Rodolfo Avogadro Di Vigliano
4. Giuseppe Luzzio
5. Denis Mosolov
6. Marco Proietti
7. Gerald Joseph Rohan Independent Director
8. Tagir Alievich Sitdekov, Independent Director
9. Laurent Nicolas Souviron
10. Marco Fragale
11. Alexander Arthur John Williams, Independent Director

The Board of Directors of PJSC Enel Russia elected on 04.06.2018

1. Stephane Maurice Zweguintzow
2. Andrea Guaccero, Independent Director
3. Roberto Antonio Enzo Deambrogio
4. Rodolfo Avogadro Di Vigliano
5. Maria Antonietta Giannelli
6. Giorgio Callegari, Independent Director
7. Denis Mosolov
8. Andrea Palazzolo, Independent Director
9. Tagir Alievich Sitdekov
10. Alexander Arthur John Williams, Independent Director
11. Marco Fragale

Information on the members of the Board of Directors of the Company

102-22 102-23 102-25

Stephane Maurice Zweguintzow

Chairman of the Board of Directors of PJSC Enel Russia.

Born in 1968.

He graduated from the Institut d'Etudes Politiques de Paris. He has Master's Degree in International Business.

From 2000 to 2007, he held the position of Head of the Moscow Office of Enel, Enel Produzione S.p.A.

In 2008–2010, he headed the Russian Gas Department of Enel Trade S.p.A.

From 2010 to 2014, he was Business Development Director in Enel France SAS.

From 2014 to August 2018 - Head of External Relations in PJSC Enel Russia.

Since August 2018, he is Deputy General Director – Head of People and Organization in PJSC Enel Russia also responsible for Sustainability.

A citizen of France.

He was first elected to the Board of Directors of PJSC Enel Russia in 2007. He was a member of the Board of Directors in 2007–2008, and at the moment since 2013.

Executive Director.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Andrea Guaccero

Independent Director.

A Chairman of HR and Remuneration Committee and a member of the Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia.

Born in 1970.

He graduated with honors from the Law School of the University La Sapienza in Rome and holds a Ph.D. in Public Law of Economy from the University La Sapienza in Rome.

Since 2007, he has been Full Professor of Law in the Law School of the University Roma Tre, in Rome. Previously, between 2000 and 2007, he taught at the Law School in the University of Palermo.

He is a non-executive member of the Board of Directors of Marzotto s.p.a.

A citizen of Italy.

He was first elected to the Board of Directors of PJSC Enel Russia in 2018.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Roberto Antonio Enzo Deambrogio

Born in 1975.

He graduated from Bocconi University in Milan with Degree in Economics and received Master's Degree in Business Administration at Columbia Business School in New York.

From 2010 to 2015, he held the position of Head of Europe Area, South Africa and Morocco of Enel Green Power S.p.A.

In 2015–2016, he was Head of Eastern Europe Region of Enel S.p.A.

In 2013 - 2018 he was member of the Board of Directors of ENEOP S.A., Enel Green Power Rsa (Pty) Ltd, Enel Green Power Espana S.L., Enel Green Power CAI Agroenergy S.r.l., Slovak Power Holding a member of the Supervisory Board of Slovenske Elektrarne, Sole Administrator of Enel Green Power Calabria S.p.A., Chairman of the Board of Directors of Enel Green Power Romania, Enel Green Power Bulgaria, De Rock Int'l S.r.l., Gv Energie Rigenerabili Ital-Ro S.r.l., Elcomex Solar Energy S.r.l., Enel Green Power Hellas Sa, Taranto Solar S.r.l., Enerlive S.r.l., Maicor Wind S.r.l., Energia Eolica S.r.l., Enel Green Power ESE S.r.l. at different times.

April 2016 – September 2018 he is Head of Europe and North Africa of Enel S.p.A. Since October 2018 he is Head of Communications of Enel S.p.A

A citizen of Italy.

He was first elected to the Board of Directors of PJSC Enel Russia in 2015.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Rodolfo Avogadro Di Vigliano

Born in 1967.

He graduated from Law School of the University of Milan, holds Master's Degree in laws from New York University. Italian advocate, solicitor of England & Wales (not practicing).

From 2011 to 2015, he was Head of Legal and Corporate Affairs (Iberia and New Countries) and Secretary of the Board of Directors of Enel Green Power España S.p.A.

In 2015-2016 - Head of Legal and Corporate Affairs (Europe, North Africa and Middle East) of Enel Green Power S.p.A.

Since May 2016, he held a position of Head of Legal and Corporate Affairs (Europe and North Africa) of Enel S.p.A. Since January 2019 he is the Head of Legal and Corporate Affairs in Enel X. He is a member of Supervisory Board of Slovenske Elektrarne, president of Enel Distribucion Chile, S.A.

A citizen of Italy.

He was first elected to the Board of Directors of PJSC Enel Russia in 2017.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Maria Antonietta Giannelli

Born in 1973.

She graduated from the University of Lecce in Economics and Finance and from LUISS Guido Carli holding MBA degree.

Since 2013, she holds the position of Mergers & Acquisitions Senior Project Manager in Administration, Finance and Control Department of Enel S.p.A.

A citizen of Italy.

She was first elected to the Board of Directors of PJSC Enel Russia in 2018.

She has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. She has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Giorgio Callegari

Senior independent director, Chairman of the Related Party Transaction Committee, member of the Audit and Corporate Governance Committee, member of the HR and Remuneration Committee of the Board of Directors of PJSC Enel Russia.

Born in 1959.

University: Politecnico di Torino – Mining Engineering.

In 2011-2018, Deputy CEO Strategy and Alliances of PJSC Aeroflot

From 2014 to 2018, member of the Board of Directors of Pobeda Airlines LLC, in 2017-2018 – member of the Board of Directors of JSC "Aeromar".

In 2016-2018, Member of the Council of Sita.

From October 2013 until now – member of the Board of Directors of Ingosstrakh Insurance Company – from June 2018 Chairman of the HR Committee

CEO and Chairman of LLC Generali Russia and CIS

Chairman of GIM-Unimpresa – Association of Italian Enterprises in Russia

A citizen of Italy.

He was first elected to the Board of Directors of PJSC Enel Russia in 2018.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Denis Viktorovich Mosolov

Member of the Audit and Corporate Governance Committee, member of the Related Party Transaction Committee of the Board of Directors of PJSC Enel Russia.

Born in Moscow in 1981.

He attended Macquarie University in Sydney and received Bachelor of Commerce, specializing in Actuarial Studies in 2002.

He has been with Macquarie Group since 2008, specializing in funds management of infrastructure assets in Australia, Europe and Russia.

A citizen of Australia.

He was first elected to the Board of Directors of PJSC Enel Russia in 2016.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Andrea Palazzolo

Independent director.

Chairman of Audit and Corporate Governance Committee, member of the Related Party Transaction Committee of PJSC Enel Russia.

Born in 1974.

He graduated with honors from Business Law School of the LUISS Guido Carli.

In 2004-2016 - Trustee with power of attorney, Compliance Officer in Gruppo Maggiore

In 2013-2015 - Independent Consultant of Sicily Region, member of the Board of Directors of Fintyre S.p.A.

Since 2009 – Professor, Scientific Coordinator in the LUISS University, Rome.

He is a Lawyer of Studio Legale Palazzolo. He is Independent Consultant, member of Legality, Trasparenza and Administrative Efficiency Committee in Sicily Region and Chairman Of Supervisory Body of Law 231/2001 of Happy Games.

A citizen of Italy.

He was first elected to the Board of Directors of PJSC Enel Russia in 2018.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Tagir Alievich Sitdekov

Member of the HR and Remuneration Committee of the Board of Directors of PJSC Enel Russia

Born in 1976.

He graduated from the Plekhanov Russian Academy of Economics, economist. He has MBA from the University of Chicago Booth School of Business.

Since September 2011, he is the First Deputy General Director, since 2012 hi is member of the Executive Board of JSC Management Company RDIF (before reorganization – LLC Management Company RDIF).

He is Director of Causie Investments Limited, PFR Partners Management Limited, RDIF Asset Management Limited, non-executive Director and member of Audit, Risks and Internal Control Committee of Tigers Realm Coal Limited.

He is a member of LLC Severo-vostochnaya magistral, LLC Yugo-vostochnaya magistral, LLC Road-investment company, LLC Professional logistics technologies, JSC Terminal Vladivostok, PJSC GTM, Desiberg Holdings Limited, Chairman of the Board of Directors of LLC Natsionalnaya sim-karta.

A citizen of Russian Federation.

He was first elected to the Board of Directors of PJSC Enel Russia in 2012.

He was a member of the Board of Directors in 2012–2014, and he has been an effective member since June 2015 up to date.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Alexander Arthur John Williams

Independent director.

A member of the Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia.

Born in 1968.

He has Bachelor's Degree at University of St Andrews (United Kingdom); MBA at London Metropolitan University.

In 2010-2016, he was Advisor of Solibay Investment Limited.

In 2012-2018, he was member of Board of Directors of OJSC Selenginsky Pulp and Cardboard Mill, PJSC Mostotrest, PJSC Kuzbusskaya Toplivnaya Company and PJSC DIXY GROUP.

Since 2011 - Director of Taiga Capital (UK) limited, United Kingdom of Great Britain and Northern Ireland.

A citizen of United Kingdom of Great Britain and Northern Ireland.

He was first elected to the Board of Directors of PJSC Enel Russia in 2016.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Marco Fragale

Born in 1976

Education:

– Politecnico di Milano (Milan Polytechnic University), Master of Science in mechanical engineering majored in hydrocarbons technology.

– Helsinki University of Technology, Master of Science in mechanical engineering majored in environmental engineering.

– SDA Bocconi School of Management, MBA, focus on Corporate Finance.

Between 2010 and 2014 he was the Head of Upstream Gas for Russia and CIS, as well as the Head of the Branch of Enel Trade, Director of the Board and General Director of LLC Enel Gas Rus.

In 2014 –2015, he was Vice President, Head of Market Development of PJSC Enel Russia.

From 2015 to 2017, he held the position of Head of Business Development, Italy and Russia of Enel Produzione S.p.A.

Since 2017 to 2018 he is Head of Business Development, Europe and Morocco of Enel Produzione S.p.A.

Since 2019 he is the Head of Italy Portfolio Evolution unit of Enel Produzione S.p.A.

A citizen of Italy.

He was first elected to the Board of Directors of PJSC Enel Russia in 2017.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

In 2018, the induction program was implemented for the newly elected members of the Board of Directors (A. Palazzolo, Giorgio Callegari, A. Guaccero, M.A. Gianelli).

Report on the work of the Board of Directors

102-22

In 2018, 14 meetings of the Board of Directors of PJSC Enel Russia were held (12 meetings in absentia-praesentia and 2 meetings in absentia). The Board of Directors of PJSC Enel Russia considered the following issues including:

- on the Company's business plan for 2019-2021;
- on approval of consolidated financial statements of PJSC Enel Russia as per IFRS;
- on approval of charity program for 2018;
- on approval of various related-party transactions;
- on preparation and holding of the General Shareholders' Meeting as well as on evaluation of independence of candidates to the Board of Directors;
- on performance of self-assessment of the Board of Directors for 2018;
- on corporate governance practices;
- on amendments to the composition of the Executive Board of the Company;
- the reports of the General Director on Company activities as well as on investment projects in wind energy, reports of the chairmen of the Committees of the Board of Directors were reviewed regularly.

During 2018, the Board of Directors approved a number of internal documents, namely the Policy for remuneration and reimbursement of expenses (compensation) of the members of executive bodies and other key executives of PJSC Enel Russia, Internal control and risk management policy of PJSC Enel Russia, Regulation on the Information Policy.

Participation of the members of the Board of Directors in the meetings of the Board of Directors in 2018

Date and form /Board of Directors' members	14.02 in person and in absentia	06.03 in absentia	15.03 in person and in absentia	05.04 in person and in absentia	18.04 in person and in absentia	27.04 in absentia	31.05 in person and in absentia	26.06 in person and in absentia	26.07 in person and in absentia	03.08 in person and in absentia	27.09 in person and in absentia	31.10 in person and in absentia	28.11 in person and in absentia	19.12 in person and in absentia
Gerald Joseph Rohan	✓	✓	✓	✓	✓	✓	✓							
Laurent Nicolas Souviron	✓	✓	✓	✓	✓	✓	✓							
Marco Proietti	✓	✓	✓	✓	✓	✓	✓							
Giuseppe Luzzio	✓	✓	✓	✓	✓	✓	✓							
Stephane Maurice Zweguintzow	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rodolfo Avogadro Di Vigliano	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Roberto Antonio Enzo Deambrogio	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Alexander Arthur John Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	-
Denis Mosolov	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tagir Alievich Sitdekov	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Marco Fragale	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Maria Antonietta Giannelli								✓	✓	✓	✓	✓	✓	✓
Giorgio Callegari								✓	✓	✓	✓	✓	✓	✓
Andrea Guaccero								✓	✓	✓	✓	✓	✓	✓
Andrea Palazzolo								✓	✓	✓	✓	✓	✓	✓



In the period of the meeting, the person was not a member of the Board of Directors

Committees of the Company's Board of Directors

Committees of the Board of Directors are created based on the Company's Board of Directors decision. These are consultative and advisory bodies, ensuring that the Board of Directors performs its functions in general management of the Company's activities efficiently.

Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia is acting by virtue of the Charter of the Company and the Regulation on the Audit and Corporate Governance Committee of the Board of Directors of the Company.

The main functions of the Committee include control of ensuring completeness, accuracy and reliability of the issuer's financial statements; control of reliability and efficiency of the risk management and internal control system functioning; ensuring independence and objectivity of the internal and external audit functions; assessment of corporate governance.

Composition of the Audit and Corporate Governance Committee elected on 28.06.2017:

1	Gerald Joseph Rohan (Chairman, Senior Independent Director)
2	Denis Mosolov
3	Alexander Arthur John Williams (Independent Director)

Composition of the Audit and Corporate Governance Committee elected on 26.06.2018:

1	Andrea Palazzolo (Chairman, Independent Director)
2	Andrea Guaccero (Independent Director)
3	Giorgio Callegari (Senior Independent Director)
4	Denis Mosolov
5	Alexander Arthur John Williams (Independent Director)

12 meetings of the Audit and Corporate Governance Committee (6 in presentia, 2 in absentia, 4 in presentia/absentia) took place in 2018.

During 2018, the Audit and Corporate Governance Committee gave recommendations to the Board of Directors regarding the candidate of the Company's auditor, preliminary approval of the Company's annual report for 2017, annual financial statements of the Company for 2017 as approved by the new version of the Regulation on Information Policy. In addition, the Committee reviewed the Internal Audit Report and IFRS consolidated financial statements of the Company for 2017, audit findings for 2017 and other issues. The Audit and Corporate Governance Committee compiled an assessment of the audit opinions on the Company's accounting (financial) statements for 2017.

HR and Remuneration Committee

The HR and Remuneration Committee of the Board of Directors of PJSC Enel Russia is acting by virtue of the Charter of the Company and the Regulation on the HR and Remuneration Committee within the Board of Directors of the Company.

The main functions of the HR and Remuneration Committee are:

- development and periodic review of the Company's policy on remuneration to the members of the Board of Directors, of the Company's Collective Executive Body and a person who performs the functions of a Sole Executive Body, surveillance over its introduction and implementation;
- preliminary assessment of the work of the Company's Collective Executive Body and a Sole Executive Body of the Company based on results of the Company's remuneration policy;
- development of conditions for early termination of labor contacts with the members of the

Company's Collective Executive Body and a person who performs functions of the Company's Sole Executive Body, including all liabilities of the Company and conditions for their provision;

- development of recommendations to the Board of Directors for determining the amount of remuneration and principles of bonus payment to the Corporate Secretary (head of organization unit performing the functions of the Corporate Secretary) of the Company;
- annual holding of detailed formal procedure of self-assessment or external assessment of the work efficiency of the Board of Directors and its members, as well as the committees of the Board of Directors, determining priority lines for complementing the composition of the Board of Directors;
- interaction with the shareholders that should not be limited to major shareholders only, in order to develop recommendations to the shareholders with regard to voting on election of the candidates to the Company Board of Directors;
- planning of appointments including with regard to continuity of business, succession of the members of the Collective Executive Body and a Sole Executive Body, development of recommendations to the Board of Directors as regards the candidates for the position of the Corporate Secretary (head of organization unit performing the functions of the Corporate Secretary), members of the executive bodies of the Company, candidates for the first level positions of the overall organizational structure of the Company.

Composition of HR and Remuneration Committee elected on 28.06.2017:

1	Tagir Alievich Sitdekov (Chairman, Independent Director*)
2	Alexander Arthur John Williams (Independent Director)
3	Roberto Antonio Enzo Deambrogio

* during the period of membership in the Committee

Composition of HR and Remuneration Committee elected on 26.06.2018:

1	Andrea Guaccero (Chairman, Independent Director)
2	Tagir Alievich Sitdekov
3	Giorgio Callegari (Senior Independent Director)

8 meetings of the HR and Remuneration Committee took place in 2018 (2 in absentia, 3 in presentia, 3 in praesentia/absentia). The issues regarding recommendations to the Board of Directors of the Company for evaluation of independence of candidates and evaluation of the candidates for members of the Board of Directors elected at the annual General Shareholders' Meeting, at the proposal to the Annual General Shareholders' Meeting of PJSC Enel Russia on the issue "On approval of new version of the Regulation on payment of remunerations and compensations to the members of the Board of Directors of PJSC Enel Russia", regarding changes to the composition of the Executive Board, approval of key performance indicators for members of the Executive Board and key executives of the Company, on recommendations to the Board of Directors of PJSC Enel Russia on the approval of long-term bonuses for key executives of PJSC Enel Russia, on approval of the Policy for remuneration and reimbursement of expenses (compensation) of the members of executive bodies and other key executives on self-assessment of the Board of Directors of the Company for 2018, on evaluation of independence of the members of the Board of Directors of the Company and others.

Related Party Transactions Committee

The Related Party Transactions Committee of PJSC Enel Russia acts based on the Charter and Regulation on the Related Party Transactions Committee of the Board of Directors of PJSC Enel Russia.

The main aim of the Committee is to advise and facilitate the work of the Board of Directors of the Company as regards the issues connected with consideration of related party transactions, situation of a conflict of interest and significant corporate actions.

The main functions of the Committee are:

- to ensure that a proposed related party transaction is based on terms such as could have been obtained in a transaction with an external party, where each side bargained knowledgeably and freely, unaffected by any relationship between them, i.e. at arm's length;
- to assist to the Board of Directors in identifying and averting conflicts of interest;
- to assist the Board of Directors to ensure that the rights and interests of the shareholders as well as of other stakeholders are protected in case of performance of significant corporate actions by the Company.

Composition of Related Party Transactions elected on 29.11.2017:

1	Denis Mosolov (Chairman)
2	Alexander Arthur John Williams (Independent Director)
3	Gerald Joseph Rohan (Senior Independent Director)

Composition of Related Party Transactions elected on 26.06.2018:

1	Giorgio Callegari (Chairman, Senior Independent Director)
2	Andrea Palazzolo (Independent Director)
3	Denis Mosolov

In 2018, 10 meeting of the Related Party Transactions Committee took place (7 in praesentia, 1 in absentia, 2 in praesentia/absentia). The main recommendations that were given by the Related Party Transactions Committee to the Board of Directors of the Company concerned the approval of related party transactions.

Participation of the members of the Board of Directors in the meetings of the Committees of the Board of Directors of PJSC Enel Russia in 2018

	Audit and Corporate Governance Committee	HR and Remuneration Committee	Related Party Transactions Committee
<i>Roberto Antonio Enzo Deambrogio</i>		2/2	
<i>Gerald Joseph Rohan</i>	7/7		4/4
<i>Denis Mosolov</i>	12/12		10/10
<i>Alexander Arthur John Williams</i>	8/12	2/2	4/4
<i>Tagir Alievich Sitdekov</i>		8/8	
<i>Giorgio Callegari</i>	5/5	6/6	6/6
<i>Andrea Palazzolo</i>	5/5		6/6
<i>Andrea Guaccero</i>	5/5	6/6	

Data in the table, stated in the 3/4 format state that a member of the Board of Directors could take part in 4 meetings of the Committee and took part in 3.

Remuneration and compensation of expenses of members of the Board of Directors

102-35 102-36

In 2018, the General Shareholders' Meeting of PJSC Enel Russia approved the Regulation on payment of remuneration and compensations to the members of the Board of Directors developed based on recommendations of the Code of Corporate Governance of the Bank of Russia. In accordance with this Regulation, a fixed remuneration is established as the only monetary form of remuneration to the members of the Board of Directors for their work on the Board of Directors of the Company. The Company does not pay remuneration to members of the Board of Directors, who have a paid position in the Company, for fulfillment their of duties of the members of the Board of Directors. Moreover, the members of the Board of Directors receive reimbursement of expenses based on application due to their presence at the meetings of the Board of Directors or performance their of job duties as the members of the Board of Directors. Please refer to the Regulation on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company for more details in «Investors» section on <https://www.enelrussia.ru>.

In 2018, a total amount of remuneration paid to PJSC Enel Russia members of the Board of Directors amounted to 33,935,962.84 roubles. In 2018, remunerations were paid to A. Guaccero, D. Callegari, D.V. Mosolov, A. Palazzolo, D.D. Rohan, T.A. Sitdekov, L. Sauviron, A.A.J. Williams, S.M. Zvegintsov. Moreover, S.M. Zvegintsov did not receive remuneration for the fulfillment of duties of the member of the Board of Directors, but he received remuneration as an employee of the Company. The costs associated with the performance of functions by the members of PJSC Enel Russia Board of Directors compensated by the Company in 2018 amounted to 5,086,209.76 roubles.

About the self-assessment of the BoD activity and the data on the main results of the self-assessment activity of the Board of Directors

102-28

PJSC Enel Russia conducted a self-evaluation procedure of the Board of Directors for 2018 in accordance with the Russian Corporate Governance Code's recommendations.

The self-evaluation was performed, primarily, through a questionnaire survey of the directors' opinions and desktop review of materials and information.

The self-assessment included the following: the evaluation of the whole Board of Directors, evaluation of each Board of Directors' Committee, evaluation of the Board of Directors' Chairman, evaluation of the Senior Independent Director and evaluation of each individual Board of Directors' member.

The self-assessment identified both strong points and areas of concern for the Board of Directors and its Committees in 2018.

Strong points of Audit and Corporate Governance Committee are: reviewing the financial reporting, monitoring the effectiveness and efficiency of the internal/external audit process and the auditor's independence, as well as considering internal audit reports and monitoring how major identified shortcomings are cured.

The strongest point of HR and Remuneration Committee's performance is considering the executive compensation system.

Related Party Transaction Committee manages all its key functions such as considering related party transaction with subsidiaries and intragroup transactions, protecting the rights and interests of the shareholders and other stakeholders very well.

Strong points of the Board of Directors correspond with Committee's strong points, such as ensuring effective internal audit, ensuring occupational and industrial safety, ensuring transparent process for approving significant transactions, including related-party transactions, major transactions and overseeing subsidiaries.

Also, directors have indicated a number of business lines, which can improve the Board of Directors' efficiency such as to have less issues on the agenda of the Board of Directors' in-praesentia meetings, necessity of additional training.

Following recommendations can be given to the Board of Directors' Committees for further improvement:

- The Audit and Corporate Governance Committee should focus on considering the questions in the area of risk management system compliance system.
- The HR and Remuneration Committee should raise the level of questions to be considered within succession plan, development and valuable Group workers retention and assessment of candidates for the Board of Directors' members.
- Related party transaction Committee should perform its functions on the same high level as in 2018.
- Adoption of the above-mentioned measures will allow the Board of Directors to increase its efficiency.

Corporate Secretary

The Company's Corporate Secretary acts in compliance with the Regulation on Corporate Secretary of PJSC Enel Russia approved by the Board of Directors on 29.09.2016.

The main objective of the activities of the Corporate Secretary are to ensure effective interaction with the shareholders, coordination of the Company's measures for protection of rights and interests of the shareholders, support of the effective work of the Company's Board of Directors.

The Corporate Secretary acts as the secretary of the Company Board of Directors, the Company General shareholders' meeting, Committees of the Company Board of Directors unless otherwise provided by the resolutions of the Company Board of Directors.

The Corporate Secretary of the Company is the officer of the Company. The Corporate Secretary of the Company is appointed and dismissed by the General Director of the Company by decision of the Board of Directors.

The candidate for the position of the Corporate Secretary of the Company shall have the higher education in law, economics or in business, shall have working experience in the area of corporate governance and experience in executive positions of minimum two years. The Corporate Secretary shall have knowledge, skills and experience sufficient for him/her to perform his/her obligations, excellent reputation and enjoy the trust of the shareholders.

Since April 2012, Zhanna Igorevna Sedova has been the Corporate Secretary of the Board of Directors.

Zhanna Igorevna Sedova was born in 1973; she is citizen of the Russian Federation. She graduated from the Perm State University, the Russian Presidential Academy of National Economy and Public Administration with a degree in Legal Studies with honours. PhD in Law. She is the Assistant Professor, International Law, at the Russian University of Justice at the Supreme Court of the Russian Federation.

She has worked at the Company since August 2010. She currently holds the position of the Head of Legal and Corporate Affairs at PJSC Enel Russia. Previously she held managing positions at OJSC OGK-4, OJSC TGK-9, OJSC Permenergo.

She has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. She has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

7.2.3. General Director and Executive Board

Management of current activities of PJSC Enel Russia is carried out by the sole executive body - General Director - and collegial executive body - Executive Board of the Company.

The General Director and Executive Board of the Company report to the General Shareholders' Meeting and the Board of Directors of PJSC Enel Russia and act based on the Charter of the Company, Regulation on the Executive Board of the Company.

Formation of the Executive Board of the Company and appointment for the position of the General Director of the Company as well as early termination of powers of the members of the Executive Board and the General Director is exercised based on the decision of the Board of Directors of PJSC Enel Russia.

In 2018, no meeting of the Company's Executive Board was held. In 2018, the Company's Executive Board was reduced from 5 to 4 members.

Composition of the Executive Board elected on February 16, 2017:

1	Carlo Palasciano Villamagna (Chairman)
2	Andrey Aleksandrovich Volkov
3	Oleg Nikolayevich Kosmenyuk
4	Yulia Konstantinovna Matyushova
5	Galina Yefimovna Shirinova

Composition of the Executive Board elected on September 27, 2018:

1	Carlo Palasciano Villamagna (Chairman)
2	Andrey Aleksandrovich Volkov
3	Oleg Nikolayevich Kosmenyuk
4	Yulia Konstantinovna Matyushova

Information on the members of the Executive Board of the Company

Carlo Palasciano Villamagna

Born in Rome in 1959.

A lawyer by training (he graduated from La Sapienza University in 1983 with a degree in Law), he pursued his education in the sphere of finance and in 1990 successfully passed a postgraduate course of specialization in International Taxation. He is member of the Chartered Accountants' Registry.

In 2004-2014, he was Head of Tax of Enel S.p.A.

From 2010 to 2014, he was Managing Director, and then the President of Enel Factor S.p.A.

In 2008-2015 – member and the Chairman of the Internal Audit Commission of PJSC Enel Russia.

In 2007-2017, he was a member of the Board of Directors of Enel Finance International N.V., Enel Italia Srl, Enel France, Enel Investment Holding B.V, Res Holdings B.V., at different times.

Since March 2015, he is the General Director, Chairman of the Executive Board of PJSC Enel Russia.

He is a member of the Board of Directors of LLC Rusenergobyt.

A citizen of Italy.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Andrey Aleksandrovich Volkov

Born in 1977

Graduated from the Moscow Institute of Physics and Technology (State University) as an Engineer-Physicist.

In 2013-2015, he worked as Deputy General Director for Trading at LLC Rusenergosbyt.

In 2015 he held the position of Head of Trading of PJSC Enel Russia.

Since December 2015 - Head of Energy Management of PJSC Enel Russia.

He has been member of PJSC Enel Russia Executive Board since 2015.

A citizen of the Russian Federation.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Oleg Nikolaevich Kosmenyuk.

Born in 1970.

He graduated from the Pavlodar State University in 1997 as Thermal Power Engineer.

From 2008 to 2011, he was General Director of Maikuben West LLP, Kazakhmys Corporation, Kazakhstan.

He joined PJSC Enel Russia in 2011 as Head of Production Unit «Reftinskaya GRES». Since 2016, he has worked as Deputy General Director – Head of Generation of PJSC Enel Russia.

A citizen of the Russian Federation.

He has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. He has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

Yulia Konstantinovna Matyushova.

Born in 1982.

She graduated from the Volgograd State University with degree in financial management. In 2014, she received CIMA diploma in Management accounting.

Since 2006, she has worked in PJSC Enel Russia and became Deputy Director General - Head of Administration, Finance and Control in March 2017.

She is member of the Board of Directors of LLC Rusenergosbyt.

She has been member of PJSC Enel Russia Executive Board since September 2016.

A citizen of the Russian Federation.

She has no shares in the charter capital/ ordinary shares of PJSC Enel Russia. She has made no transactions with ordinary shares of PJSC Enel Russia in 2018.

In November 2018, the Company's Board of Directors approved and put into effect the “Policy for remuneration and reimbursement of expenses (compensation) of the members of executive bodies and other key executives Policy of Public Joint Stock Company Enel Russia developed with regard to recommendations of the Code of Corporate Governance of the Central Bank of the Russian Federation. The policy defines the principles and approaches to remuneration of members of the executive bodies and other key executives of the Company, establishes the procedure for determining the amount of their remunerations and (or) types of wages, respectively, and regulates other types of payments, benefits and social guarantees provided to these persons.

In accordance with the Policy, the system of remuneration and reimbursement of expenses (compensations) of key executives of the Company provides for interrelation of their remuneration and compensations with the results of Company's work and their personal contribution to achievement of these results as well as position held at the Company. The Company strives for ensuring that the

level of remuneration provided by the Company to key executives forms sufficient motivation for their efficient work allowing the Company to attract and retain competent and qualified experts.

Determination of the amount, procedure and conditions for payment of remuneration to key executives of the Company is carried out by decision of the Company Board of Directors, subject to prior consideration of these issues by the HR and Remuneration Committee of the Board of Directors of the Company.

More details on the provisions of the “Policy for remuneration and reimbursement of expenses (compensations) of members of executive bodies and other key executives” can be found in the section “Investors” on the Company's website <https://www.enelrussia.ru>.

In 2018, the total amount of all remunerations to the members of the Executive Board and General Director of PJSC Enel Russia including salary, bonuses and other payments was 115,150,159.10 roubles.

7.3. Internal Audit Commission

In accordance with Article 23 of the Charter of the Company for exercising control over financial and economic activities, the General Shareholders’ Meeting shall elect an Internal Audit Commission. The Internal Audit Commission of the Company is elected for the term until the next Annual General Shareholders’ Meeting.

The Internal Audit Commission acts based on the Charter, Regulation on the Internal Audit Commission of the Company, Regulation on remunerations and compensations to members of the Internal Audit Commission.

The audit commission of the Company comprises 5 persons.

Composition of the Internal Audit Commission elected on 04.06.2018

Full name	Position	Share in the authorized capital of PJSC Enel Russia, %
Giancarlo Pescini	Head of Unit “Group’s Participation”, Enel S.p.A.	0
Mauro Di Carlo	Head of Planning and Control Infrastructure and Network in Enel GIN srl.	0
Marketti Mechal Ebisa Kumlachev	Head of Financial Strategy in Enel S.p.A	0
Pirri Paolo	Head of Group Consolidation, Enel S.p.A. and the Netherlands’ Administration	0
Natalia Alexandrovna Khramova	Senior Accountant at Enel Finance International B.V.	0

Payment of remunerations and compensations to members of the Internal Audit Commission of the Company is made in accordance with the Regulation on remunerations and compensations to members of the Internal Audit Commission approved by the Board of Directors of OJSC RAO UES of Russia (Minutes No. 200 dated July 29, 2005) exercising the functions of the General Shareholders’ Meeting at OJSC Enel OGK-5.

In 2018, remuneration for participation in audit to the members of the Internal Audit Commission of PJSC Enel Russia was not paid.

7.4. Information about the internal audit

The Internal Audit Department maintains efficient management and work ethics at Enel Russia. It is responsible for the evaluation of adequacy and efficiency of the internal control system, evaluation of efficiency of risk management system, and evaluation of the corporate governance. Conducting objective internal audits based on risk-oriented approach, provision of recommendations and rendering of advisory services allows saving and increasing the value of the Company.

The internal audit activities are regulated by the following documents:

- Code of Ethics of PJSC Enel Russia - contains description of ethical standards and degree of responsibility during labor and corporate activities by employees of PJSC Enel Russia and its subsidiaries.
- Zero Tolerance to Corruption Plan - contains commitment to observe its own Code of Ethics and obligations assumed. Accordingly, PJSC Enel Russia requires its employees to observe honesty, transparency and openness in performance of works. Compliance with the principles of honesty, transparency and openness is also required from all other stakeholders (individuals, groups or institutions) who contribute to achievement of the goals of PJSC Enel Russia.
- Identification and settlement of cases of conflict of interest (operating instructions No. 0002-OI-AUD) - establishes and describes actions for declaring and storing information on declared potential conflicts of interest.
- The Global Compliance Program on corporate criminal liability is a tool to strengthen PJSC Enel Russia's commitment to the highest ethical, legal and professional standards for strengthening and preserving the Company's reputation.
- Human Rights Policy - establishes the principles and responsibilities of PJSC Enel Russia in relation to all human rights and in particular those applicable to business and corporate activities carried out by PJSC Enel Russia employees, regardless of whether they are managers or ordinary employees.

Responsibility lies with Head of Internal Audit and Internal Audit Department that performs a wide range of financial, industrial and IT audits as well as providing advisory services. The employees of Internal Audit Department improve regularly their qualifications and participate in trainings arranged by the Institute of Internal Auditors (IIA) and Information Systems Audit and Control Association (ISACA).

The main goals and objectives of the Internal Audit Department:

- support to the management and personnel of the Company to develop and monitor implementation of the procedures and activities on improvement of the risk management system, internal control system, corporate governance system;
- coordination of activities with the external auditor as well as those providing advisory services in risk management, internal control and corporate governance;
- carry out the internal audit of the controlled companies in accordance with the established procedure;
- prepare and submit reports on fulfillment of the annual audit plan to the Audit and Corporate Governance Committee of the Board of Directors, Board of Directors and management of the Company (including those with information on material risks, defects, results and effectiveness of the activities performed on elimination of identified defects, results of the internal audit plan performance, results of assessment of actual state, reliability and effectiveness of the risk management system, internal control system and corporate governance system);

- check whether the members of the executive bodies, management and personnel of the Company observe the provisions of the laws of the Russian Federation and internal executive documents of the Company related to the insider information, corruption prevention and compliance with the requirements of the Code of Ethics of the Company.

In order to ensure the required level of independence when carrying out activities, the Internal Audit Department shall functionally report to the Company’s Board of Directors and administratively to the General Director of the Company. Head of Internal Audit shall report to the Company’s Board of Directors. Head of Internal Audit shall be appointed and dismissed by the General Director under the decision of the Company’s Board of Directors.

Enel Russia has approved Regulation on the Internal Control System (Minutes of the meeting of the Board of Directors No. 2 dated 20.02.2007), Regulation on the Internal Audit Department (Minutes of Meeting of the Board of Directors No. 8/16 dated 29.09.2016) and Procedure “Reporting and cooperation of the Internal Audit Department with corporate governance bodies” (Minutes of Meeting of the Board of Directors No. 10/16 dated 23.11.2016).

One of the obligations of the Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia is to ensure the independence and objectivity of the internal and external audit functions.

Internal auditors respect the value of information and ownership of the information and do not have the right to disclose it without being granted with proper authority, unless they are required to do so based on law or professional duty. They exhibit a high level of professional objectivity when collecting, evaluating and transmitting information and carry out a balanced evaluation of all relevant circumstances and are not influenced by their own interests as well as the interests of others.

The employees of the Internal Audit Department of PJSC Enel Russia must adhere to the principle of honesty, thus creating a basis of trust in their judgments.

Major projects and initiatives of the Internal Audit Department:

- annual evaluation of PJSC Enel Russia’s commitment to the highest ethical, legal and professional standards to strengthen and preserve the Company's reputation within the scope “Global Compliance Program on corporate criminal liability”;
- investigation of violations of the “Code of Ethics”;
- continuous monitoring of the procurement of professional and advisory services;
- and also about 10 audits of operating, financial activities of the Company, IT services and information security.

The Internal Audit Department implements the best practices while increasing the number of Continuous Monitoring audits⁸.

Every year, the Internal Audit Department evaluates the efficiency and quality of its work in accordance with the internal audit standards. There are the following types of quality assessment: self-assessment (carried out by auditors who are the members of the audit team), internal assessment (carried out by auditors who are not the members of the audit team), independent assessment and assessment of the audited entity.

Once every five years, the activities of the Internal Audit Department are evaluated by an external Company for compliance with the standard”1300 - Program for ensuring and improving the

⁸ Continuous monitoring is a process and technology used to detect compliance and risks associated with financial and operating environment of the Company that is performed continuously throughout the year in conjunction with Company organization units.

quality of internal audit” developed by The Institute of Internal Auditors. In 2016, the Company received a certificate of conformity to the standard. The next evaluation is scheduled for 2021.

7.5. Information on the auditor

The auditor of the Company is Limited Liability Company Ernst and Young located at the following address: 77 Sadovnicheskaya Embankment, bldg 1, 115035 Moscow, Russia.

Procedure of the Company’s auditor election

The Company made a request for proposals on the selection of an auditor for the audit of the accounting (financial) statements. Based on the results of procurement procedures, the candidacy of Ernst & Young was proposed for election to the Annual General Shareholders' Meeting. On April 16, 2018, the Audit and Corporate Governance Committee resolved to recommend that the Company Board of Directors should suggest that the Annual General Shareholders' Meeting of the Company should approve Limited Liability Company Ernst and Young as the Auditor of PJSC Enel Russia. On April 04, 2018 the Company Board of Directors resolved to suggest that the Annual General Shareholders' Meeting of the Company should approve Ernst and Young LLC as the Company Auditor.

Based on the results of voting held at the Annual General Shareholders’ Meeting of the Company on "Approval of the Auditor for PJSC Enel Russia" on 04.06.2018 it was resolved to approve Limited Liability Company Ernst and Young as the Auditor of PJSC Enel Russia for 2018”. The amount of the auditor's remuneration for 2018 is 11,165,597 roubles, including VAT.

7.6. Securities of the Company

7.6.1. Authorized capital

As of 31.12.2018, the share capital of PJSC Enel Russia amounted to 35,371,898,370 roubles and is divided into 35,371,898,370 ordinary shares with par value of 1 rouble each. For the whole period of activity upon the Company state registration on 27.10.2004 and until 31.12.2017, the Company has not issued preferred shares.

The Company shares are included in the First level of the list of securities (highest level) accepted for trading on Moscow Exchange MICEX-RTS PJSC (MOEX).

Issuing history

	Main issue	Additional issue	Additional issue	Additional issue	Additional issue	Additional issue
State registration number of the issue	1-01-50077-A	1-01-50077-A-001D	1-01-50077-A-002D	1-01-50077-A-003D	1-01-50077-A-004D	1-01-50077-A-005D
Date of the issue state registration	24.12.2004	16.03.2006	16.03.2006	28.09.2006	07.08.2007	07.08.2007
Shares placed	29,407,170,459	4,105,388,231	69	5,100,000,000	600,000	400,000
Shares actually placed	29,407,170,459	864,514,976	69	5,100,000,000	168,061	44,805
Placement method	Acquisition of shares by the sole founder of the joint stock Company	Conversion of ordinary registered shares of Konakovskaya GRES OJSC being affiliated with OGK-5 OJSC, into additional ordinary shares of OGK-5 OJSC	Conversion of ordinary registered shares of Nevinnomysskaya GRES OJSC being affiliated with OGK-5 OJSC, into additional ordinary shares of OGK-5 OJSC	Public subscription (IPO)	Conversion of ordinary registered uncertificated shares of OJSC OGK-5 Holding into additional ordinary registered shares of OJSC OGK-5. The shares are placed when spinning off OGK-5 Holding OJSC from RAO UES of Russia OJSC together with affiliation of OGK-5 Holding OJSC with OGK-5 OJSC	Conversion of preferred registered uncertificated shares of OJSC OGK-5 Holding into additional ordinary registered shares of OJSC OGK-5. The shares are placed when spinning off OGK-5 Holding OJSC from RAO UES of Russia OJSC together with affiliation of OGK-5 Holding OJSC with OGK-5 OJSC
Start date	27.10.2004	01.04.2006	01.04.2006	01.11.2006	03.09.2007	03.09.2007
End date	27.10.2004	01.04.2006	01.04.2006	10.11.2006	03.09.2007	03.09.2007
Date of state registration of the report on the results of issue / date of sending notification on the results of issue	24.12.2004	27.04.2006	27.04.2006	13.11.2006	11.10.2007	11.10.2007
Date of the additional issue individual number (code) cancellation	-	22.08.2006	17.08.2006	20.02.2007	15.01.2008	15.01.2008
Name of the registering body	Federal Financial Markets Service of Russia					

Information about the Company's registrar

The Company's Registrar in 2018 was Joint Stock Company Independent Registrar Company

Short name: JSC Independent Registrar Company

Location: 18 Stromynka Street, building 5B, Moscow 107076, Moscow

Phone: +7 (495) 926-81-60

Fax: +7 (495) 926-81-78

Website: <http://www.ncreg.ru/>

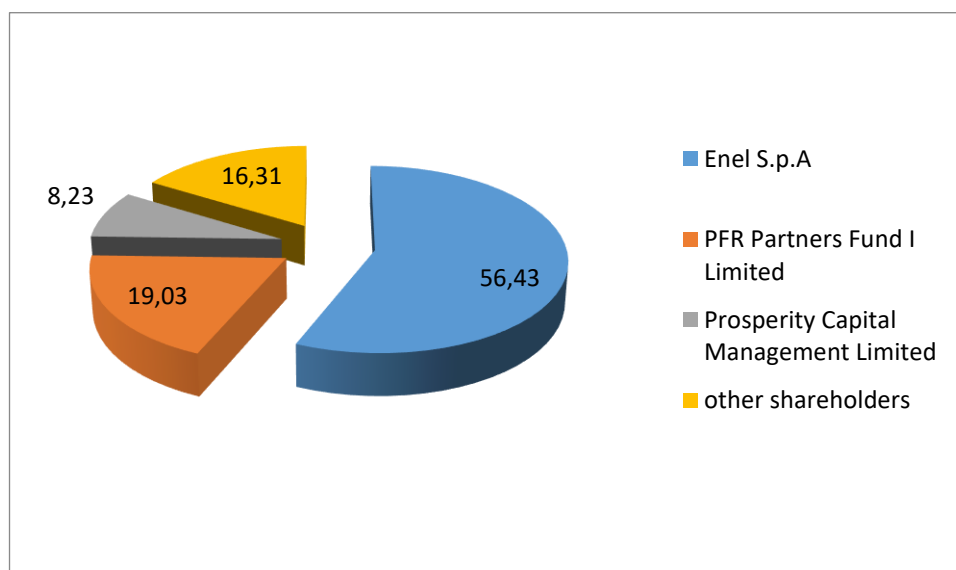
Since February 2019, the functions of the Company's registrar have been performed by Joint Stock Company Independent Registrar Company R.O.S.T. that is the assignee for all rights and obligations of Joint Stock Company Independent Registrar Company.

More information about the registrar can be found on the Company's website <https://www.enelrussia.ru>.

Informational about the shareholders

In 2018, the changes were made to the composition of shareholders owning more than five per cent of the authorized capital of the Company: in July 2018, the shares constituting 56.43% of the authorized capital of PJSC Enel Russia were transferred from Enel Investment Holding B.V. to its controlling entity - Enel S.p.A.

Structure of the authorized capital of PJSC Enel Russia as of 31.12.2018, %



Description	Number of shares, pcs	Share in the authorized capital, %
ENEL S.p.A.	19,960,478,471	56.43
PFR Partners Fund I Limited	6,732,340,483	19.03
**		
Prosperity Capital Management Limited***	2,910,893,393	8.23

** The entity controlling PFR Partners Fund I Limited is PFR Partners Management Limited

*** A person, together with other persons entitled to administer a certain number of votes attributable to voting shares and included in the issuer's authorized capital

The list of persons entitled to participate in the General Shareholders' Meeting composed as of May 10, 2018 included 334,912 persons.

During 2018, the entities controlled by the Company did not own shares of PJSC Enel Russia. In April 2018, PJSC Enel Russia sold 156,222,914 of its own shares, since then the Company has not owned its own shares.

The Company has no data on existence of shares holdings exceeding five per cent as well as opportunity to acquire or acquisition by certain shareholders of the amount of control disproportionate to their participation in the authorized capital of the Company based on shareholders' agreements in addition to already disclosed in this annual report.

7.6.2. Dividends

The decision on dividend payment is taken at the General Shareholders' Meeting based on recommendations of the Company Board of Directors.

In accordance with Regulation on Dividend Policy approved in May 2017, the Board of Directors of the Company advises the annual General Shareholders' Meeting regarding the dividend payout that the amount of dividends must be: by the results of 2016 - 55%, by the results of 2017 - 60%, by the results of 2018 - 65% of ordinary net profit determined based on consolidated financial statements of the Company (IFRS). The Company's strategic plan for 2019-2021 is compiled to keep the percentage of dividend payments at the level of 65%. However, the Company reported that due to accelerated growth of investments in this period, a reallocation of capital between capital expenditures (including new potential projects) and dividends is possible.

The amount of the Company net profit allocated to distribution of dividends complies with approved dividends policy.

Information on accrued and paid dividends in the period from 2014 to 2018

Dividend payment reporting period	By the results of financial year 2013	By the results of financial year 2014	from accumulated retained earnings of previous years	By the results of financial year 2015	By the results of financial year 2016	By the results of financial year 2017
Date of the decision adopted by the General Shareholders' Meeting of the Company to pay dividends	26.06.2014	17.06.2015 The General Shareholders' Meeting of the Company decided not to pay dividends on ordinary shares by the results of financial year 2014	17.06.2015	29.06.2016 The General Shareholders' Meeting of the Company decided not to pay dividends on ordinary shares by the results of financial year 2015.	15.06.2017	04.06.2018
Class, type, category of shares	ordinary registered		ordinary registered		ordinary registered	
Date when the persons entitled to receive dividends are determined	07.07.2014		29.06.2015		28.06.2017	22.06.2018
Total amount of accrued dividends mln roubles	1,976		2,855		2,413	5,127

Total amount of dividends paid *, mln roubles	1,969		2,844		2,402	5,119
Amount of dividends per one share, roubles	0.0559		0.080731		0.06822	0.14493
Date of dividends payment	11.08.2014		03.08.2015		02.08.2017	27.07.2018

* Dividends were not paid in full due to lack of current details for payments not provided by the registered persons as well as due to return of outstanding dividends by nominee shareholders.

7.6.3. Market capitalization

102-7

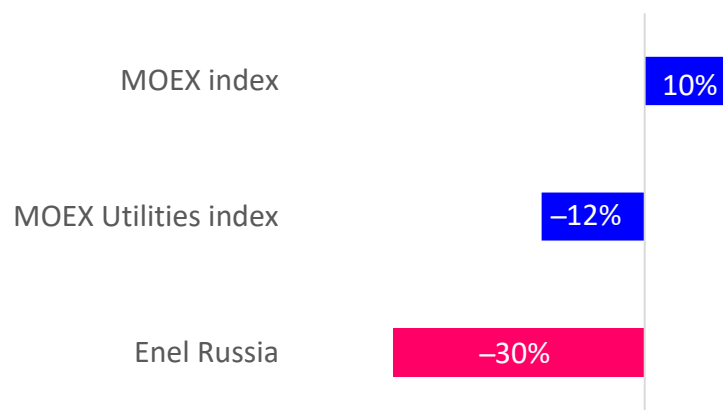
Stock exchange information about the shares of PJSC Enel Russia

Number of ordinary shares, pcs.	35,371,898,370
Par value of the share, roubles	1
ISIN	RU000A0F5UN3
Stock exchange	MOEX
Start of trading	September 2005
Quotation list	First Level
Stock code (ticker)	ENRU
Bloomberg code	ENRU RX

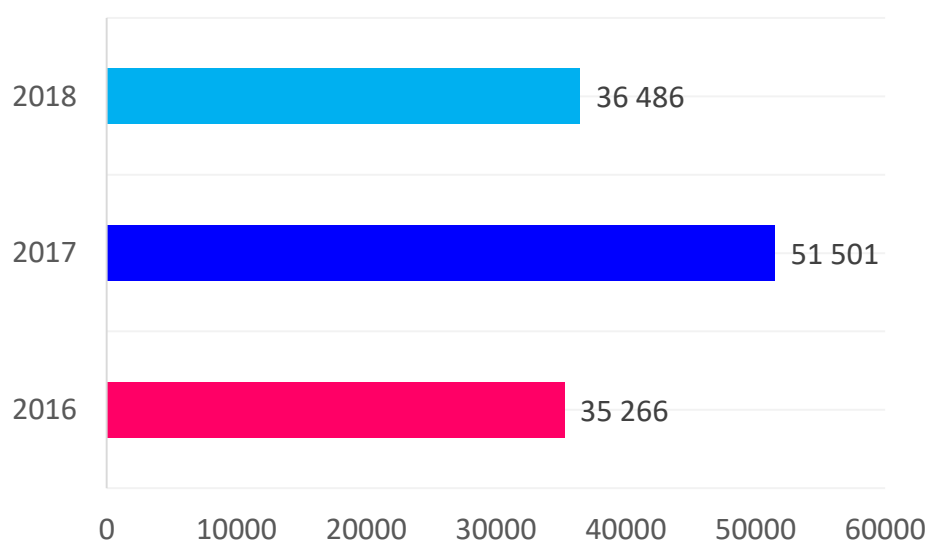
The shares are included in the calculation base of industry index – MOEX Utilities (MOEXEU) with a weight of 4.25% per 31.12.2018.

In March 2018, the shares were included in FTSE index – «FTSE – Emerging Europe Small Cap and Emerging Europe».

Dynamics of the market and shares of PJSC Enel Russia in 2018, % change vs 2017



Capitalization of PJSC Enel Russia in 2016-2018, mln roubles



Results of stock trading in 2016-2018

Year	2016	2017	2018
Minimum closing price, roubles	0.642	0.935	1.005
Maximum closing price, roubles	1.08	1.537	1.685
Market price as of 31.12., roubles	0.997	1.456	1.0315
Capitalization as of 31.12., roubles	35,265,782,675	51,501,484,026	36,486,113,167
Average daily traded volume, roubles	9,057,562	19,137,150	26,264,436

Despite a large number of shocks in global stock markets in 2018, MOEX index increased by 10%. Rising oil prices amid a gradual reduction in oil production under the OPEC + agreement and withdrawal of some supplying countries has become the main driver of growth. Additional support was provided by increase in the earnings forecasts of exporting companies due to weakening of the rouble exchange rate as well as consistent monetary policy backed by weakening dependence of the rouble exchange rate on the price of oil. The market reacted neutrally to the introduction of new anti-Russian sanctions, because these events were already included in the quotations earlier.

Like other sectoral indices focused on the domestic market, MOEX Utilities index decreased over the year (-12%). This dynamics was associated with the correction of forecasts due to weakening of the rouble exchange rate, preservation of uncertainty of dividend policies of a number of companies at the expected growth of investment in the modernization program as well as individual equity stories of competitors.

The shares of PJSC Enel Russia were traded worse than those of competitors and market in general; this is partly a correction after a record growth in 2017 (+43%, the second result among peers in the sector). Additional negative factors were represented by the decline in financial results versus 2017, preservation of uncertainty over the sale of coal asset, withdrawal of a number of institutional investors complicated by limited liquidity of stocks.

The company sees significant growth potential in share prices due to a steady gross margin profile until 2020, wind projects implementation under guaranteed return, continuous increase in production and operating efficiency, high corporate governance standards, and the highest dividend yield in the sector following the results of 2018.

7.6.4. Commercial papers

During 2018, PJSC Enel Russia redeemed issues of commercial papers of the series BO-05, BO-06 and 001P-01R that were traded at the Moscow Exchange and were listed in the third level.

The commercial papers of series BO-05, BO-06 were called away 31.05.2018. The commercial papers of series 001P-01R placed within the Program of commercial papers were redeemed on time (28.09.2018).

As of 31.12.2018, PJSC Enel Russia had no debt on commercial papers.

Commercial papers	Documentary percentage bearer non-convertible commercial papers with obligatory collective custody		
Series	BO-05	BO-06	001P-01R
Identification number of the issue	4B02-05-50077-A	4B02-06-50077-A	4B02-01-50077-A-001P

Date of the identification number assignment	31.12.2009	31.12.2009	28.09.2015
Number of securities issued	2,000,000	3,000,000	5,000,000
Issue amount, roubles	2,000,000,000	3,000,000,000	5,000,000,000
Coupon rate	12.1%	12.1%	12.1%
Placement date	04.06.2015	04.06.2015	02.10.2015
Date of offer	31.05.2018	31.05.2018	-
Circulation period, years	10	10	3
Coupon period, days	182	182	182
Placement method	public subscription	public subscription	public subscription
Maturity	31.05.2018	31.05.2018	28.09.2018

7.6.5. Depositary receipts

Upon authorization by the Federal Financial Markets Service of Russia for circulation of the Company ordinary shares outside the Russian Federation in the amount of not more than 7,074,537,100 pieces in August 2007 a program is opened for global depositary receipts (GDR) issue for ordinary shares of PJSC Enel Russia. The GDR program is established and supported according to Regulation S (Reg S). Ratio of GDR to ordinary shares of the Company amounts to 1:50.

Program	Depositary bank	Amount of depositary receipts circulating	Circulating receipts from the authorized capital, %	Foreign organizer of trade
Sponsored*				
GDR (ordinary shares)	The Bank of New York Mellon	448,829 (corresponds to 22,491,450 Company ordinary shares)	0.06	Over the counter securities market

* Information as of 31.12.2018.

7.7. Interaction with the shareholders and investors

102-43

In June 2005, the Board of Directors of the Company approved and registered with the Federal Service for Financial Markets of Russia a Prospectus for Securities of OJSC OGC-5. From then on, the Company started to disclose information according to the procedure stipulated by the laws of the Russian Federation.

In 2018, the Board of Directors of the Company approved the Regulation on information policy of the Company developed with regard to the recommendations of the Bank of Russia Code of Corporate Governance. Specifically, the new Regulation on information policy contains a list of data that the Company undertakes to disclose on a voluntary basis, and also determines the procedure for shareholders to access information, including information on legal entities controlled by the Company. The Information Policy procedure of the Company's determines, among others, the way of interaction with shareholders, investors and representatives of the mass media. A more detailed version of it can be found on the Company's website <https://www.enelrussia.ru>.

Observance of shareholders' right to attend General Shareholders' Meetings of PJSC Enel Russia is one of the priority areas in the field of timely and full disclosure of information on the activity of the Company. Information notices on holding General Shareholders' Meetings of PJSC Enel Russia and relevant materials are provided for familiarization to persons entitled to attend the General Shareholders' Meeting of the Company in strict compliance with the requirements of the Federal Law On Joint Stock Companies, bylaws of the Bank of Russia as well as internal documents of PJSC Enel Russia.

In 2018, the Company continued to work for improvement of transparency of its public story and attractiveness of investments in the shares of PJSC Enel Russia including in the form of ongoing IR events:

- disclosure of annual and quarterly financial results, conference calls with professional market participants
- annual update of the strategic plan with key operational and financial guidelines for the next three years and further strategic vision
- in-house investor meetings
- answers to the questions from investors and analysts.

Q1 2018	Q2 2018	Q3 2018	Q4 2018
Conference call for FY2017; Road show (Helsinki, Tallinn)	Conference call for Q1 2018; Renaissance Capital Conference (Moscow); Utilities Day by VTB Capital (Moscow)	Conference call for 6 months of 2018; Utilities Day by ATON (Moscow)	Conference call for 9 months of 2018; VTB Capital Investment Forum "Russia Calling!" (Moscow)

During 2018, more than 60 meetings were held with Russian and foreign investors, both current and potential ones.

2019 Calendar of events for investors

Financial (IR-calendar) for 2019 is posted on the Company's website:

<https://www.enelrussia.ru/ru/investors/a201612-pjsc-enel-russia-investor-calendar.html>

More detailed information on the activity and decisions taken by the General Shareholders' Meeting and the Board of Directors as well as full texts of internal documents of the Company including those regulating the functioning of governance and control bodies of the Company are available on the corporate site of the Company on the Internet at the addresses <https://www.enelrussia.ru> or <http://www.e-disclosure.ru/portal/Company.aspx?id=5732>.

7.8. Participation of the Company in other entities

102-13

Description	Location	Activity	Share in the authorized capital, %
Energetik Sanatorium Preventorium LLC	Stavropol Territory, Nevinnomyssk	Provision of sanatorium services and medical care	100
OGK-5 Finance LLC**	Moscow	Investment and financial activity	100
LLC Enel Rus Wind Azov	Moscow	generation of electric power from renewable energy sources	100
LLC Enel Rus Wind Generation	Moscow	generation of electric power from renewable energy sources	100
LLC Enel Rus Wind Kola	Murmansk Region, Murmansk	generation of electric power from renewable energy sources	100
JSC Teploprogress	the Sverdlovsk Region, Sredneuralsk	Activities to ensure the reliability of the district heating grid	60
LLC Reftinskaya GRES	the Sverdlovsk Region, Reftinskiy urban settlement	Production of electric power, heat power and capacity	100

* Information is provided on organizations where PJSC Enel Russia's interest in authorized capitals as of 31.12.2018 exceeds 5%.

** The Company was liquidated in early 2019

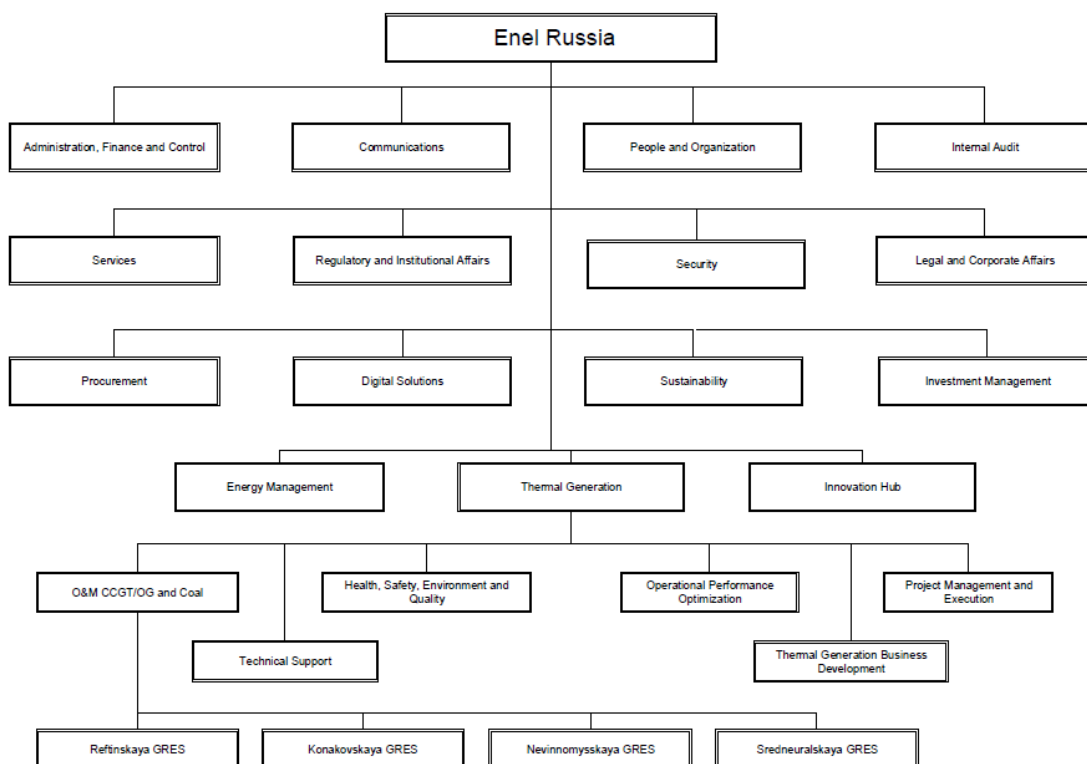
PJSC Enel Russia is also a member in a number of non-profit organizations:

- All-Russia Trade Association of Employers in the Power Industry "Energy sector employer association of Russia";
- Non-profit Partnership "Market Council for Organization of Efficient System for Wholesale and Retail Trade in Electric Energy and Capacity";
- Non-profit Partnership "Council of Energy Producers and Power Industry Strategic Investors";
- Russian Association of Employers "The Russian Union of Industrialists & Entrepreneurs";
- Non-profit Partnership "Association of European Businesses"
- Non-profit partnership "Russian Heat Supply".

7.9. Operational structure of the Company, transparency and accountability

Operational structure of the Company, transparency and accountability.

102-18



In order to implement the business goals and objectives set for the Company, continuous sustainable development and efficient assurance of its viability in the environment including transparency of management model, the organizational structure of the Company is formed in functional areas distinguished by three activities:

Core:	Supporting:	Global Service:
- Energy Management	- Security	- Procurement
- Thermal Generation	- Internal Audit	- Digital Solutions
	- Innovation	
	- Communications	
	- Human Resources and Organization	
	- Legal and Corporate Affairs	
	- Business Development	
	- Regulatory Affairs and Government Relations	
	- Services	
	- Investment Management	
	- Sustainability	
	- Administration, Finance and Control	

These functional areas relate to the first line of reporting to the General Director and report directly to him.

The functional areas that ensure the safety, efficiency and continuity of the production process belong to the first reporting line of the Deputy General Director - Head of Generation. These functional areas are:

- Operations and Maintenance;
- Health, Safety, Environment and Quality;
- Operational Performance Optimization;
- Project Execution;
- Technical Support;
- Generation Business Development.

The first reporting line of the Head of Operation and Maintenance includes the following power plants:

- Konakovskaya GRES;
- Nevinnomyskaya GRES;
- Reftinskaya GRES;
- Sredneuralskaya GRES.

Within the framework of its core activities and competencies, each of the units contributes to formation of the agenda, decision-making and implementation of the programs on economic, environmental and social issues.

8. Additional information

8.1. Financial statements

8.1.2. Accounting (financial) statements for 2018 with the auditor' report (Annex 1)

8.1.3. Consolidated financial statements for 2018 with the auditor' report (Annex 2)

8.1.4. Assessment of the auditor's report prepared by the Audit and Corporate Governance Committee

Evaluation

by the Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia of the auditor's reports on financial accounting and reporting of PJSC Enel Russia prepared on the basis of 2018 business activity results.

Pursuant to the recommendations contained in p. 177 of the Code of Corporate Governance recommended by Central Bank of the Russian Federation (Letter of the Central bank dd.10.04.2014 No. 06-52/2463) the Audit and Corporate Governance Committee of the Board of Directors shall provide evaluation of auditor's reports on financial accounting and reporting issues in accordance with International Financial Reporting Standards (hereinafter – «IFRS») and Russian Accounting Standards (hereinafter – «RAS») - to be further submitted as materials to the Annual General Shareholders' Meeting.

Ernst and Young LLC located at Sadovnicheskaya Nab., 77, bld. 1 Moscow, 115035, Russia, appointed as the auditor of PJSC Enel Russia for the year 2018 to provide audit and issue auditor's reports to express an opinion on accounting (financial) statement prepared in accordance with IFRS and RAS. Ernst and Young LLC is a member of the Self-regulated organization of auditors "Russian Union of auditors".

Based on the results of the audit of the financial accounting and reporting of PJSC Enel Russia for 2018 Ernst and Young drew up the auditor's reports.

Upon examining the auditor's reports issued by Ernst and Young LLC, the Audit and Corporate Governance Committee of the Board of Directors has resolved:

1. That the audit was conducted in compliance with the terms and conditions of the contract concluded by Ernst and Young LLC and PJSC Enel Russia, in adherence to the agreed schedule and audit procedures.

2. That the auditor's reports presented complies with the requirements of the Federal Law "On audit activities" No. 307-FZ dated 30.12.2008; with the International Standards of Auditing approved by the RF Government Decree No. 576 dated 11.06.2015; with internal regulations (standards) of audit activities of the Audit Chamber of Russia as well as the Audit Chamber of Moscow.

3. To note that the opinion of Ernst and Young LLC contains the positive notion that the accounting and reporting statements of PJSC Enel Russia reflects accurately and in all material respects the financial standing of PJSC Enel Russia as of December 31, 2018, the results of the economic and financial activity of the company, as well as the cash flows in 2018 in compliance with the requirements of the legislation of the Russian Federation and IFRS regarding the preparation of financial statements.

**Chairman of the Audit and Corporate Governance Committee
of the Enel Russia Board of Directors
Palazzolo**

Andrea

8.2. Information on most material transactions and related-party transactions closed by the Company in 2018

Loan Agreement

Significant terms and conditions

Parties of the agreement: Lender – PJSC Enel Russia, Borrower – LLC «Reftinskaya GRES»

Subject of the agreement: Provision of loan by the lender to the Borrower

Special purpose loan: Loan is provided solely for financing specific operations of the Borrower related to mandatory operating expenses, initial costs associated with mandatory licenses and permits.

Max Loan Amount: Shall not exceed 2,475,000 RUB

Rate: 0 %

Maturity: final maturity of each separate tranche will not exceed 1Y from the date of signing of each drawdown notice.

Other terms and conditions: Amount, final maturity, repayment schedule, and other terms and conditions to be defined in each specific drawdown notice within the above limits.

Person interested in the performed transaction: Enel Investment Holding B.V., Enel S.p.A
Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia (Minutes № 14/17, dd. 06.10.2017)

Independent guarantee

Significant terms and conditions

Parties of the guarantee: PJSC Enel Russia – the Guarantor; "Azovskaya WPS" LLC – the Guaranteed Party (Principal); "Siemens Gamesa Renewable Energy" LLC – the Guarantee Beneficiary

Subject of the guarantee: The Guarantor unconditionally and irrevocably guarantees the Beneficiary full and timely fulfillment of the Guarantee's obligations under the Supply Reservation Agreement up to the guarantee amount

The guarantee amount is EUR 13,681,559 and RUB 620,893,455.

The guarantee is valid from the date of issue and until 31.07.2018, unless otherwise specified in the guarantee

The guarantee fee rate: 0%

Person interested in the performed transaction: Enel Investment Holding B.V., Enel S.p.A
Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia (Minutes № 17/17, dd. 21.12.2017)

Supplementary Agreement to the Special purpose loan agreement

Significant terms and conditions

Parties of the Supplementary Agreement: PJSC Enel Russia – the Lender; LLC Enel Rus Wind Azov – the Borrower

Special purpose loans under the Supplementary Agreement: Loans are provided solely for financing specific operations of the Borrower related to payments towards third parties, which are necessary for due performance of agreements and activities related to the project for wind plant construction of 90.09 MW in Azov District, Rostov Region, except for the cases where such payments are due under related party transactions of the Borrower, and for financing of operating and financial expenses.

Loans Amount under the Supplementary agreement: not more than twenty five million (25.000.000,00) RUB

Max Loans Amount under the Loan agreement: shall not exceed two hundred five million (205.000.000,00) RUB

Person interested in the performed transaction: Enel Investment Holding B.V., Enel S.p.A
Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes Board of Directors of PJSC Enel Russia (Minutes № 7/18, dd. 01.06.2018)

Supplementary Agreement to the Special purpose loan agreement

Significant terms and conditions

Parties of the Supplementary Agreement: PJSC Enel Russia – the Lender; LLC Enel Rus Wind Kola – the Borrower

Special purpose loans under the Supplementary Agreement: Loans are provided solely for financing specific operations of the Borrower related to payments towards third parties, which are necessary for due performance of agreements and activities related to the project for wind plant construction of 200,97 MW in Murmansk region, except for the cases where such payments are due under related party transactions of the Borrower, and for financing of operating and financial expenses.

Loans Amount under the Supplementary agreement: not more than three hundred forty five million (345.000.000,00) RUB

Max Loans Amount under the Loan agreement: shall not exceed six hundred eighty five million (685.000.000,00) RUB

Person interested in the performed transaction: Enel Investment Holding B.V., Enel S.p.A
Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes Board of Directors of PJSC Enel Russia (Minutes № 7/18, dd. 01.06.2018)

Supplementary Agreement to the Special purpose loan agreement

Significant terms and conditions

Parties of the Supplementary Agreement: PJSC Enel Russia – the Lender; LLC Enel Rus Wind Azov – the Borrower

Special purpose loans under the Supplementary Agreement: Loans are provided solely for financing specific operations of the Borrower related to payments towards third parties, which are necessary for due performance of agreements and activities related to the project for wind plant

construction of 90.09 MW in Azov District, Rostov Region, including the payment under related party transactions of the Borrower and for financing of operating and financial expenses.

Max Loans Amount under the Supplementary agreement: not more than two hundred sixty million (260.000.000,00) RUB

Max Loans Amount under the Special purpose loan agreement: shall not exceed four hundred sixty five million (465.000.000,00) RUB

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia (№ 9/18 от 27.07.2018)

Supplementary Agreement to the Special purpose loan agreement

Significant terms and conditions

Parties of the Supplementary Agreement: PJSC Enel Russia – the Lender; LLC Enel Rus Wind Kola – the Borrower

Special purpose loans under the Supplementary Agreement: Loans are provided solely for financing specific operations of the Borrower related to payments towards third parties, which are necessary for due performance of agreements and activities related to the project for wind plant construction of 200,97 MW in Murmansk region, including the payment under related party transactions of the Borrower and for financing of operating and financial expenses.

Max Loans Amount under the Supplementary agreement: not more than two hundred eighty five million (285.000.000,00) RUB

Max Loans Amount under the Special purpose loan agreement: shall not exceed nine hundred seventy million (970.000.000,00) RUB.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia (№ 9/18 от 27.07.2018)

Independent guarantee

Significant terms and conditions

Parties of the Guarantee: PJSC Enel Russia – the Guarantor; LLC Enel Rus Wind Azov – the Guaranteed Party; “Siemens Gamesa Renewable Energy” LLC – the Guarantee Beneficiary.

Subject of the Guarantee: The Guarantor shall indemnify the Guarantee Beneficiary against all losses and expenses, up to the amount of the guarantee, which may be incurred by the Guarantee Beneficiary in connection with the Guaranteed Party’s failure to perform obligations under the Supply Contract.

The Supply Contract is made between the guarantee Beneficiary and the Principal to implement the project on construction of the wind farm with installed capacity of 90.09 MW in the Rostov Region.

The guarantee amount is EUR 44.145,196 and RUB 2,048,944,850. The guarantee amount is automatically reduced by the amount paid by the Principal under the Supply Contract.

The guarantee is valid from the date of issue and until the date, whichever comes first: (a) fulfillment of the obligation by the Principal under the Supply Contract; or (b) 01.03.2021, unless otherwise specified in the guarantee.

The Guarantee Fee Rate: 0%

Parties having interest in transaction: Enel S.p.A. shall be considered as the entity having interest in transaction since Enel S.p.A. is the controlling entity of PJSC Enel Russia owing its shares in direct possession and the controlling entity of LLC Enel Rus Wind Azov owing its shares in authorized capital in indirect possession.

Share ownership of Enel S.p.A. in the authorized (joint) capital (percentage of shares owned by the interested party) in PJSC Enel Russia: 56.43%

Share ownership of Enel S.p.A. in the authorized (joint) capital in LLC Enel Rus Wind Azov: 0%, share ownership of PJSC Enel Russia in the authorized capital of LLC Enel Rus Wind Azov is 100 %

Share ownership of Enel S.p.A. in the authorized (joint) capital of LLC Siemens Gamesa Renewable Energy: 0%

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Annual General Shareholders' Meeting of PJSC Enel Russia (№ 1/18 от 04.06.2018)

Non-residential Sublease Agreement

Significant terms and conditions

Parties of the Agreement: PJSC Enel Russia – Sublessor; LLC Enel Rus Wind Generation – Sublessee.

Leasable area: shall not exceed 5.9 square meters

Subject of the Agreement: The Sublessor shall sublease in favour of the Sublessee the non-residential premises located at Moscow, Pavlovskaya street, 7, build 1, 9th floor, which shall be used as premises for the office of the Sublessee in Moscow.

Lease payment: Monthly lease payments shall not exceed 33 399,89 RUB, net of VAT, based on a monthly rate per square meter of the subleased area equal to 5 661 RUB, net of VAT.

Total price of the Agreement: Total price shall not exceed 367 398,82 RUB, net of VAT, for the whole sublease period.

Term of sublease: From July 1, 2018 to May 31, 2019 (11 months)

The Agreement duration: The Agreement will enter in force at the date of signing until full execution of the obligations by the Parties.

Main rights and obligation related to the sublease will be in force between the Parties during the sublease period.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia (№ 9/18 от 27.07.2018)

The Increase of a Company's Authorized Capital

Significant terms and conditions

Increase of authorized capital of LLC Enel Rus Wind Azov from 10 000 RUB (ten thousand) to 200 000 000 RUB (two hundred million) by providing additional contribution of PJSC Enel Russia with the amount of 199 990 000 RUB (one hundred ninety nine million nine hundred ninety thousand).

The correlation between the value of the additional contribution of PJSC Enel Russia and the amount by which the nominal value of its share is increased – 100% / 100%.

PJSC Enel Russia is entitled to make its additional contribution by within 2 (two) months of the adoption of the present decision.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia (№ 7/18 от 01.06.2018)

Supplementary Agreement to the Special purpose loan agreement

Significant terms and conditions

Parties of the Supplementary Agreement: PJSC Enel Russia – the Lender; LLC Enel Rus Wind Azov – the Borrower; Special purpose loans under the Supplementary

Agreement: Loans are provided solely for financing specific operations of the Borrower related to payments towards third parties, which are necessary for due performance of agreements and activities related to the project for the construction of wind energy generating facility of estimated

capacity 90.09 MW in Azov District, Rostov Region, including the payment under related party transactions of the Borrower and for financing of operating and financial expenses.

Loans Amount under the Supplementary agreement: not more than fifty five million (55.000.000,00) RUB

Max Loans Amount under the Special purpose loan agreement: shall not exceed five hundred twenty million (520.000.000,00) RUB

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 11/18 от 28.09.2018)

Agreement for transfer of rights and obligations under the contracts for the qualified generation facilities (DPM) based on the renewable energy sources (RES)

Significant terms and conditions

Parties of the agreement: Transferor – PJSC Enel Russia; Transferee – LLC Enel Rus Wind Azov; JSC Trading System Administrator of Wholesale Electricity Market Transactions.

Subject of the agreement: Transfer by the Transferor of all rights and obligations under the DPM contracts to the Transferee, as a result of which the Transferor shall be completely replaced by the Transferee in accordance with all conditions and requirements of the DPM contracts.

DPM contracts are made with respect to the delivery of capacity of the renewable generating facility of awarded capacity of 90.09 MW.

Price of the agreement: Free of charge.

Parties having interest in transaction: Enel S.p.A. shall be considered as the entity having interest in transaction since Enel S.p.A. is the controlling entity of PJSC Enel Russia owing its shares in direct possession and the controlling entity of LLC Enel Rus Wind Azov owing its shares in authorized capital in indirect possession.

Share ownership of Enel S.p.A. in the authorized (joint) capital of PJSC Enel Russia: 56.43 %

Share ownership of Enel S.p.A. in the authorized (joint) capital of LLC Enel Rus Wind Azov: 0%, share ownership of PJSC Enel Russia in the authorized (joint) capital of LLC Enel Rus Wind Azov is 100 %.

Share ownership of Enel S.p.A. in the authorized (joint) capital of Joint Stock Company Trade System Administrator of the Wholesale Electricity Market: 0%

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Annual General Shareholders' Meeting of PJSC Enel Russia (№ 1/18 от 04.06.2018)

Services Contract

Significant terms and conditions

Parties of the Contract: LLC Enel Rus Wind Kola – the Client; PJSC Enel Russia – the Provider.

Subject of the Contract: PJSC Enel Russia shall provide LLC Enel Rus Wind Kola with certain services, as specified in the Contract, needed for the project implementation for the construction of a wind energy generating facility with an estimated capacity of 200,97 MW in Murmansk region.

Price of the Contract: The total aggregated price of services provision shall not exceed 375 000 000 RUB (VAT excluding).

Term of performance of services: From 01.01.2018 to 31.12.2022.

Term of Contract: The Contract shall come into force after its signature and shall be enforced with respect to the Parties' relations arising since 01.01.2018.

Payment terms: Payments under the Contract will be made after the Services expiry date.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 13/18 от 30.11.2018

Contract for the provision of services Significant terms and conditions

Parties of the Contract: LLC Enel Rus Wind Azov – the Client; PJSC Enel Russia – the Provider.
Subject of the Contract: PJSC Enel Russia shall provide LLC Enel Rus Wind Azov with certain services, as specified in the Contract, needed for the project implementation for the construction of a wind energy generating facility with installed capacity of 90,09 MW in Azov district, Rostov Region.

Price of the Contract: The total aggregated price of services provision shall not exceed 300 000 000 RUB (VAT excluding).

Term of performance of services: From 01.01.2018 to 31.12.2021.

Term of Contract: The Contract shall come into force after its signature and shall be enforced with respect to the Parties' relations arising since 01.01.2018.

Payment terms: Payments under the Contract will be made after the Services expiry date.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 13/18 or 30.11.2018

Commercial Representation Agreement for the purposes of making the surety contracts in order to guarantee fulfillment of the capacity supplier's obligations under the capacity supply contracts for the qualified generation facilities based on the renewable energy sources.

Significant terms and conditions

Parties of the Agreement: Principal - PJSC Enel Russia Agent - JSC Financial Settling Center

Beneficiary of the Agreement: LLC Enel Rus Wind Azov under the suretyship agreements aimed at ensuring of DPM RES obligations` performance by LLC Enel Rus Wind Azov

Subject of the Agreement: The Principal entrusts to the Agent rights to perform, on its name and on its behalf, all legal actions required to conclude the above mention suretyship agreements with wholesale market participants for ensuring performance obligations assumed by LLC Enel Rus Wind Azov under the DPM RES contracts and related to payment of penalty fees in case of failure.

Duration of agreement: Until 01.03.2022

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № № 9/18 or 27.07.2018

Contract for the provision of ICT services

Significant terms and conditions

Parties of Contract: Enel Italia S.r.l. (the "Provider")

PJSC Enel Russia (the "Client")

Subject :

1. The Provider shall provide following ICT services for PJSC Enel Russia in 2018:
 - OSI Soft Software Licenses
 - Connection services from Italy Data Center to Moscow
 - Operation Service for Global InEnel
 - Operation services for Bidding Strategy system
 - Operation services for Service Now system
 - Implementation of additional functionality for Service Now system
 - Operation services for P-WAY system
 - Implementation of additional functionality for P-WAY system
 - Implementation of additional functionality for P-WAY reporting (SAP-BI)
 - Implementation of additional functionality for Global Generation Portal
 - Implementation of Global Material Catalog Definition
 - Implementation of additional functionality for CKS (SharePoint)
 - Implementation of additional functionality for Allegro system

- Operation services and corrective maintenance for SAP WISE ERP system
- Implementation of additional functionality of the SAP WISE ERP system
- Migration of SAP ERP system data to the cloud (AWS cloud)
- Implementation of additional functionality for SAP HR Global system
- Creation of the new company codes for LLC Enel Rus Wind Kola, LLC Enel Rus Wind Azov and LLC Enel Rus Wind Generation
- Operation Services and Application maintenance for Electronic Financial Document Management System (EfDMS)
- Implementation of additional functionality for Automated Electronic Financial Document Management System (EfDMS)
- Implementation of additional functionality for Automated Electronic Financial Document Management System (EfDMS, e-invoice)
- Cyber Security services for the Enel's Global Information systems
- Digital Enabler services

Amount of Contract will not exceed EURO 2 487 958 excluding VAT

2. Enel Italia S.r.l. shall provide following ICT services for PJSC Enel Russia during 2018:

- Development and operation of Digital Plant IT Infrastructure
- Development of Global Operational System
- Development and operation of Digital Report

Maximum amount of the Contract will not exceed EURO 1 036 906 excluding VAT

3. The Provider shall render the Client a service for Migration of GIEMS system data to the cloud (AWS cloud)

Maximum amount of the Contract will not exceed EURO 52 119 excluding VAT

Term for performance of services under the Contract : 01.10.2018 – 31.12.2018

Term of the Contract : The Contract shall enter into force on signing and shall be valid until complete performance of the Parties' obligations. It shall be applicable to the relations of the Parties starting from 01.10.2018.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 7/18 от 01.06.2018, № 9/18 от 27.07.2018, № 11/18 от 28.09.2018

Directors and officers liability insurance contract

Significant terms and conditions

Parties to the contract: Policyholder – PJSC Enel Russia; Insurer: AIG Insurance Company, JSC

Subject matter: In case of an insured event, Insurer shall pay the insurance indemnity according to the terms and conditions of the contract and Russian applicable law.

Insurance object: Insured Party's and/or insured individuals' property interests in connection with the liability according to the applicable law to compensate losses of third parties in case of an insured event.

All Coverages: Cover A (Side A)

Insured Person Liability

The insurer shall pay the loss of each insured person resulting from a claim against the insured person except for and to the extent that the company has indemnified the insured person.

Cover B (Side B)

Company Reimbursement

The insurer shall pay the loss of the company resulting from a claim against the insured person but only when and to the extent that the company has indemnified the insured person for the loss.

Cover C – Global program

Subsidiaries and affiliates Director Liability

The insurer shall pay the loss of the subsidiaries and affiliates director resulting from a claim against the director.

Cover D – Global program

Representation at Investigations and Examinations

The insurer shall pay the investigations costs.

Cover E – Global program

Special Excess Protection for Non-Executive Directors

The insurer shall pay the loss of each non-executive director resulting from a claim against the non-executive director.

Cover F (Side C)

Company Liability for Securities Claims

The insurer shall pay the loss of the company resulting from a claim against the company for any wrongful act committed by such company arising from a securities claims.

Insured Persons Including but not limited to:

- general director, members of board of directors, members of management board;
- executive directors, heads of departments (functional directors);
- statutory auditor, General Counsel, Risk Manager (or equivalent position of the Company).

Annual insurance Premium is EUR 15 000

Limit of Liability is EUR 13 220 518,00 each claim and aggregate for all loss of all insured persons, including defense costs Plus EUR 881 368,00 for each independent director (with the total limit of EUR 1,762,736.00 for all the independent directors).

Duration of the Contract is 10.11.2018-09.11.2019

Person interested in the performed transaction: members of the Board of Directors of PJSC Enel Russia, members of the Executive Board of PJSC Enel Russia, CEO of PJSC Enel Russia

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Annual General Shareholders' Meeting of PJSC Enel Russia (№№ 1/16 от 29.06.2016)

Agreement for the provision of services

Significant terms and conditions

Parties of the Agreement: Enel Global Thermal Generation S.r.l. and PJSC Enel Russia

Subject of the Agreement: Enel Global Thermal Generation S.r.l. based on its own experience and tangible assets, technical means and human resources, shall continuatively perform in favour and for the benefit of PJSC Enel Russia the provision of the following type of services:

Health, Safety, Environment and Quality, Technical Support, Operations & Maintenance, Human Resources and Organization, Planning and Control, Business Development, Legal Affairs, Innovation,

and PJSC Enel Russia shall undertake to pay Enel Global Thermal Generation S.r.l. for the above mentioned services in line with the agreement.

Period of services: January 1, 2018 – December 31, 2018.

The agreement price: The price shall not exceed EUR 5 600 000 VAT excluded.

A 10% of flexibility in the price estimation is considered in case there is a documented evidence of additional services needed by PJSC Enel Russia.

Duration of the Agreement: The agreement shall come into force after its signature and shall be valid until full performance of the Parties' obligations. The agreement will be enforced with respect to Parties' relations arising since 01.01.2018.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 9/18 от 27.07.2018

Agreement for the provision of services

Significant terms and conditions

Parties of the Agreement: Enel S.p.A. and PJSC Enel Russia

Subject of the Agreement: Enel S.p.A. based on its own experience and tangible assets, technical means and human resources, shall continuously perform in favour and for the benefit of PJSC Enel Russia the provision of the following type of services: Administration, Finance & Control, Audit, Communications, Human Resources and Organization, Innovation & Sustainability, Legal and Corporate Affairs, and PJSC Enel Russia shall undertake to pay Enel S.p.A. for the above mentioned services in line with the agreement.

Period of services: January 1, 2018 – December 31, 2020.

The agreement price: The price for the three-year period shall not exceed EUR 4 883 277 VAT excluded.

Duration of the Agreement: The agreement shall come into force after its signature and shall be valid until full performance of the Parties' obligations. The agreement will be enforced with respect to Parties' relations arising since 01.01.2018.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 9/18 or 27.07.2018

Agreement for the provision of services

Significant terms and conditions

Parties of the Agreement: Enel Global Trading S.p.A. and PJSC Enel Russia

Subject of the Agreement: Enel Global Trading S.p.A. based on its own experience and tangible assets, technical means and human resources, shall continuously perform in favour and for the benefit of PJSC Enel Russia the provision of the following type of services: Global coal; Planning, budgeting, forecasting and reporting; Workforce Planning and Budgeting, Organization, Development and Training support and PJSC Enel Russia shall undertake to pay Enel Global Trading S.p.A. for the above mentioned services in line with the agreement.

Period of services: January 1, 2018 – December 31, 2020.

The agreement price: The price shall not exceed EUR 952 500 VAT excluded.

Duration of the Agreement: The agreement shall come into force after its signature and shall be valid until full performance of the Parties' obligations. The agreement will be enforced with respect to Parties' relations arising since 01.01.2018.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 9/18 or 27.07.2018

Agreement for the provision of services

Significant terms and conditions

Parties of the Agreement: Enel Italia Srl and PJSC Enel Russia

Subject of the Agreement: Enel Italia Srl based on its own experience and tangible assets, technical means and human resources, shall continuously perform in favour and for the benefit of PJSC Enel Russia the provision of Global Procurement services and PJSC Enel Russia shall undertake to pay Enel Italia Srl for the above mentioned services in line with the agreement.

Period of services: January 1, 2018 – December 31, 2020.

The agreement price: The price shall not exceed EUR 1 064 223 VAT excluded.

Duration of the Agreement: The agreement shall come into force after its signature and shall be valid until full performance of the Parties' obligations. The agreement will be enforced with respect to Parties' relations arising since 01.01.2018.

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 9/18 or 27.07.2018

Supplementary Agreement to the Special purpose loan agreement

Significant terms and conditions

Parties of the Supplementary Agreement: PJSC Enel Russia – the Lender; LLC Enel Rus Wind Kola – the Borrower

Special purpose loans under the Supplementary Agreement: Loans are provided solely for financing specific operations of the Borrower related to payments towards third parties, which are necessary for due performance of agreements and activities related to the project for the construction of wind energy generating facility of estimated capacity 200,97 MW in Murmansk region, including the payment under related party transactions of the Borrower and for financing of operating and financial expenses.

Loans Amount under the Supplementary agreement: no more than five hundred sixty five million (565.000.000,00) RUB

Max Loans Amount under the Special purpose loan agreement: shall not exceed one billion five hundred thirty five million (1.535.000.000,00) RUB

Person interested in the performed transaction: Enel S.p.A

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 11/18 or 27.09.2018

Suretyship Agreement

Significant terms and conditions

Parties of Suretyship Agreement: PJSC Enel Russia – the Suretyship Provider; Eurasian Development Bank(s) – the Lender(s)

Beneficiary: LLC Enel Rus Wind Azov – the Borrower;

Subject of Suretyship Agreement: Issue of surety by the Guarantor to the Lender for the Borrower's fulfillment of all obligations under the Facility Agreement with the credit facility limit to the amount of RUB 9,500,000,000 made between the Borrower and the Lender

The Suretyship Provider shall undertake to bear joint responsibility towards the Lender for due performance by the Borrower of his obligations under the Credit Contract.

The Credit Contract shall be entered between the Borrower and Lender for the purposes of financing costs related to the project for construction of renewable generating facility (wind farm) with designed capacity of 90.09 MW in Azov, Rostov region (hereinafter referred to as the “Project”) and/or to refinance the costs incurred earlier in relation to the Project.

Limit of shared responsibility of the Suretyship Provider towards Bank(s)

11 250 000 000 (eleven billion two hundred fifty million) RUB

Tenor of the Suretyship: 15.10.2034

Interest on the Suretyship: The Suretyship Provider shall provide the Suretyship free of charge

Parties having interest in transaction: Enel S.p.A. shall be considered as the entity having interest in transaction since Enel S.p.A. is the controlling entity of PJSC Enel Russia owing its shares in direct possession and the controlling entity of LLC Enel Rus Wind Azov owing its shares in authorized capital in indirect possession.

Share ownership of Enel S.p.A. in the authorized (joint) capital (percentage of shares owned by the stakeholder) in PJSC Enel Russia: 56.43%

Share ownership of Enel S.p.A. in the authorized (joint) capital in LLC Enel Rus Wind Azov: 0%, share ownership of PJSC Enel Russia in the authorized capital of LLC Enel Rus Wind Azov is 100 %

Share ownership of Enel S.p.A. in the authorized (joint) capital of Eurasian Development Bank: 0%

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Annual General Shareholders’ Meeting of PJSC Enel Russia (№№ 1/18 or 04.06.2018)

Independent guarantee

Significant terms and conditions

Parties of the Guarantee: PJSC Enel Russia – the Guarantor; LLC Enel Rus Wind Kola – the Guaranteed Party; “Siemens Gamesa Renewable Energy” LLC – the Guarantee Beneficiary

Subject of the Guarantee: The Guarantor shall indemnify the Guarantee Beneficiary against all losses and expenses, up to the amount of the guarantee, which may be incurred by the Guarantee Beneficiary in connection with the Guaranteed Party’s failure to perform obligations under the Turbine Supply Agreement (“TSA”).

TSA will be entered into between the Guarantee Beneficiary and the Guaranteed Party in connection with the project for wind farm construction of 200.97 MW in Murmansk region (hereinafter referred to as the “Project”).

Value of the Guarantee: EUR 91,886,964.00 and RUB 4,491,925,342.00

The amount of the Guarantee shall be automatically decreased by the amount paid by the Guaranteed Party under TSA.

The Guarantee Term Valid from the date of issue and until the date, whichever comes first: (a) fulfillment of the obligation by the Principal under the Supply Contract; or (b) 28.02.2022, unless otherwise specified in the guarantee

The Guarantee Fee Rate: 0%

Parties having interest in transaction: Enel S.p.A. shall be considered as the entity having interest in transaction since Enel S.p.A. is the controlling entity of PJSC Enel Russia owing its shares in direct possession and the controlling entity of LLC Enel Rus Wind Kola owing its shares in authorized capital in indirect possession.

Share ownership of Enel S.p.A. in the authorized (joint) capital (percentage of shares owned by the stakeholder) in PJSC Enel Russia: 56.43%

Share ownership of Enel S.p.A. in the authorized (joint) capital in LLC Enel Rus Wind Kola: 0%, share ownership of PJSC Enel Russia in the authorized capital of LLC Enel Rus Wind Kola is 100 %

Share ownership of Enel S.p.A. in the authorized (joint) capital of LLC Siemens Gamesa Renewable Energy: 0%

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Annual General Shareholders’ Meeting of PJSC Enel Russia (№ 1/18 от 04.06.2018)

Additional Agreement to Gas Supply Contract

Significant terms and conditions

Contracting Parties PJSC Enel Russia - Buyer

PJSC Novatek - Supplier

Type and subject of the transaction: Additional Agreement to Gas Supply Contract.

Scope of the transaction: prolongation of the Gas Supply Contract; in accordance with the Contract the supplier shall supply natural gas and the Buyer shall pay for the supplied gas on terms and conditions set forth in the Contract for 2019-2021.

Transaction due date: period of supply in accordance with Additional Agreement from 01.01.2019 to 31.12.2021, and in part of settlements until they are fulfilled in full.

Amount of the transaction: no more than RUB 33.0 bln excluding VAT;

Management body of the company, to adopt the approval decision thereof; No. and date of drawing up the Minutes: Board of Directors of PJSC Enel Russia № 7/18 от 01.06.2018

8.3. Internal Audit Commission report

THE CONCLUSION OF THE INTERNAL AUDIT COMMISSION

On the Results of Financial and Economic Activities of
Public Joint-Stock Company
Enel Russia
IN 2018

April 10, 2019

Information on the Company

Full Name:	Public n Joint-Stock Company Enel Russia
Registered Address:	10, Khokhryakova street, Yekaterinburg, Sverdlovsk Oblast, Russian Federation, 620014
Postal Address:	7, building 1, Pavlovskaya street, Moscow, 115093, Russia
Contact Details:	Tel.: +7 (495) 539 31 31
TIN (Taxpayer ID Number):	6671156423
People responsible for financial and economic activity during the audited period:	Carlo Palasciano Villamagna , General Director, during the period from March 13, 2015 till present Yulia Matyushova , Deputy General Director – Financial Director, from March 1, 2017 till present

Information on the membership of the internal audit commission

The Chairman of the Internal Audit Commission	Giancarlo Pescini
The Secretary of the Internal Audit Commission	Natalia Khramova
The members of the Internal Audit Commission	Kumlachew Marchetti Mechal Ebisa Mauro Di Carlo Paolo Pirri
The Minutes of the Annual General Shareholders Meeting (which elected the members of IAC)	Minutes 1/18 dated June 4, 2018

Information on the auditor

Full name of the organization:	Ernst and Young LLC
Registered Address:	Sadovnicheskaya Nab., 77, bld. 1 Moscow, 115035, Russia
Postal Address:	Sadovnicheskaya Nab., 77, bld. 1 Moscow, 11 5035, Russia
Membership in SRO (self-regulating organizations), date of entry, the name of self-regulating auditors association:	member of Non-Profit Partnership «Audit Chamber of Russia», Register number 10201017420
The Auditor's Conclusion (date):	March 22, 2019
The person who signed the auditor's conclusion (full name)	Okolotina T.L.

The internal audit was performed in accordance with the following:

- The Federal Law "On Joint Stock Companies";
- The Charter of the Company;
- The Regulation on the Internal Audit Commission;
- The Resolution of the Annual General Shareholders Meeting on the election of the Internal Audit Commission (Minutes №1/18 dated 04.06.2018);
- Other normative documents and resolutions of the authorized bodies of the Company.

The purpose of the audit is to confirm the accuracy of the Accounting (financial) Report and the Annual Report of PJSC Enel Russia (hereinafter referred to as the Company) for 2018 (hereinafter referred to as the Reports) and the report on related-party transactions. The accuracy in all its material data implies the degree of precision of the Reports, which allows the users of these Reports draw valid conclusion concerning the results of economic, financial activities and the material condition of the Company and to make substantiated decisions based on the conclusions in question.

The object of the audit consists in the Accounting (financial) Reports, the Annual Report, the report on related-party transactions and the compliance of the economic, financial activities of the Company to the current legislation and the internal local normative documents.

The audit was planned and performed so as to make the Audit Commission reasonably sure that the Accounting (financial) Report and the Annual Report for 2018, the report on related-party transactions contain no material misrepresentations.

Audit activity was conducted during the period from 01.02.2019 till 10.04.2019 according to the approved program of audit, with the knowledge and participation of officials responsible for financial and economic activity in the Company and also with assistance provided by experts of the executive body. The date of the Conclusion coincides with the last day of our internal audit.

The audit was performed on the basis of the selected data, including the study of tested evidence, confirming the values and disclosure of data on financial and economic activities of the Company, revealed in the Reports, and the assessment of principles and methods of accounting, the rules for the preparation of the Reports and the determination of material imputations.

The Reports comply with the Russian Accounting Standards (RAS) and the internal normative documents of the Company.

The Commission supposes that the audit performed provides sufficient grounds to express the opinion of the Commission concerning the accuracy of the Reports of the Company.

Internal Audit Commission managed the activity provided by law through documents acquisition, meetings with management and bodies of the Company and through specific audit activities.

No significant issues emerged from the audit. The Company is continuing in structuring and strengthening main processes and relevant internal control system.

The auditor of the Company, Ernst and Young LLC approved by the Annual General Shareholders meeting of the Company (June 4, 2018) performed audit of the Company's financial statements for 2018. In the opinion of the auditor, the Financial statements of the Company present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and its financial performance and its cash flows for 2018 in accordance with the rules on preparation of financial statements established in the Russian Federation.

Based on audit's results, it has been established that the Company Financial Statement and Annual Report for 2018 have been generated according to the current legislation of the Russian Federation and pursuant to Regulation on accounting policy in PJSC Enel Russia, approved by the Order of the General Director the Company, dated of December 21, 2017 № 73.

On the basis of the audit and taking into account the opinion of the Company's auditor, the Internal Audit Commission has substantial grounds to acknowledge the reliability of data provided in the annual report, in the annual Financial Statements of the Company and in the report on related-party transactions, performed by the Company in 2018.

Approved by the Minutes №3 of the Internal Audit Commission, dated on April 10, 2019.

K. Marchetti	_____
M. Di Carlo	_____
P. Pirri	_____
N. Khramova	_____
G. Pescini	_____

8.4. Structure of generation facilities and structure of fuel consumption

EUI

Structure of generation facilities of Konakovskaya GRES

t. №	Electric power, MW	Turbine type	Boiler type	Electrical generator type	Commissioning year
<i>Steam turbine No.1</i>	325	K-325-240-7MP	ПП-950-255-ГМ (ПК-41)	TBB-320-2-Y3	1964

<i>Steam turbine No.2</i>	325	K-325-240-7MP	ПП-950-255-ГМ (ПК-41)	TBB-350-2-У3	1999
<i>Steam turbine No.3</i>	325	K-325-240-7MP	ПП-950-255-ГМ (ПК-41)	TBB-350-2-У3	1998
<i>Steam turbine No.4</i>	305	K-305-240	ПП-950-255-ГМ (ПК-41)	TBB-320-2-У3	1966
<i>Steam turbine No.5</i>	305	K-305-240	ПП-950-255-ГМ (ПК-41)	TBB-320-2-У3	1967
<i>Steam turbine No.6</i>	305	K-305-240	ПП-950-255-ГМ (ПК-41)	TBB-320-2-У3	1968
<i>Steam turbine No.7</i>	305	K-305-240	ПП-950-255-ГМ (ПК-41)	TBB-320-2-У3	1968
<i>Steam turbine No.8</i>	325	K-325-240-7MP	ПП-950-255-ГМ (ПК-41)	TBB-320-2-У3	1969

Fuel consumption structure

Indicators	Unit of measurement	2018	2017
Gas	ths. m3	1,921,257	2,042,405
Fuel oil	tons	13	69
Share of fuel oil in the fuel mix	%	0.001	0.004

Structure of generation facilities of Nevinnomysskaya GRES

t. №	Electric power, MW	Turbine type	Boiler type	Electrical generator type	Year of commissioning
<i>Steam turbine No.1</i>	30	ПТ-25/30-35/10	4 boilers, ТП-15	JISALT 255	2010
<i>Steam turbine No.2</i>	25	ПТ-25/30-90/10		TBC-30	1960
<i>Steam turbine No.3</i>	80	ПТ-80/100-130/13	3 boilers, ТГМ-96	ТЗФП-110-2	2006
<i>Steam turbine No.4</i>	50	P-50-130/1		TVF-60-2	1968
<i>Steam turbine No.6</i>	155	K-155-130	ТГМ-94	TBB-165-2	1964
<i>Steam turbine No.7</i>	155	K-155-130	ТГМ-94	TBB-165-2	1964
<i>Steam turbine No.8</i>	155	K-155-130	ТГМ-94	TBB-165-2	1965
<i>Steam turbine No.9</i>	155	K-155-130	ТГМ-94	TBB-165-2	1966
<i>Steam turbine No.10</i>	155	K-155-130	ТГМ-94	TBB-165-2	1967
<i>Steam turbine No.11</i>	160	K-160-130	ТГМ-94	TBB-165-2	1970
<i>Steam turbine No.14</i>	129.9	SST 700/900 DHR	Vertical HRSG	SGEN5-100A-2P	2011
<i>Gas turbine No.15</i>	280.3	V94.3A 4 (SGT5-4000F)		SGEN5-100A	2011

Fuel consumption structure

Indicators	Unit of measurement	2018	2017
Gas	ths.m3	2,081,009	2,197,020
Fuel Oil	tons	3,774	6,537
Share of fuel oil in the fuel mix	%	0.28	0.35

Structure of generating facilities of Reftinskaya GRES

t. №	Electric power, MW	Turbine type	Boiler type	Electrical generator type	Commissioning year
<i>Steam turbine No.1</i>	300	K-300-240	ПК-39-2	ТГБ-300	1970
<i>Steam turbine No.2</i>	300	K-300-240	ПК-39-2	ТГБ-300	1971
<i>Steam turbine No.3</i>	300	K-300-240	ПК-39-2	ТГБ-300	1971
<i>Steam turbine No.4</i>	300	K-300-240	ПК-39-2	ТГБ-300	1972
<i>Steam turbine No.5</i>	300	K-300-240	ПК-39-2	ТГБ-300	2014
<i>Steam turbine No.6</i>	300	K-300-240	ПК-39-2	ТГБ-500	1975
<i>Steam turbine No.7</i>	500	K-500-240	ПК-57-2	TBB-500-2M У3	1977
<i>Steam turbine No.8</i>	500	K-500-240	ПК-57-2	TBB-500-2M У3	1978
<i>Steam turbine No.9</i>	500	K-500-240	ПК-57-2	TBM-500 У3	1979
<i>Steam turbine No.10</i>	500	K-500-240	ПК-57-2	TBM-500-2	1980

Fuel consumption structure

Indicators	Unit of measurement	2018	2017
Ekibastuz coal	tons	11,475,102	11,586,811
Fuel Oil	tons	22,638	18,851
Share of fuel oil in the fuel mix	%	0.5	0.4

Structure of generating facilities of Sredneuralskaya GRES

t. №	Electric power, MW	Turbine type	Boiler type	Electrical generator type	Commissioning year
<i>Steam turbine No.6</i>	100	T-100-130	3 ТГМ-963 boilers of heating and hot water supply boilers	TVF-100-2	1965
<i>Steam turbine No.7</i>	100	T-100-130		TVF-100-2	1966
<i>Steam turbine No.8</i>	38	P-38-130/34		TVF-60-2	1966
<i>Steam turbine No.9</i>	310	K-310-240	ТГМII-114	TBB-320-2	1969
<i>Steam turbine No.10</i>	300	T-300-240	ТГМII-114	TBB-320-2	1969
<i>Steam turbine No.11</i>	300	T-300-240	ТГМII-114	TBB-320-2	1970
<i>Steam turbine No.12</i>	137.8	KT-140-13,3	Horizontal HRSG	SGEN5-100-2P 100-40	2011
<i>Gas turbine No.13</i>	281.2	MS 9001 (FB)		330H	2011

Fuel consumption structure

Indicators	Unit of measurement	2018	2017
------------	---------------------	------	------

Gas	ths. m3	1,979,948	1,991,219
Fuel Oil	tons	157	6,172
Share of fuel oil in the fuel mix	%	0.01	0.38

8.5. Information about observance of the Corporate Governance Code recommendations by the Company

This report on compliance with the principles and recommendations of the Corporate Governance Code was reviewed by the Board of Directors of Public Joint Stock Company Enel Russia at a meeting of the Board of Directors on April 17, 2019, Minutes No. 7/19 dated April 19, 2019.

The Board of Directors confirms that the data contained in this report contain complete and reliable information on the Company's compliance with the principles and recommendations of the 2018 Corporate Governance Code.

The assessment of compliance with the principles of corporate governance, enshrined in the Corporate Governance Code, was carried out by the Company in accordance with the methodology set out in the letter of the Bank of Russia dated February 17, 2016 No. IN-06-52/8.

A brief description of the most significant aspects of the corporate governance model and practice in a joint-stock company is contained in the Annual Report's sections "Corporate Governance" and "Risk Management".

No.	Corporate management principles	Appraisal criteria for compliance with the corporate management principle	Status of compliance with the corporate management principle	Explanations of the deviation from the appraisal criteria for compliance with the corporate management principle
1.1	The Company shall ensure equal and fair treatment of all shareholders as regards their implementation of the right to participate in the company management.			
1.1.1	The Company creates for shareholders conditions that are as favorable as possible to participate in the general meeting, conditions for elaborating opinion on the general meeting agenda issues, coordinating their actions, as well as the possibility to express their opinion on the issues considered.	1. The internal document of the Company approved by the General Shareholders' Meeting and governing the general meeting procedures is available to the public. 2. The Company provides an available method for communication with the Company, such as a "hot line", e-mail or an Internet forum, allowing shareholders to express their opinion and send questions relating to the agenda when preparing for the general meeting. The foregoing actions were taken by the Company on the eve of each general meeting held in the reporting period.	Complied with	Continues to be complied with
1.1.2	The procedure for notifying of the general meeting and providing the materials for the	1. The notification of the General Shareholders' Meeting is placed (published on the web-site at least 30 days prior to) the general meeting date.	Complied with	Continues to be complied with

	<p>general meeting enables the shareholders to duly prepare for participating in it.</p>	<p>2. The notification of the meeting specifies the meeting venue and the documents required to access the premises.</p> <p>3. The shareholders were given access to the information concerning the persons that proposed the agenda issues and the candidates for the Board of Directors and the Internal Audit Commission of the Company.</p>		
--	--	---	--	--

1.1.3	When preparing and holding the general meeting, the shareholders were able to receive the information on the meeting and materials for it in an easy and timely manner, as well as to ask questions to the executive bodies and the members of the Board of Directors, communicate with each other.	1. In the reporting period, the shareholders were allowed to ask questions to the members of the executive bodies and the members of the Board of Directors of the Company on the eve and when holding the annual general meeting.	Complied with	Continues to be complied with
		2. The stance of the Board of Directors (including dissenting opinions entered in the minutes) on each agenda issue of the general meetings held in the reporting period was included in the materials to the General Shareholders' Meeting.	Complied with	Improvement as compared to the previous period
		3. The Company provided to the	Complied with	Continues to be complied with

		authorized shareholders the access to the list of persons entitled to participate in the general meeting, starting from the date of its receipt by the Company, in all cases when general meetings were held in the reporting period.		
1.1.4	Implementation of the shareholder's right to request convening of the general meeting, propose candidates for the management bodies and enter proposals to be included in the general meeting agenda was not associated with unreasonable difficulties.	<p>1. In the reporting period, the shareholders were able to enter proposals to be included in the annual general meeting agenda within at least 60 days after expiration of a relevant calendar year.</p> <p>2. In the reporting period, the Company did not refuse to accept proposals for the agenda or the candidate for the Company bodies due to misprints and other insignificant deficiencies in the shareholder's proposal.</p>	Complied with	Continues to be complied with
1.1.5	Each shareholder was able to implement the voting right without any obstacles in the easiest and the most convenient way for him/her.	1. The internal document (internal policy) of the Company contains provisions stating that each participant of the general meeting may request a copy of the ballot that he/she filled in, certified by the scrutineers, before completion of a relevant meeting.	Complied with	Continues to be complied with
1.1.6	The general meeting proceeding established by the Company provides equal possibility to all attendants to express their opinion and ask the questions they are interested in.	<p>1. When General Shareholders' Meetings were held in the reporting period in the form of a meeting (shareholders' joint presence) enough time was provided for reports on the agenda issues and time for discussing these issues.</p> <p>2. The candidates for the Company management and control bodies were available for answering the shareholders' questions at the meetings where these candidates were put to voting.</p>	Complied with	Continues to be complied with

		3. When making the decisions related to preparation and holding of the General Shareholders' Meetings, the Board of Directors considered using telecommunication means to provide shareholders with remote access for participation in the general meetings in the reporting period.		
1.2	The shareholders are provided with an equal and fair opportunity to participate in the Company revenue by receiving dividends.			
1.2.1	The Company developed and implemented a transparent and clear mechanism for determining the amount of dividends and their payment.	<p>1. The dividend policy is developed, approved by the Board of Directors and disclosed at the Company.</p> <p>2. If the Company dividend policy uses the Company's reporting indicators for determining the amount of dividends, relevant provisions contained in the Dividend Policy take into account consolidated financial statements indicators.</p>	Complied with	Continues to be complied with
1.2.2	The Company does not make the decision on dividends payment if such decision, not violating formally the restrictions set forth in the laws, is economically unreasonable and may lead to the formation of false ideas concerning the Company's business.	1. The dividend policy of the Company contains clear instructions concerning financial/economic circumstances when the Company should not pay the dividends.	Complied with	Continues to be complied with

1.2.3	The Company does not allow for deterioration of the current shareholders' dividend rights.	1. In the reporting period, the Company did not take any actions leading to deterioration of the current shareholders' dividend rights.	Complied with	Continues to be complied with
1.2.4	The Company seeks to eliminate the shareholders' using other ways for gaining profit (income) at the Company's expense, besides dividends and liquidation value.	1. To eliminate the shareholders' using other ways for gaining profit (income) at the Company's expense, besides dividends and liquidation value, the internal documents of the Company establish the control mechanisms ensuring timely identification and approval procedure for the transactions with persons affiliated (associated) with current shareholders (persons entitled to make use of the votes falling within the voting shares), in the cases when the law does not recognize formally such transactions as related party transactions.	Complied with	Improvement as compared to the previous period
1.3	The system and practice of corporate management ensure equal conditions for all shareholders owning shares of similar category (type), including minority (minor) shareholders and foreign shareholders and their equal treatment by the Company.			
1.3.1	The Company created conditions for fair treatment of each shareholder by the management bodies and controlling officials of the Company, including the conditions disallowing abuse of powers by major shareholders in relation to minority shareholders.	1. Within the reporting period the procedures for managing potential conflicts of interests arising among the current shareholders are efficient, and the Board of Directors paid due attention to the conflicts among shareholders, if any.	Complied with	Continues to be complied with

1.3.2	The Company does not take any actions that lead or may lead to artificial re-distribution of corporate control.	1. There are no quasi-treasury shares or they did not participate in voting within the reporting period.	Complied with	Improvement as compared to the previous perio
1.4	The shareholders are provided with reliable and efficient methods for accounting the rights to shares, as well as the possibility to dispose of the shares they own in a free and easy manner.			
1.4	The shareholders are provided with reliable and efficient methods for accounting the rights to shares, as well as the possibility to dispose of the shares they own in a free and easy manner.	1. Quality and reliability of the activity performed by the Company Registrar to keep the register of securities owners meet the requirements of the Company and its shareholders.	Complied with	Continues to be complied with
2.1	The Board of Directors performs strategic management of the Company, determines general principles and approaches towards organization of the risk management and internal control system at the Company, controls activities of the Company's executive bodies, and also implements other key functions.			
2.1.1	The Board of Directors is responsible for making the decisions on appointment and dismissal for the positions at the executive bodies, including due to improper fulfillment of their duties. The Board of Directors also controls the Company executive bodies so that they act in accordance with the approved development strategy and core businesses of the Company.	1. The Board of Directors has the powers registered in the Articles of Association to appoint, dismiss and determine the contract conditions in relation to the executive bodies' members. 2. The Board of Directors reviewed the report (reports) of the sole executive body and members of the collective executive body on compliance with the Company strategy.	Complied with	Continues to be complied with

2.1.2	The Board of Directors establishes main business focuses of the Company for a long term, evaluates and approves key performance indicators and main business objectives of the Company, evaluates and approves the strategy and business plans for the Company core activities.	1. Within the reporting period the Board of Directors at its meetings considered the issues related to the strategy fulfillment progress and update, approval of the financial and business plan (budget) of the Company, as well as review of the criteria and indicators (including interim ones) concerning implementation of the Company strategy and business plans.	Complied with	Continues to be complied with
2.1.3	The Board of Directors determines principles and approaches towards organization of the risk management and internal control system at the Company.	1. The Board of Directors determined principles and approaches towards organization of the risk management and internal control system at the Company. 2. The Board of Directors assessed the risk management and internal control system of the Company within the reporting period.	Complied with	Continues to be complied with
2.1.4	The Board of Directors determined the Company policy for remuneration and (or) reimbursement for the expenses (compensations) to the members of the Board of Directors, executive bodies and other key managers of the Company.	1. The Company developed and implemented the policy (policies) for remuneration and reimbursement for the expenses (compensations) to the members of the Board of Directors, executive bodies and other key managers of the Company, and the policy (policies) is approved by the Board of Directors. 2. Within the reporting period the Board of Directors at its meetings considered the issues related to the foregoing policy (policies).	Complied with	Improvement as compared to the previous period
2.1.5	The Board of Directors plays a key role in prevention, identification and settlement of the internal conflicts	1. The Board of Directors plays a key role in prevention, identification and settlement of the internal conflicts.	Complied with	Continues to be complied with

	among the Company bodies, shareholders and employees.	2. The Company created the system for identification of transactions related to the conflict of interests and the system of measures aimed at such conflicts settlement.		
2.1.6	The Board of Directors plays a key role in ensuring the Company transparency, timely and full disclosure of information by the Company, easy access to the Company documents for the shareholders.	1. The Board of Directors approved the Regulation on Information Policy. 2. The Company determined the persons responsible for implementation of the Information Policy.	Complied with	Continues to be complied with
2.1.7	The Board of Directors controls the corporate management practice at the Company and plays a key role in significant corporate events of the Company.	1. Within the reporting period the Board of Directors considered the issue concerning the corporate management practice at the Company.	Complied with	Continues to be complied with
2.2	The Board of Directors reports to the Company shareholders.			
2.2.1	Information on the Board of Directors work is disclosed and submitted to the shareholders.	1. The annual report of the Company for the reporting period includes the information on attendance rate for the Board of Directors and committees meetings by individual Directors. 2. The annual report contains the information on main results obtained from assessment of the Board of Directors work, performed in the reporting period.	Complid with	Continues to be complied with
2.2.2	The Chairman of the Board of Directors is available for communication with the Company shareholders.	1. The Company has a transparent procedure enabling the shareholders to send issues and their opinion on them to the Chairman of the Board of Directors.	Complied with	Continues to be complied with.
2.3	The Board of Directors is an efficient and professional management body of the Company capable of making objective independent judgments and adopting resolutions corresponding to the interests of the Company and its shareholders			

2.3.1	<p>Only the persons with impeccable business and personal reputation and having knowledge, skills and experience required to make decisions, falling within the competence of the Board of Directors and required for efficient implementation of its functions, shall be elected as the members of the Board of Directors.</p>	<p>1. The procedure for assessing the efficiency of the Board of Directors work adopted at the Company includes without limitation assessment of the Board of Directors members' professional qualification.</p> <p>2. In the reporting period, the Board of Directors (or its Committee for Nominations) assessed the candidates for the Board of Directors as to whether they have required experience, knowledge, business reputation, unavailability of the conflict of interests, etc.</p>	Complied with	Continues to be complied with
2.3.2	<p>The members of the Company Board of Directors are elected by a transparent procedure, allowing the shareholders to receive the information on the candidates, sufficient to form the idea about their personal and professional qualities.</p>	<p>1. In all cases when holding the General Shareholders' Meeting in the reporting period, if the agenda of such meeting included the issues concerning election of the Board of Directors, the Company provided the shareholders with biographical data of all candidates for the members of the Board of Directors, the results of such candidates assessment performed by the Board of Directors (or by its Committee for Nominations), as well as the information on the candidate's compliance with the independence criteria, pursuant to recommendations 102 - 107 of the Code, and the written consent of the candidates for election to the Board of Directors.</p>	Complied with	Continues to be complied with
2.3.3	<p>The composition of the Board of Directors is balanced, including as regards qualifications of its members, their experience, knowledge and business qualities, and the shareholders trust it.</p>	<p>1. Within the procedure for assessing the work of the Board of Directors performed in the reporting period, the Board of Directors analyzed own requirements related to professional qualification, experience and business skills.</p>	Complied with	Continues to be complied with

2.3.4	The number of the Company Board of Directors members enables organization of the Board of Directors activities in the most efficient manner, including the possibility to form the Board of Directors committees, as well as enables the significant minority shareholders of the Company to elect the candidate they vote for to the Board of Directors.	1. Within the procedure for assessing the Board of Directors performed in the reporting period, the Board of Directors considered the issue as to whether the number of the Board of Directors members meets the requirements of the Company and the interests of shareholders.	Complied with	Continues to be complied with
2.4	The Board of Directors includes an adequate number of Independent Directors.			
2.4.1	A person is recognized as an Independent Director if he/she is professional enough, experienced and independent to form an own stance, capable of making objective and good faith judgments, independent of the influence exerted by the Company executive bodies, individual groups of shareholders or other stakeholders. In this case it should be taken into account that, generally, a candidate (elected member of the Board of Directors) may not be considered as an independent one if he/she is related to the Company, its significant shareholder, significant counterparty or competitor of the Company, or if he/she is related to the state.	1. Within the reporting period all independent members of the Board of Directors met all independence criteria, specified in recommendations 102 - 107 of the Code, or were recognized as independent following the decision of the Board of Directors.	Complied with	Continuous to be complied with

2.4.2	Compliance of the candidates for the members of the Board of Directors with independence criteria is assessed, and also compliance of the independent Board of Directors with independence criteria is regularly analyzed. During such assessment contents should prevail over the form.	1. In the reporting period, the Board of Directors (or the Committee for Nominations of the Board of Directors) formed the opinion on independence of each candidate for the Board of Directors and provided the shareholders with relevant opinion.	Complied with in part	Improvement as compared to the previous period
		2. Within the reporting period the Board of Directors (or the Committee for Nominations of the Board of Directors) at least once reviewed independence of the current Board of Directors members, specified by the Company in the annual report as Independent Directors.	Complied with	Continued to be complied with
		3. The Company developed the procedures determining required actions of the Board of Directors member in case he/she is no longer independent, including the obligations to timely inform the Board of Directors accordingly.	Complied with	Continues to be complied with
2.4.3	Independent Directors constitute at least one third of the elected Board of Directors members.	1. Independent Directors constitute at least one third of the Board of Directors members.	Complied with	Improvement as compared to the previous period
2.4.4	Independent Directors play a key role in prevention of internal conflicts at the Company and performance by the Company of significant corporate actions.	1. Independent Directors (having no conflict of interests) preliminary assess significant corporate actions related to a potential conflict of interests and provide the results of such assessment to the Board of Directors.	Complied with	Continues to be complied with
2.5	The Chairman of the Board of Directors facilitates the most efficient implementation of the functions imposed on the Board of Directors.			

2.5.1	The Chairman of the Board of Directors is an Independent Director or a senior Independent Director determined among selected Independent Directors, coordinating the activities of Independent Directors and cooperating with the Chairman of the Board of Directors.	1. The Chairman of the Board of Directors is an Independent Director, or a Senior Independent Director is determined among Independent Directors. 2. Role, rights and duties of the Chairman of the Board of Directors (and, if applicable, of the Senior Independent Director) are duly determined in the internal documents of the Company.	Complied with	Continues to be complied with
2.5.2	The Chairman of the Board of Directors ensures efficient atmosphere for holding the meetings, free discussion of the issues included in the meeting agenda, control over fulfillment of the decisions made by the Board of Directors.	1. Efficiency of the work performed by the Chairman of the Board of Directors was assessed within the procedure for assessing efficiency of the Board of Directors in the reporting period.	Complied with	Continues to be complied with
2.5.3	The Chairman of the Board of Directors takes required measures to timely provide the members of the Board of Directors with the information required to make decisions on the agenda issues.	1. The obligation of the Chairman of the Board of Directors to take measures to timely provide the members of the Board of Directors with the materials on the agenda issues of the Board of Directors meeting is recorded in the Company's internal documents.	Complied with	Continued to be complied with
2.6	The members of the Board of Directors act reasonably and in good faith in the interests of the Company and its shareholders on the basis of adequate information with due care and diligence.			
2.6.1	The members of the Board of Directors make decisions taking into account all available information, with no conflict of interests, taking into account equal treatment of the	1. The internal documents of the Company set forth that the member of the Board of Directors shall notify the Board of Directors if he/she is in conflicts of interest in relation to any issue of the Board of Directors or the Directors Committee meeting agenda before commencement of the relevant agenda issue discussion.	Complied with	Continues to be complied with

	Company shareholders within a general entrepreneurial risk.	<p>2. The internal documents of the Company provide that the member of the Board of Directors shall abstain from voting on any issue if he/she is in the conflict of interests in its relation.</p> <p>3. The Company has the procedure allowing the Board of Directors to receive professional advice on the issues within its competence at the Company's expense.</p>		
2.6.2	The rights and obligations of the Board of Directors members are clearly worded and recorded in the internal documents of the Company.	1. The Company adopted and published the internal document clearly determining the rights and obligations of the Board of Directors members.	Complied with	Continues to be complied with
2.6.3	The Board of Directors members have enough time to perform their duties.	<p>1. Individual rate of the Board and committees attendance, as well as the time spent on preparing for the meetings participation was taken into account within the procedure for assessing the Board of Directors in the reporting period.</p> <p>2. In accordance with the internal documents of the Company the members of the Board of Directors shall notify the Board of Directors of their intention to become members of the management bodies at other companies (besides controlled and associated businesses of the Company), as well as of such actual appointment.</p>	Complied with	Continues to be complied with

2.6.4	All members of the Board of Directors have equal possibility to access the Company documents and information. Newly elected members of the Board of Directors are provided with sufficient information on the Company and the work performed by the Board of Directors as soon as possible.	1. In accordance with the internal documents of the Company the members of the Board of Directors are entitled to obtain access to the documents and make enquiries concerning the Company and the businesses controlled by the Company, and the Company executive bodies shall provide relevant information and documents. 2. The Company has a formal program of familiarization activities for the newly elected members of the Board of Directors.	Complied with	Continues to be complied with
2.7	The meetings of the Board of Directors, preparation for these meetings and participation of the Board of Directors members in the same ensure efficient functioning of the Board of Directors.			
2.7.1	The meetings of the Board of Directors are held when necessary taking into account the scale of activities and the tasks encountered by the Company in a certain period.	1. The Board of Directors held at least six meetings in the reporting year.	Complied with	Continues to be complied with
2.7.2	The internal documents of the Company establish the procedure for preparing and holding the meetings of the Board of Directors enabling the members of the Board of Directors to duly prepare for the same.	1. The Company has approved the internal document determining the procedure for preparing and holding the meetings of the Board of Directors, establishing, without limitation, that the notification of the meeting shall be made, in general, at least 5 days before its holding.	Complied with	Continues to be complied with
2.7.3	The form for holding the Board of Directors meeting is determined in view of the agenda issues importance. The most important issues are solved at meetings held in praesentia.	1. The Articles of Association or the internal document of the Company provides that the most important issues (according to the list given in recommendation 168 of the Code) shall be reviewed at the Board meetings held in praesentia.	Complied with	Continues to be complied with

2.7.4	The most important issues of the Company activities are resolved by special or ordinary resolution of all elected Board of Directors members at the Board of Directors meeting.	1. The Articles of Association of the Company provides that the most important issues specified in recommendation 170 of the Code, shall be resolved at the Board of Directors meeting by a special resolution of at least three fourth of votes or by an ordinary resolution of all elected Board of Directors members.	Complied with	Continues to be complied with
2.8	The Board of Directors creates committees for preliminary consideration of the most important issues associated with the Company's activities.			
2.8.1	The Audit Committee comprising Independent Directors is established for preliminary consideration of the issues associated with control over the Company financial and economic activities.	1. The Board of Directors formed the Audit Committee comprising Independent Directors only.	Complied with in part	<p>Criterion 1 of principle 2.8.1. is complied with to the same extent. In 2015-2017, the quantitative share of independent directors in the Company's Board of Directors was less than the same recommended by the Corporate Governance Code. In 2016, 1 independent director was elected, and two directors were recognized as independent by the Board of Directors' decision. The Annual General Shareholders' Meeting 2017 elected 2 independent directors, and another member of the Board of Directors was recognized as an independent director by the decision of the Company's Board of Directors. Thus, over the past years, directors who are not independent have always been among the members of the Audit and Corporate Governance Committee. The 2018 Annual General Shareholders' Meeting elected 4 independent directors, while in June 2018 the Board of Directors decided to increase the Audit and Corporate Governance Committee (- hereinafter - ACGC) from 3 to 5 members. ACGC is composed of four independent directors (A. Palazzolo, D. Callegari, A. Guaccero and A. A. D. Williams) and one and one non-executive director - D.V. Mosolov. This composition is not in line with the Corporate Governance Code, but complies with the Moscow Exchange Listing Rules,</p> <p>according to which the Audit Committee should consist of independent directors, and if this is impossible due to objective reasons, the majority of the committee members should be independent directors, and the rest of the committee members can be the Board of Directors members who are not the sole executive body and / or members of the collegial executive body of the Company.</p> <p>The non-controlling shareholder re –nominated the only non-executive director of the Audit and Corporate Governance Committee - D. V. Mosolov to the Board of Directors (D. V. Mosolov is a member of the Committee since 2017). In view of the 2019 Annual General Meeting of Shareholders, the Board of Directors will recommend that shareholders, when electing the members to the Board of Directors, to pursue the aim of complying with the Moscow Exchange Listing Rules (according to which the Company's Board of Directors should include at least 3</p>

				<p>independent directors) and with the Corporate Governance Code (according to which at least one third of members of the Board of Directors should be independent, amounting to 4 independent directors out of 11).</p> <p>At the same time, the Company plans to further engage non-executive directors to participate in the Audit and Corporate Governance Committee, thereby reducing the workload of independent directors with regard to analyzing the scope of matters analyzed by the Committee. The Company also believes that the inclusion of a representative of a minority shareholder into the Committee strengthens control over the financial and economic activities of the Company, and has a positive effect on the development and improvement of the corporate governance system and practices.</p> <p>The Company plans to further maintain compliance with p. 2.8.1. of the Corporate Governance Code at the same level. Exclusively formation of the Audit and Corporate Governance Committee from independent directors doesn't meet the Company's need to create opportunities for additional discussion at the level of the Audit and Corporate Governance Committee.</p>					
		2. The internal documents of the Company determine the tasks of the Audit Committee including, without limitation, the tasks set forth in recommendation 172 of the Code.	Complied with	Continues to be complied with					
		3. At least one member of the Audit Committee, who is an Independent Director, has experience and knowledge related to preparation, analysis, assessment and audit of the accounting (financial) statements.	Complied with	Continues to be complied with					
		4. The meetings of the Audit Committee were held at least once a quarter within the reporting period.	Complied with	Continues to be complied with					
<table border="1" style="width: 100%; height: 20px;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>									

2.8.2	<p>To preliminary consider the issues associated with formation of an efficient and transparent remuneration practice, the Remuneration Committee is established, comprising Independent Directors and headed by the Independent Director who is not the Chairman of the Board of Directors.</p>	<p>1. The Board of Directors established the Remuneration Committee comprising Independent Directors only.</p>	<p>Complied with in part</p>	<p>Criterion 1 of principle 2.8.2 is complied with to the same extent. In 2015-2017, the quantitative share of independent directors in the Company's Board of Directors was less than the same recommended by the Corporate Governance Code. In 2016, 1 independent director was elected, and two directors were recognized as independent by the Board of Directors' decision. the Annual General Shareholders' Meeting 2017 elected 2 independent directors, and another member of the Board of Directors was recognized as an independent director by the decision of the Company's Board of Directors. Thus, over the past years, directors who are not independent have always been among the members of the HR and Remuneration Committee. Two independent directors were elected to the HR and Remuneration Committee (A. Guaccero as Chairman and D. Callegari), as well as one non-executive director - T. A. Sitdekov). The composition, although is not in line with the Corporate Governance Code, complies with the Moscow Exchange Listing Rules, which establish that the Remuneration Committee should consist of independent directors, and, if this is impossible due to objective reasons, the majority should be independent directors and the rest should not be sole executive director or a member of the collegial executive body of the Company.</p> <p>Non-executive director T. A. Sitdekov is a member of the Company's HR Committee for more than 5 years (2012-2014, from 2015 till now). The Board of Directors twice elected him as the HR and Remuneration Committee's Chairman. Also, the Board of Directors recognized Sitdekov T. A. as an independent director in 2016-2017, since despite being formally connected with a significant shareholder, his judgments and comments made during the Board of Directors' and the Committee's meetings are independent and</p>
-------	--	--	------------------------------	---

			<p>objective. In view of the 2019 Annual General Meeting of Shareholders, the Board of Directors will recommend that shareholders, when electing the members to the Board of Directors, to pursue the aim of complying with the Moscow Exchange Listing Rules (according to which the Company's Board of Directors should include at least 3 independent directors) and with the Corporate Governance Code (according to which at least one third of members of the Board of Directors should be independent, amounting to 4 independent directors out of 11).</p> <p>At the same time, the Company plans to further engage non-executive directors to participate in the HR and Remuneration Committee, thereby reducing the workload of independent directors with regard to analyzing the scope of matters analyzed by this Committee. Also, a non-executive director's presence nominated by minority shareholder is a reasonable decision to create a discussion when forming an efficient and transparent remuneration practice and succession planning at the Company. The Company plans to further maintain compliance with p. 2.8.2. of the Corporate Governance Code at the same level. Exclusively formation of the HR and Remuneration Committee from independent directors doesn't meet the Company's need to create opportunities for additional discussion at the level of the HR and Remuneration Committee</p>
	<p>2. The Chairman of the Remuneration Committee is the Independent Director who is not the Chairman of the Board of Directors.</p>	<p>Complied with</p>	<p>Continues to be complied with</p>
		<p>Complied with</p>	<p>Continues to be complied with</p>
	<p>3. The internal documents of the Company determine the tasks of the Remuneration Committee including, without limitation, the tasks set forth in recommendation 180 of the Code.</p>		

2.8.3	To preliminary consider the issues related to HR planning (continuity planning), professional headcount and efficiency of the Board of Directors work, the Committee for Nominations (appointments, staff) was established, and the majority of its members are Independent Directors.	<p>1. The Board of Directors established the Committee for Nominations (or its tasks specified in recommendation 186 of the Code are implemented within another committee <4>), and the majority of its members are Independent Directors.</p> <p>2. The internal documents of the Company determine the tasks of the Committee for Nominations (or of a relevant committee with joint functions), including, without limitation, the tasks contained in recommendation 186 of the Code.</p>	Complied with	Continues to be complied with
2.8.4	Taking into account the scale of activities and the level of risk the Company Board of Directors made sure that the composition of its committees fully meets the Company business objectives. Other committees were either formed or were not recognized as necessary (strategy committee, corporate management committee, ethics committee, risk management committee, budget committee, HSE committee, etc.).	1. Within the reporting period the Company Board of Directors considered the issue as to whether the composition of its committees meets the tasks of the Board of Directors and the Company business objectives. Other committees were either formed or were not recognized as necessary.	Complied with	Continues to be complied with
2.8.5	The composition of the committees is determined in such a way as to allow for comprehensive	1. The Committees of the Board of Directors are headed by Independent Directors.	Complied with	Improvement as compared to the previous period

	discussion of the preliminary considered issues taking into account various opinions.	2. The internal document (policies) of the Company contain provisions stating that the persons who are not the members of the Audit Committee, Committee for Nominations and Remuneration Committee may attend the Committees' meetings only if invited by the Chairman of the relevant Committee.	Complied with	Continues to be complied with
2.8.6	The Chairmen of the Committees regularly inform the Board of Directors and its Chairman about the work performed by their committees.	1. Within the reporting period the Chairmen of the Committees regularly reported on the Committees' work to the Board of Directors.	Complied with	Continues to be complied with
2.9	The Board of Directors ensures that the quality of work performed by the Board of Directors, its committees and members of the Board of Directors is assessed.			
2.9.1	Assessing the quality of the work performed by the Board of Directors is aimed at determining the level of efficiency for the work performed by the Board of Directors, committees and members of the Board of Directors, their work compliance with the Company development needs, activating the work of the Board of Directors and identifying the areas for improvement.	1. Self-assessment or external assessment of the work performed by the Board of Directors carried out in the reporting period included assessment of the work performed by Committees, individual members of the Board of Directors and the Board of Directors in general. 2. The results of self-assessment or the external assessment of the Board of Directors performed within the reporting period were considered at the Board of Directors meeting held in praesentia.	Complied with	Continues to be complied with
2.9.2	Assessment of the work performed by the Board of Directors, Committees and members of the Board of Directors is performed regularly at least once a year. An external company (advisor) is involved for independent assessment of the work quality for	1. An external company (advisor) was involved by the Company for independent assessment of the work quality for the Board of Directors at least once within the last three reporting periods.	Complied with	Continues to be complied with

	the Board of Directors at least once in three years.			
3.1	The Company Corporate Secretary performs efficient current interaction with the shareholders, coordination of the Company activities to protect the shareholders' rights and interests, supports efficient work performed by the Board of Directors.			
3.1.1	The Corporate Secretary has knowledge, experience and qualification adequate to perform the duties imposed on him/her, has impeccable business reputation, and shareholders trust him/her.	1. The following internal document is adopted and disclosed at the Company - the Regulation on the Corporate Secretary. 2. The Company web-site and the annual report contain the biographical information about the Corporate Secretary with the same details as for the members of the Board of Directors and the Company executive management.	Complied with	Continues to be complied with
3.1.2	The Corporate Secretary is independent enough of the Company executive bodies and has required powers and resources to perform the tasks assigned to him/her.	1. The Board of Directors approves appointment, dismissal and additional remuneration for the Corporate Secretary.	Complied with in part	The Company comply with principle 3.1.2 of corporate governance at the same extent. The Head of Legal and Corporate Affairs has been a Corporate Secretary of the Company for more than 5 years. The Corporate Secretary is elected by a majority of votes of all elected members of the Company's Board of Directors in accordance with subitem 5.2. of the BoD Rules. c the Board of Directors can re-elect the Corporate Secretary at any time. According to subitem 2.2. of the Regulation for the Corporate Secretary, the Corporate Secretary shall perform the functions of the secretary of the Company's Board of Directors, the Company's General Shareholders' Meeting, and the Company's Committees of the Board of Directors. The Company believes that combining of the functions of the Corporate Secretary and Head of Legal Affairs does not create a conflict of interest and does not reduce in general the efficiency of the Corporate Secretary of the Company. Currently, the Company does not plan to appoint another person as a Corporate Secretary
4.1	The level of remuneration payable by the Company is sufficient for involvement, motivation and retention of the persons having the competence and qualification required by the Company. Remuneration to the members of the Board of Directors, executive bodies and other key managers of the Company is paid in accordance with the Remuneration Policy adopted at the Company.			

4.1.1	<p>The level of remuneration payable by the Company to the members of the Board of Directors, executive bodies and other key managers creates adequate motivation for their efficient work allowing the Company to involve and retain competent and qualified specialists. The Company avoids the level of remuneration greater than required, as well as unreasonably high discrepancy between the remuneration level of the foregoing persons and the Company employees.</p>	<p>1. The Company adopted the internal document (documents) - the policy (policies) on remuneration of the Board of Directors members, executive bodies and other key managers, clearly determining approaches towards remuneration for the foregoing persons.</p>	Complied with	Improvement as compared to the previous period
4.1.2	<p>The Company Remuneration Policy is developed by the Remuneration Committee and approved by the Company Board of Directors. The Board of Directors supported by the Remuneration Committee ensures control over implementation of the Remuneration Policy at the Company, and if required - reviews and adjusts the same.</p>	<p>1. Within the reporting period the Remuneration Committee reviewed the Remuneration Policy (Policies) and the practice of its (their) implementation, and provided relevant recommendations to the Board of Directors, if required.</p>	Complied with	Improvement as compared to the previous period

4.1.3	The Company Remuneration Policy contains transparent mechanisms for determining the amount of remuneration to the Board of Directors members, executive bodies and other key managers of the Company, and also governs all types of payments, benefits and privileges provided to the foregoing persons.	1. The Company Remuneration Policy (Policies) contains (contain) transparent mechanisms for determining the amount of remuneration to the Board of Directors members, executive bodies and other key managers of the Company, and also governs (govern) all types of payments, benefits and privileges provided to the foregoing persons.	Complied with	Improvement as compared to the previous period
4.1.4	The Company determines the Policy on Reimbursement for Expenses (Compensations) specifying the list of expenses to be reimbursed for, and the level of service that can be claimed by the Board of Directors members, executive bodies and other key managers of the Company. This Policy may be a component of the Company Remuneration Policy.	1. The Remuneration Policy (Policies) or other internal documents of the Company determine the rules for reimbursement for the expenses of the Board of Directors members, executive bodies and other key managers of the Company.	Complied with	Continues to be complied with
4.2	The system of remuneration to the members of the Board of Directors ensures convergence of the Directors' financial interests and long-term financial interests of shareholders.			

4.2.1	<p>The Company pays fixed annual remuneration to the Board of Directors members. The Company does not pay remuneration for participation in individual meetings of the Board or the Board of Directors Committees. The Company does not apply short-term motivation and additional financial incentives in relation to the Board of Directors members.</p>	<p>1. Fixed annual remuneration was the only monetary form of remuneration to the Board of Directors members for working at the Board of Directors within the reporting period.</p>	Complied with	Improvement as compared to the previous period
4.2.2	<p>Long-term ownership of the Company shares facilitates convergence of the Board of Directors' members financial interests with long-term interests of the shareholders to the maximum extent. The Company does not make the rights to sell shares contingent upon achievement of certain performance indicators, and the Board of Directors members do not participate in option programs.</p>	<p>1. If the internal document (documents) - the Company Remuneration Policy (Policies) provide for provision of the Company shares to the Board of Directors members, clear rules for share owning by the Board of Directors members shall be provided for and disclosed aimed at incentivizing long-term ownership of such shares.</p>	Not applicable	Continues to remain inapplicable
4.2.3	<p>The Company does not provide for any additional payments or compensations in case or early terminating the powers of the Board of Directors members due to transfer of control over the Company</p>	<p>1. The Company does not provide for any additional payments or compensations in case or early terminating the powers of the Board of Directors members due to transfer of control over the Company or due to other circumstances.</p>	Complied with	Continues to be complied with

	or due to other circumstances.			
4.3	The system for remunerating the executive bodies members and other key managers of the Company provides for dependence of remuneration on the result of the Company work and their personal contribution to this result achievement.			
4.3.1	Remuneration to the executive bodies members and other key managers of the Company is determined so as to ensure reasonable and substantiated ratio of the fixed remuneration part	1. Within the reporting period, the annual performance indicators approved by the Board of Directors were used when determining the amount of variable remuneration to the executive bodies members and other key managers of the Company.	Complied with	Continues to be complied with

	<p>and variable remuneration part, dependent on the Company work results and personal (individual) contribution of the employee to the final result.</p>	<p>2. During the last assessment of the remuneration system for the executive bodies members and other key managers of the Company, the Board of Directors (the Remuneration Committee) made sure that the Company uses efficient ratio of the remuneration fixed part and remuneration variable part.</p> <p>3. The Company provides for the procedure ensuring return to the Company of bonus payments wrongfully received by the members of the executive bodies and other key managers of the Company.</p>	<p>Complied with</p>	<p>Improvement as compared to the previous period</p>
--	--	--	----------------------	---

4.3.2	The Company implemented the program for long-term incentives for the members of the executive bodies and other key managers of the Company (options or other derivatives based on the Company shares).	<p>1. The Company implemented the program for long-term incentives for the members of the executive bodies and other key managers of the Company using the Company shares (financial instruments based on the Company shares).</p> <p>2. The program for long-term incentives for the members of the executive bodies and other key managers of the Company provides that the right to sell the shares and other financial instruments used in this program arises not earlier than in three years upon their provision. And the right to sell them is conditional on achievement of certain Company performance indicators.</p>	Complied with	Continues to be complied with
4.3.3	The amount of compensation (golden parachute) payable by the Company in case of early terminating the powers of the executive bodies members or other key managers on the Company's initiative and if no bad faith actions are performed by them does not exceed the double amount of the annual remuneration fixed part.	1. The amount of compensation (golden parachute) payable by the Company in case of early terminating the powers of the executive bodies members or other key managers on the Company's initiative and if no bad faith actions are performed by them did not exceed the double amount of the annual remuneration fixed part in the reporting period.	Complied with	Continues to be complied with
5.1	The Company established an efficiently functioning system of risk management and internal control aimed at ensuring reasonable confidence in achieving the objectives set for the Company.			

5.1.1	The Company Board of Directors determined principles and approaches towards organization of the risk management and internal control system at the Company.	1. The functions of various management bodies and the Company units in the risk management and internal control system are clearly determined in the internal documents / relevant Company's policy approved by the Board of Directors.	Complied with	Continues to be complied with
5.1.2	The Company executive bodies ensure establishment and support of the efficient system for risk management and internal control functioning at the Company.	1. The Company executive bodies ensured distribution of functions and powers in relation to risk management and internal control among the managers (heads) of units and departments that report to them.	Complied with	Continues to be complied with
5.1.3	The risk management and internal control system at the Company ensures objective, fair and clear idea about the Company's current state and prospects, integrity and transparency of the Company's reports, reasonableness and acceptability of the risks taken by the Company.	1. The Company approved the Zero Tolerance to Corruption Policy. 2. The Company organized an easy method for reporting to the Board of Directors or the Board of Directors Audit Committee on actual violations of the laws, internal procedures, the Company's Code of Ethics.	Complied with	Continues to be complied with
5.1.4	The Company Board of Directors takes required measures to ensure that the risk management and internal control system effective at the Company complies with the principles and approaches towards its organization, determined by the Board of Directors, and that it is efficiently functioning.	1. Within the reporting period the Board of Directors or the Board of Directors Audit Committee assessed the efficiency of the Company's risk management and internal control system. The information on the main results of such assessment are included in the Company's annual report.	Complied with	Continues to be complied with

5.2	Internal audit performance is organized for systematic independent assessment of the risks management and internal control system reliability and efficiency and the Company corporate management practice.			
5.2.1	The Company established a separate organization unit or involved an independent external company for internal audit. The functional and administrative accountability of the internal audit unit are divided. The internal audit functional unit reports to the Board of Directors.	1. The Company established a separate internal audit organization unit functionally reporting to the Board of Directors or the Audit Committee or involved an independent external company under the same accountability principle.	Complied with	Continues to be complied with
5.2.2	The internal audit unit assesses the efficiency of the internal control system, efficiency of the risk management system, as well as of the corporate management system. The Company employs generally accepted business principles in the internal audit sphere.	1. Within the reporting period, the internal control and risk management system efficiency was assessed within the scope of the internal audit. 2. The Company employs generally accepted internal control and risk management principles.	Complied with	Continues to be complied with
6.1	The Company and its activities are transparent for shareholders, investors and other stakeholders.			
6.1.1	The Company developed and implemented the information policy ensuring efficient information interaction among the Company, shareholders, investors and other stakeholders.	1. The Company Board of Directors approved the Company Information Policy developed taking into account the recommendations of the Code. 2. The Board of Directors (or one of its committees) considered the issues related to compliance by the Company with its Information Policy at least once within the reporting period.	Complied with	Improvement as compared to the previous period

6.1.2	The Company discloses the information on the corporate management system and practice including detailed information on compliance with the Code principles and recommendations.	1. The Company discloses the information on the Company's corporate management system and general corporate management principles used at the Company including on the Company's web-site.	Complied with	Continues to be complied with
		2. The Company discloses the information on the composition of the executive bodies and the Board of Directors, independence of the Board members and their membership in the Board of Directors Committees (in accordance with the definitions of the Code).	Complied with	Continues to be complied with
		3. If there is an entity controlling the Company, the Company publishes the memo of the controlling entity regarding the plans of such entity concerning the Company's corporate governance.	Not complied with	<p>Criterion 3 of principle 6.1.2. continues not to be complied with. Controlling entity (Enel S.p.A.) of the Company did not provide, in the form of a separate independent document, a controlling person's memorandum stating the controlling entity's plans for corporate governance at the Company. Enel S.p.A., being the Company's controlling entity, has been disclosing information since 2015 that corporate governance within all public subsidiaries of Enel S.p.A. (companies, shares of which are listed on regulated markets), including the Company, would comply with best local (national) corporate governance practices. See: https://www.enel.com/content/dam/enel-com/investors/shareholdersmeeting/2017/documentation-and-reports/report_on_corporate_governance_2016.pdf.</p> <p>The Corporate Governance Code issued by the Bank of Russia is the best local (national) corporate governance practice applicable to the Company.</p> <p>Also, the Company's Board of Directors approved the Corporate Governance Guidelines for Enel Group which set down some of the principles upon which Enel Group's corporate governance is founded, on September 27, 2018. Previously, the Board of Directors of Enel S.p.A. approved this document.</p> <p>The Company considers the above resolutions of the Board of Directors of Enel S.p.A. as the controlling entity's memorandum stipulated by the Corporate Governance Code with respect to the controlling entity's plans related to corporate governance within the Company</p>
6.2	The Company timely discloses complete, updated and reliable Company information to allow for reasonable decisions to be taken by the Company shareholders and investors.			

6.2.1	<p>The Company discloses the information in accordance with the principles of frequency, sequence, efficiency, as well as availability, reliability, completeness and the possibility to compare the disclosed data.</p>	<p>1. The Company's Information Policy determines the approaches and criteria for defining the information capable of significantly affecting the Company's assessment and the cost of its securities and procedures ensuring timely disclosure of such information.</p> <p>2. If the Company's securities are circulated at the foreign regulated markets, the significant information is disclosed in a simultaneous and equivalent manner in the Russian Federation and at such markets within the reporting year.</p> <p>3. If foreign shareholders own a significant number of the Company's shares, the information was disclosed not only in Russian, but also in one of the most common languages within the reporting period.</p>	Complied with	Continues to be complied with
6.2.2	<p>The Company avoids a perfunctory approach during the information disclosure and discloses significant information on its activities even if such information disclosure is not provided for in the laws.</p>	<p>1. Within the reporting period the Company disclosed the annual and semi-annual financial statements drawn up according to the IFRS standards. The Company's annual report for the reporting period includes the annual financial statements drawn up according to the IFRS standards with the audit opinion.</p> <p>2. The Company discloses complete information on the Company's capital structure in accordance with Recommendation 290 of the Code in the annual report and on the Company website.</p>	Complied with	Continues to be complied with

6.2.3	The annual report being one of the most important tools for information cooperation with shareholders and other stakeholders contains the information allowing for assessment of the Company's business results for a year.	1. The Company's annual report contains the information about key aspects of the Company's operational activities and its financial results 2. The Company's annual report contains the information about environmental and social aspects of the Company's activities.	Complied with	Continues to be complied with
6.3	The Company provides the information and documents at the shareholders' requests in accordance with the principles of equal and easy access.			
6.3.1	The Company provides information and documents at request of shareholders in accordance with equal and easy access principles.	1. The Company's information policy determines an easy procedure for provision of information including on the legal entities controlled by the Company at the shareholders' request.	Complied with	Improvement as compared to the previous period
6.3.2	When the Company provides the information to shareholders, it ensures reasonable balance between the interests of certain shareholders and the interests of the Company itself interested in keeping in confidence the important commercial information that may significantly affect its competitiveness.	1. Within the reporting period the Company did not refuse to satisfy the requests of the shareholders for provision of the information or such refusals were reasoned. 2. In the cases determined in the Company's Information Policy, the shareholders are warned of the information confidential nature and they assume the obligation to keep it in confidence.	Complied with	Continues to be complied with
7.1	Actions significantly affecting or that may affect the structure of the stock capital and the Company's financial state and, therefore, the shareholders' state (significant corporate actions) are performed on equitable conditions ensuring observance of the shareholders and other stakeholders' rights and interests.			

7.1.1	<p>The following actions are recognized as significant corporate actions: the Company reorganization, procurement of 30 and more percent of the Company's voting shares (acquisition), major transactions consummation by the Company, increase or reduction in the Company authorized capital, the Company shares listing or delisting, as well as other actions that may lead to significant changes in the rights of shareholders or violation of their interests. The Company's Articles of Association determine the list (criteria) of transactions and other actions, constituting significant corporate actions, whose review falls within the competence of the Company Board of Directors.</p>	<p>1. The Company's Articles of Association determine the list of transactions or other actions that are significant corporate actions and the criteria for their determination. Decisions making in relation to significant corporate actions falls within the competence of the Board of Directors. When performance of these corporate actions directly falls within the General Shareholders' Meeting competence under the laws, the Board of Directors provides shareholders with relevant recommendations.</p> <p>2. The Company's Articles of Association describe at least the following actions as significant corporate actions: reorganization of the Company, procurement of 30 and more percent of the Company's voting shares (acquisition), major transactions consummation by the Company, increase or reduction in the Company authorized capital, the Company shares listing or delisting.</p>	Complied with	Continues to be complied with
7.1.2	<p>The Board of Directors plays a key role in decision making or elaborating the recommendations in relation to significant corporate actions, the Board of Directors relies on the position of the Company Independent Directors.</p>	<p>1. The Company provides for the procedure setting forth that the Independent Directors shall announce their stance on significant corporate actions before their approval.</p>	Complied with	Continues to be complied with

7.1.3	When significant corporate actions are performed affecting the rights and legitimate interests of the shareholders, equal conditions for all the Company shareholders are ensured, and if there is not enough mechanisms aimed at protecting the shareholders' rights provided for in the laws, additional measures are ensured protecting the rights and legitimate interests of the Company shareholders. And the Company relies not only on compliance with formal legal requirements, but also on the corporate management principles set forth in the Code .	1. Taking into account specific business features, the Company's Articles of Association establish minimum criteria for referring the Company's actions to significant corporate actions that are lower than that set forth in the laws. 2. Within the reporting period, all significant corporate actions were subjected to the approval procedure before their consummation.	Complied with	Continues to be complied with
7.2	The Company ensures the procedure for consummating significant corporate actions allowing shareholders to obtain complete information on such actions in a timely manner, allowing them to influence consummation of such actions and guaranteeing observance and adequate level of protection for their rights during consummation of such actions.			
7.2.1	The information on consummation of significant corporate actions is disclosed explaining the reasons, conditions and consequences of such actions consummation.	1. Within the reporting period the Company disclosed the information on the Company significant corporate actions in a timely and detailed manner, including the grounds and terms for such actions performance.	Complied with	Continues to be complied with
7.2.2	The rules and procedures related to significant corporate actions performance by the Company are registered in the Company internal documents.	1. The Company internal documents provide for the procedure for involving and independent appraiser to determine the cost of the property disposed of or procured under a major transaction or a related-party transaction.	Complied with in part	Criterion 1 of principle 7.2.2. is complied with to the same extent. On April 5, 2012 the Company's Board of Directors adopted the General Principles for Approval of Related Parties' Transactions of OJSC Enel OGK-5, establishing an obligatory procedure of determination of fair market-value appraisal of property acquired or sold in the course of related party transactions on the basis of tender results, analysis of market prices or engagement of an independent appraiser. A local regulatory act regulating the procedure for engagement of an independent appraiser for determination of the value of property acquired or

			<p>disposed in the course of a major transaction has not been developed with respect to major transactions since the Company has no practice of effecting major transactions not related to the normal course of business.</p> <p>There was no need for development of a document regulating the procedure for the Company's engagement of an independent appraiser in order to determine the value of property acquired or disposed in the course of a major transaction since major fuel purchase and commercial papers placement transactions are related to the Company's normal course of business.</p> <p>Also, the Board of Directors of the Company approved the Corporate Governance Guidelines for Enel Group on September 27, 2018. These Guidelines set out the general principles and procedures for intragroup transactions and related-party transactions. The need of the Company to create a document governing the procedure for engagement of an independent appraiser by the Company to determine the value of property acquired or disposed in a major transaction did not exist, since major transactions for the purchase of fuel and placement of commercial papers are related to the normal course of Company's business.</p> <p>In 2019, the company plans to consider the need for the development and implementation of an internal document (or the inclusion of certain provisions in the existing internal documents) regulating the procedures for attracting an independent appraiser to determine the value of property acquired or disposed in a major transaction.</p>
--	--	--	---

		<p>2. The Company internal documents provide for the procedure for involving and independent appraiser to assess the cost of the Company shares procurement and buyout.</p>	<p>Complied with in part</p>	<p>Criterion 2 of principle 7.2.2. is complied with to the same extent. The Company’s internal documents do not stipulate the procedure for engagement of an independent appraiser to estimate the cost of acquisition and buyout of the Company’s shares, since the Company’s practice did not have the regular practice of acquiring and buying out of the Company’s shares, except for the Company’s acquiring a 0.4% treasury shares from the subsidiary LLC OGK-5 Finance at market exchange value in 2017. In 2018, there were no such transactions. The Company does not have an internal document governing the engagement of an independent appraiser to estimate the cost of acquisition and buy-out of the Company’s shares, since there is no need. Considering the fact that the Company’s shares are listed on the stock exchange and have sufficient liquidity, the Company has reliable information about their value. Thus, the Company has no need to engage an independent appraiser for the value of the shares. In 2019, the Company will consider the possibility of developing an internal document governing the procedure for engagement of an independent appraiser to estimate the cost of acquisition and buy-out of the Company’s shares taking into account the methods for determining the market value of shares of public companies established by the laws. In 2019, the Company plans to address the need to develop and implement an internal document governing the engagement of an independent appraiser for evaluation of the shares acquisition and buy-out value.</p>
		<p>3. The internal documents of the Company provide for an expanded list of grounds on which the members of the Company Board of Directors and other persons provided for in the laws are recognized as interested in the Company transactions.</p>	<p>Not complied with</p>	<p>Criterion 3 of principle 7.2.2. continues not to be complied with. In its operations, the Company was historically guided by the norms of Article 83 of the Federal Law “On Joint Stock Companies” that contains an exhaustive list grounds that recognize members of the Company’s Board of Directors as stakeholders in respect of the Company’s transactions and cannot participate in the voting to approve such transactions. The Company’s internal documents do not stipulate an expanded list of grounds based on which the members of the Company’s Board of Directors and other persons stipulated by the laws as stakeholders in respect of the Company’s transactions. The Company makes related-party transactions with the companies of the controlling shareholder group nominating the majority of the Board of Directors’ dependent members, who have the right to vote for the approval of such transactions in accordance with article 83 of the Federal Law “On Joint Stock Companies”. Item 8.10 of the Company’s BoD Rules establishes the duty of the director to notify the Board of Directors if he / she has a conflict of interest in respect to any item on the agenda of the Board of Directors meeting prior to the discussion of the relevant agenda item, as well as clause 8.11 of the Company’s BoD Rules has established the need to abstain from voting on agenda items with regard to which the Board of Directors’ member has a conflict of interest. Item 8.10 of the Company’s BoD Rules</p>

				<p>establishes the duty of the director to notify the Board of Directors if he / she has a conflict of interest in respect to any item on the agenda of the Board of Directors meeting prior to the discussion of the relevant agenda item, as well as clause 8.11 of the Company's BoD Rules has established the need to abstain from voting on agenda items with regard to which the Board of Directors' member has a conflict of interest.</p> <p>In a short term, the Company doesn't plan to expand the list of grounds based on which the Board of Directors' members and other persons stipulated by law may be recognized interested in the Company's transactions, although the possibility of making such changes is not excluded in the future.</p>
--	--	--	--	--

9. Scope and Limitations of the Report

102-50 102-51 102-52 102-54

The report is issued on an annual basis. A report for the previous period was released on June 4, 2018. The report includes information on the activities of PJSC Enel Russia for the period of 2018. This Report has been prepared in accordance with non-financial reporting standards. GRI Standards (level of disclosure – "Core") and the requirements of the current legislation to the annual report of a joint stock company, the Regulation on the information policy of PJSC Enel Russia.

10. Engaging with stakeholders

102-40 102-42 102-43 102-44

We are committed to continuous and open interaction with stakeholders and encourage dialogue. The process of engaging stakeholders helps to identify and take into account their key priorities and expectations, and allows also to track their level of satisfaction with the Company's activities and identify key sustainable development risks.

Understanding the expectations and priorities of stakeholders is one of the most important steps in materiality assessment. The evaluation process involves Sustainability Unit and the managers of relevant unit responsible for interaction with a particular category of stakeholders. The assessment includes the following stages:

- creation and annual update of the list of all major categories of stakeholders;
- evaluation of various categories in accordance with the following parameters: dependence (importance of relations for a stakeholder), influence (importance of relations for the Company) and tension (risk in relations with a stakeholder);
- Interaction with the stakeholder through activation of a particular communication channel. The main groups of stakeholders, relevant communication channels and frequency of interaction are listed in the table below.

Communication channels/Groups of stakeholder	Grievance mechanisms	Website (daily)	Social media (daily)	Press releases (weekly)	Direct contacts (weekly)	Third party events (quarterly)	Own events (quarterly)	Road show (on a yearly basis)	Intranet (daily)	News bulletins and newsletters (daily)	Polls (quarterly, yearly)
Financial communities	+	+	+	+	+	+	+	+			+
Suppliers and contractors	+	+	+	+	+	+	+				+
Local communities	+	+	+	+		+	+				+

Employees		+	+	+	+	+		+		+	+	+
Institutions		+	+		+	+	+	+				
Business community		+	+	+	+	+	+	+	+			
Media		+	+	+	+	+	+	+				

The stakeholders can report any committed or suspected violations through the complaint mechanisms by sending a letter describing the situation by email audit.coe@enel.com or by mail: Internal Audit Group of PJSC Enel Russia, 7 Pavlovskaya Str., building 1, Moscow 115093. The Internal Audit Group of Enel Russia has to take measures to ensure that the authors of communications are not subjected to acts of retaliation or the actions that may be suspicious of discrimination or punishment. In addition, confidentiality of the author's identity is guaranteed, unless otherwise required in accordance with the laws of the Russian Federation.

Feedback from stakeholders is collected through direct interviews, topical surveys and annual surveys for preparation of materiality matrix. In 2018, the Company conducted a survey at the Annual General Shareholders' Meeting, Open Plant events, a survey for investigation of psychosocial risk factors associated with work activities of the Company's employees (Stress.0), and the Company's internal climate survey (the survey results will be taken into account in the report of 2019). The employees brought up the topics related to the intensity of workload and operation conditions as well as personal and professional development. The shareholders focus on the topics of introducing new solutions and digitalization, efficient management and work ethics as well as management, development and motivation of employees as priority ones. The survey participants expect great efforts from the Company in development and involvement of local communities, increasing the Company's operational efficiency and improving corporate governance. The results of survey of the local community at the Open Plant event in 2018 showed that the priority for the local community is to receive complete and clear information about what is happening at the power plant, Company's attention to the environment in the region and measures for environmental improvement and improvement of the safety of urban areas. At the same time, they noted a need for even greater number of initiatives for improvement of the safety of urban environment, greater willingness of the Company to cooperate with local businesses and non-profit organizations as well as development of new renewable energy projects in the region.

11. Material topics

Material topics

The matrix of materiality helps identifying and evaluating the needs and expectations of stakeholders, matching them to the priorities of the Company and its business strategy, to check their consistency and identify areas for improvement. Based on it, the materiality topics of the Company's Annual Report are determined as well as objectives for Sustainable Development Plan. The process for preparation of the matrix of materiality is divided into six main steps:

Process	Result
Identification of issues potentially important to stakeholders and the Company	A list of potential material topics that allow evaluating the Company's impact on the economy, environment and community organized in the form of three-step hierarchical structure, from general to specific
Identification of the categories of stakeholders with whom the Company interacts with	The catalogue of stakeholders organized in the form of three-step hierarchical structure, from general to specific
Assigning priority to stakeholders based on their importance to the Company in terms	Stakeholders map

of dependency, influence, and tension (for details, see “Engaging with stakeholders” on p. 161)	
Analysis of the results of stakeholder involvement initiatives, evaluation of the priority of potential material topics for stakeholders	Determination of the position of issues along horizontal axis (x) of the materiality matrix
Analysis of the strategic position of the Company on potential material topics	Determination of the position of issues along vertical axis (y) of the materiality matrix
Analysis of the results and changes in the light of the materiality matrix of the previous year	Development of the action plan for reduction of gaps between the Company priorities and expectations of stakeholders

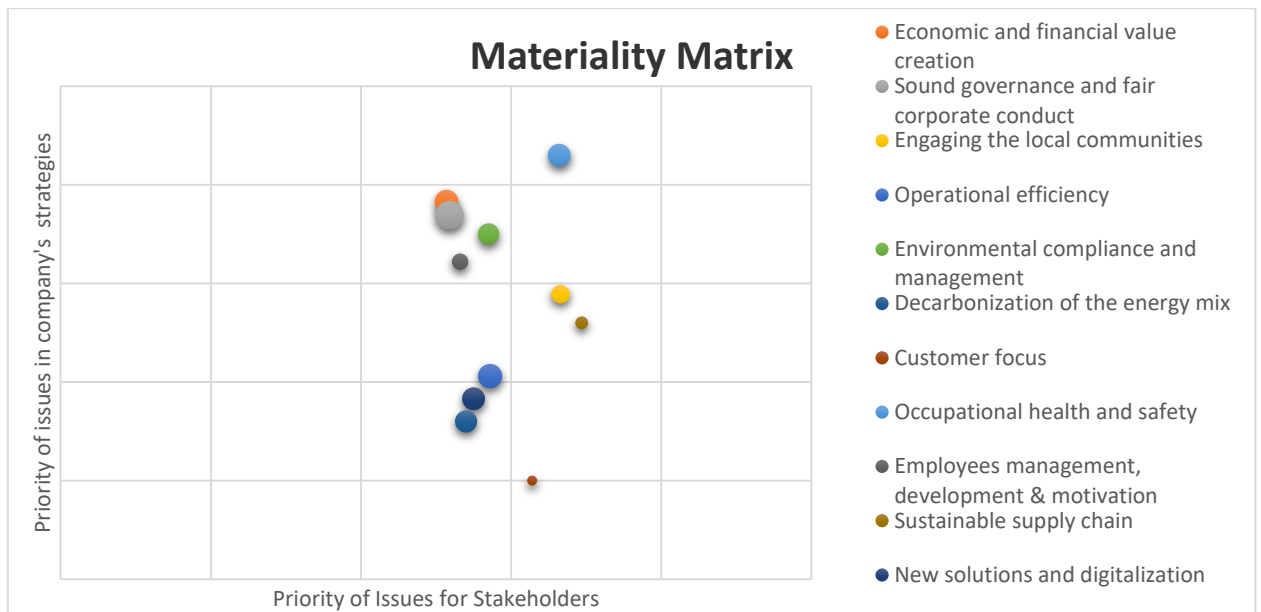
The collection, aggregation and processing of data is carried out through special information system of Enel Group. This system is improved every year to ensure greater transparency and accountability. The Global Sustainable Development Unit of Enel Group coordinates the process and provides methodological support for annual update of the materiality matrix that is performed by the Sustainability Unit of PJSC Enel Russia with participation of Company managers and specialists who interact with a particular category of stakeholders on a daily basis. The results received at the country level are consolidated by Enel Group to prepare a Group materiality matrix and country matrices. In 2017, Enel Group launched an additional information system function that allows tracking stakeholder satisfaction with how the Group companies including PJSC Enel Russia approach the management of various aspects in accordance with the materiality principle. The results provide an overview of stakeholders’ expectations and help identifying the problems the Company must focus on.

List of material topics in 2018

102-47

In 2018, the following material topics were identified by the evaluation results:

1. Occupational health & safety;
2. Economic and financial value creation;
3. Environmental compliance and management;
4. Sound governance and fair corporate conduct;
5. Engaging the local communities;
6. Employees management, development & motivation;
7. Operational efficiency;
8. Decarbonization of the energy mix;
9. Customer focus;
10. New solutions and digitization;
11. Sustainable supply chain.



The horizontal axis of the matrix reflects priorities of stakeholders, properly weighted based on their materiality. The right part of the matrix contains topics the stakeholders come up with a request on them to strengthen the existing practices and management systems, formalize commitments and clear policies. The vertical axis shows the topics the Company plans to focus its efforts on with regard to planned investments, liabilities, potential risks and opportunities as well as aspects included in the Company's Strategic Plan. The upper part of the matrix shows the issues with a high level of commitment for the coming years assumed at the level of the Company's strategy.

Changes in materiality matrix

102-49

"Occupational health & safety", "Economic and financial value creation", "Sound governance and fair corporate conduct", "Environmental compliance and management", "Employees management, development & motivation" and "Engaging the local communities" are material topics for the Company. The stakeholders' priorities are "Sustainable supply chain", "Engaging the local communities" and "Occupational health & safety". The list of priority topics for both the Company and the local community has not changed significantly compared with 2017. The main difference of the materiality matrix of 2018 consists in changing of topics priority "Economic and financial value creation" and "Sound governance and fair corporate conduct". Less priority is given to the topic "Economic and financial value creation". This change can be attributed to the fact that the Company in transition to a more sustainable business model seeks to create additional value both through existing projects and through new business development opportunities in order to provide guaranteed income to achieve a balance between growth, business sustainability and shareholder remuneration. The following issues gained more significance within stakeholders' priorities "Decarbonization of the energy mix", "New solutions and digitization", "Operational efficiency". This change corresponds to strategic direction of the Company's development and Sustainable Development Plan. The importance of topic "Engaging local communities" and "Sustainable supply chain" increased, this is in line with trends at the market and in the industry. In general, a conclusion can be made that the priorities of business and stakeholders became more aligned.

Materiality topics boundaries

102-46 103-1

Material topics	Materiality topics boundaries*	Impact type *
Decarbonization of the energy mix	We follow the strategy of Enel Group that mainstreamed the development of environmentally friendly energy sources, and understand the importance of climate change and the issue of decarbonization of the industry. Fuel balance decarbonization – this is a comprehensive topic covering both business and environmental aspects; This concerns both RES facilities under construction in Azov and Murmansk and potential renewable energy projects and modernization of thermal generation in order to reduce fuel consumption for electric power generation and corresponding reduction in the fossil fuels consumption.	Direct
Engaging the local communities	We rely on the local communities we work in. We build long-term and comprehensive relations with them, support them and contribute to their social and economic development.	Direct
Employees management, development & motivation	We understand that our success in a changing world depends on the people we work with. We train and develop personnel, maintain diversity and non-discrimination.	Direct
Operational efficiency	We develop the energy business in Russia using the best international practices. We want to use our resources rationally and optimize business processes through application of new technologies and digitalization. We are committed to maximize operational efficiency during operation and performance of repair works and technical re-equipping of assets. Operational efficiency combines the aspects related to optimization of assets, increased safety and energy efficiency.	Direct
Economic and financial value creation	We create long-term shareholder value and opportunities for economic growth in the regions where we operate. In particular, in 2018 we raised the percentage of dividend payments to 65% of the Company's net profit.	Direct
Occupational health & safety	The health and safety of our staff, power plant personnel and contractors' employees is our key priority. We make every effort to ensure a safe and comfortable working environment and are committed to achieving "Zero accidents".	Direct
Sound governance and fair corporate conduct	We meet high international standards of corporate governance, pay great attention to shareholders and investors and comply with the requirements for information disclosure stipulated by law.	Direct
Environmental compliance and management	Compliance with environmental regulations and compliance with national and international standards is one of our top priorities. We monitor regularly the impact of our business processes on environment, manage this impact, are committed to continuous	Direct

	improvement of environmental performance, apply the principles of environmental safety and rational and sustainable use of natural resources. Specifically, we implement additional projects to reduce emissions into the atmosphere at Reftinskaya GRES, in excess of the requirements of the legislation of the Russian Federation.	
New solutions and digitization	We develop and implement new solutions that allow us to increase operational efficiency of our business and expand the range of low-carbon technologies and services.	Direct
Customer focus	We undertake to guarantee the relevant quality standards of the products and services offered, to maintain them at the established level, as well as to carry out periodic monitoring of this area.	Indirect
Sustainable supply chain	Our procurement procedures and contractual relationships are focused on transparency, responsibility and cooperation for more successful adaptation and effective management of the social, environmental and economic context and the associated risks and opportunities.	Indirect

*Area of impact of all the listed material topics – PJSC Enel Russia.

12. Reporting principles

102-46

Four principles of GRI reporting compilation: stakeholder inclusiveness, sustainability context, materiality and completeness.

Stakeholder inclusiveness	The Company brings the stakeholders to dialogue regarding preparation of this report. (collecting feedback, participation in surveys for formation of a materiality matrix). See section “Engaging with stakeholders” p. 161.
Sustainability context	The Company objectives are related to the global agenda for sustainable development. (see section “Sustainable Development Plan” 2019-2023 p. 17),
Materiality	The content of the report was determined in accordance with the highlighted material topics. (see section “List of material topics”, p. 162).
Completeness	The topics covered in the report reflect the impact of Company's activities on the economy, environment and society during the reporting period.

13 Quality assurance of disclosures

102-46

Six principles of report quality assurance in accordance with GRI standard

Balance	The report contains information on both positive (implementation of plans, achievement of goals) and negative (for example, penalties) performance results.
Comparability	Information was provided for two periods – 2017 and 2018. In the next reporting periods, we plan to move to a three-year comparison.

Accuracy	The report was subject to internal verification for accuracy of quantitative indicators. If the indicators are calculated using a methodology other than that proposed by GRI Standard, a corresponding comment is left in the text of the report.
Clarity	The text of the report is written in easy to understand language with proper explanations of professional terms.
Reliability	All information given in the report passed internal verification. The Company has necessary documents confirming its accuracy.
Timeliness	The report includes information on the activities of PJSC Enel Russia for 2018.

14. GRI Content Index

102-55

GRI Standars	Disclosure		Page number(s)/URL/ Direct answer	Omission and explanation	
GRI 101: Foundation					
GENERAL DISCLOSURES					
ORGANIZATIONAL PROFILE					
GRI 102: General Disclosures	102-1	Name of the organization	Title list, p. 9		
	102-2	Activities, brands, products and services	p. 9-10		
	102-3	Location and headquarters	p. 8-9		
	102-4	Location of operations	p. 9-10		
	102-5	Ownership and legal form	p. 9		
	102-6	Markets served	p. 10		
	102-7	Scale of the organization	p. 9-10, 26-31, 101-103		
	102-8	Information on employees and other workers	p. 8-9, 188-189		
	102-9	Supply chain	p. 72-74		
	102-10	Significant changes to the organization and its supply chain	p. 72-74. In the reporting period, there were no changes to the organization. Information on changes in the supply chain is presented in the section "Sustainable supply chain".		
	102-11	Precautionary Principle or approach	p. 24-26		
	102-12	External initiatives	p. 16-17, 68-70		
	102-13	Membership of associations	p. 105		
	STRATEGY				
	102-14	Statement from senior decision-maker	p. 5-6		
	102-15	Key impacts, risks, and opportunities	p. 15-16, 24-26		
	ETHICS AND INTEGRITY				
	102-16	Values, principles, standards, and norms of behavior	p. 17-21, 38-40		
	102-17	Mechanisms for advice and concerns about ethics	p. 38-40		
	GOVERNANCE				
	102-18	Governance structure	p. 75-77. 105-107		
	102-19	Delegating authority	p. 78-79		
	102-20	Executive-level responsibility for economic, environmental, and social topics	p. 79-80		
	102-22	Composition of the highest governance body and its committees	p. 79-88		
	102-23	Chair of the highest governance body	p. 79-80		
102-24	Nominating and selecting the highest governance body	p. 79	Partially disclosed		
102-25	Conflicts of interest	p. 79-83. All members of the Board of Directors are			

			reviewed to identify conflicts of interest. Information on the results of the review, in particular, on the absence of a conflict of interest, is publicly available and is part of the biographical background of each member of the Board of Directors.	
102-26	Role of highest governance body in setting purpose, values, and strategy		p. 68-69	
102-28	Evaluating the highest governance body's performance		p. 89-90	
102-29	Identifying and managing economic, environmental, and social impacts		p. 24	
102-30	Effectiveness of risk management processes		p. 24	
102-31	Review of economic, environmental, and social topics		p. 80-81	
102-32	Highest governance body's role in sustainability reporting		The text of the Annual Report is approved by the Board of Directors of PJSC Enel Russia	
102-33	Communicating critical concerns		The procedure for forming the agenda of meetings of the Board of Directors is described in the "Rules of Procedure for Convention and Holding of Meetings of Board of Directors of PJSC Enel Russia. The full text of is available on the official website of the company, enelrussia.ru .	
102-35	Remuneration policies		p. 89. The full text of "Regulation on Payment of Remuneration and Compensations to Members of Board of Directors of the PJSC Enel Russia" is available on the official website of the company, enelrussia.ru .	Partially disclosed
102-36	Process for determining remuneration		p. 89. The full text of "Regulation on Payment of Remuneration and Compensations to	

		Members of Board of Directors of the PJSC Enel Russia” is available on the official website of the company, enelrussia.ru	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	p. 161-162	
102-41	Collective bargaining agreements	p. 65-66	
102-42	Identifying and selecting stakeholders	p. 161	
102-43	Approach to stakeholder engagement	p. 38, 104, 161-162	
102-44	Key topics and concerns raised	p. 162	
REPORTING PRACTICES			
102-45	Entities included in the consolidated financial statements	The list of legal entities indicated in the section 8.1.3. “Consolidated financial statements for 2018 with the auditor' report”	The list of legal entities included in the consolidated financial statements differs from the list of legal entities, information on which is disclosed in the Annual Report. Non-financial data of PJSC Enel Russia is disclosed in the Report.
102-46	Defining report content and topic boundaries	p. 164-167	
102-47	List of material topics	p. 163	
102-48	Restatements of information	No revision/recalculation of data was performed for previous reporting period	
102-49	Changes in reporting	p. 164. There were no changes in the scope of material topics for previous reporting period	
102-50	Reporting period	p. 161	
102-51	Date of most recent report	p. 161	
102-52	Reporting cycle	p. 161	
102-53	Contact point for questions regarding the report	p. 203	
102-54	Claims of reporting in accordance with the GRI Standards	p. 161	
102-55	GRI content index	p. 168-176	
102-56	External assurance	External assurance of non-financial data was not conducted. The internal assurance of the quality of the data provided for the	

			report report was carried out by the heads of relevant units, Sustainability Unit, the working Group responsible for creating the report, which included representatives of the Sustainability Unit, Corporate Relations Division, Investor Relations Group. Internal assurance will be carried out by the Audit Commission of PJSC Enel Russia. In addition, the quality audit of non-financial data was conducted by external consultants with whom the company cooperated to prepare the Report.	
MATERIAL TOPICS				
ECONOMIC AND FINANCIAL VALUE CREATION				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 14-15, 164-166	
	103-2	The management approach and its components	p. 14-15	
	103-3	Evaluation of the management approach	p. 14-15	
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 52-53, 164-166	
	103-2	The management approach and its components	p. 53-57	
	103-3	Evaluation of the management approach	p. 53-57	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	p. 52-53, 186-188	
	403-2	Hazard identification, risk assessment, and incident investigation	p. 52-53	Partially disclosed
	403-5	Worker training on occupational health and safety	p. 54-57	
	403-6	Promotion of worker health	p. 59-60	
	403-9	Work-related injuries	p. 54-56	
	403-10	Work-related ill health	p. 54-56	Partially disclosed
ENVIRONMENTAL COMPLIANCE AND MANAGEMENT				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 40-42, 164-166	
	103-2	The management approach and its components	p. 40-42	
	103-3	Evaluation of the management approach	p. 40-42	
GRI 303: Water	303-1	Interactions with water as a shared resource	p. 46-48, 177-179	
	303-2	Management of water discharge-related impacts	p. 46-48, 179	

	303-3	Water withdrawal	p. 179-180	
	303-4	Water discharge	p. 180	Partially disclosed
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 51-52	
	304-2	Significant impacts of activities, products, and services on biodiversity	According to the data available, the current operation of the Company does not have a significant impact on the biodiversity of the regions in which power and heat generating facilities are located.	
	304-3	Habitats protected or restored	p. 51-52	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	p. 52	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	p. 44-45. 181-182	
	305-2	Energy indirect (Scope 2) GHG emissions		Figure not available in the actual monitoring system. Enel Russia will consider the possibility to review its monitoring system to make the data available in the next reporting periods.
	305-3	Other indirect (Scope 3) GHG emissions		Figure not available in the actual monitoring system. Enel Russia will consider the possibility to review its monitoring system to make the data available in the next reporting periods.
	305-5	Reduction of GHG emissions	p. 44-45. 181-182	Partially disclosed
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	p. 45-46. 182-183	
GRI 306: Effluents and Waste	306-1	Water discharge by quality and destination	p. 181	
	306-2	Waste by type and disposal method	p. 48-50. 183-185	
	306-3	Significant spills	The Company's activities do not imply spills of oil and oil	

			products. At each production branch of the Company systems of prevention of spills of chemical reagents and oil products are installed. In the reporting period, the Company did not cause any significant spill.	
	306-4	Transport of hazardous waste	The company does not transport hazardous waste. Hazardous waste refers to waste from I to IV hazard classes in accordance to FCCW (Federal Classificatory Catalogue of Wastes).	
	306-5	Water bodies affected by water discharges and/or runoff	In the reporting period, none of the water bodies used by the Company in the water use cycle underwent significant discharges, leading to a change in its natural water regime.	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	p. 42-43	
SOUND GOVERNANCE AND FAIR CORPORATE CONDUCT				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 75-77, 93-96, 164-166	
	103-2	The management approach and its components	p. 75-77, 93-96	
	103-3	Evaluation of the management approach	p. 75-77, 93-96	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Corruption risk assessment is conducted annually for all company divisions. These risks are monitored by planning and conducting internal audits. During the risk analysis process, the following risk categories are evaluated: conflicts of interest, including purchasing and sales schemes and other conflicts of interest; bribery, including bid rigging and other non-financial benefits; illegal gratuities; economic extortion.	

	205-2	Communication and training about anti-corruption policies and procedures	p. 38-40	
	205-3	Confirmed incidents of corruption and actions taken	In the reporting period there were no confirmed cases.	
GRI 415: Public Policy	415-1	Political contributions	p. 40	
ENGAGING THE LOCAL COMMUNITIES				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 68-70, 164-166	
	103-2	The management approach and its components	p. 68-70	
	103-3	Evaluation of the management approach	p. 68-70	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	p. 71	Figure not available in the actual monitoring system.
	413-2	Operations with significant actual and potential negative impacts on local communities	p. 71-72	
EMPLOYEES MANAGEMENT, DEVELOPMENT AND MOTIVATION				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 60-61, 164-166	
	103-2	The management approach and its components	p. 60-61	
	103-3	Evaluation of the management approach	p. 60-61	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	p. 60, 189-193	
GRI 401: Employment	401-1	New employee hires and employee turnover	p. 61-63, 193-197	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 65-67	Partially disclosed
GRI 404: Training and education	404-1	Average hours of training per year per employee	p. 64, 197-198	
	404-2	Programs for upgrading employee skills and transition assistance programs	p. 64-65	
	404-3	Percentage of employees receiving regular performance and career development reviews	p. 65, 197-199	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p. 63-64. 198-200	
GRI 406: Non-discrimination	406-1	Total number of incidents of discrimination during the reporting period	In the reporting period, the Internal Audit Department of PJSC Enel Russia did not find any cases of discrimination on the basis of gender, national origin and ethnicity, religion or any other signs.	

GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	All security personnel have been trained in human rights. The contracts with suppliers include provisions that they undertake to comply with the principles of the Code of Ethics of PJSC Enel Russia when carrying out their business operations and interaction with partners. The Code of Ethics covers human rights observance.	
GRI 412: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	p. 67-68	
OPERATIONAL EFFICIENCY				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 33-34, 164-166	
	103-2	The management approach and its components	p. 33-34	
	103-3	Evaluation of the management approach	p. 33-34	
GRI 302: Energy	302-1	Energy consumption within the organization	p. 49	Partially disclosed
	302-3	Energy intensity	p. 49	
DECARBONIZATION OF ENERGY MIX				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 44-45, 164-166	
	103-2	The management approach and its components	p. 44-45	
	103-3	Evaluation of the management approach	p. 44-45	
CUSTOMER FOCUS				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 44, 164-166	
	103-2	The management approach and its components	p. 44	
	103-3	Evaluation of the management approach	p. 44	
NEW SOLUTIONS AND DIGITALIZATION				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 35-38, 164-166	
	103-2	The management approach and its components	p. 35-38	
	103-3	Evaluation of the management approach	p. 35-38	
SUSTAINABLE SUPPLY CHAIN				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	p. 72-74, 164-166	
	103-2	The management approach and its components	p. 72-74	
	103-3	Evaluation of the management approach	p. 72-74	
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	p. 74. In the reporting period, proportion of spending on local suppliers was not	Partially disclosed

			disclosed, however, the number of local suppliers from which the purchases were made is given in pro rata terms.	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	p. 74	
	308-2	Negative environmental impacts in the supply chain and actions taken	p. 74, 186	
GENERAL STANDARD DISCLOSURES FOR THE ELECTRIC UTILITY SECTOR				
	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	p. 11, 27, 121-124	
	EU2	Net energy output broken down by primary energy source and by regulatory regime	p. 28-31	
	Former EU21 (DMA Disaster /Emergency Planning and Response) Mapped GRI Standards 103-2	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	p. 57-59	

15. Numerical and statistical information

Ecological disclosures

Group 300

301-1

Non-renewable raw materials												
Material type	Quick lime		Trivalent sodium phosphate		Resins		Ammonia		Sodium hydroxide		Sulfuric and soldering acid	
Unit of measurement	tons		tons		tons		tons		tons		tons	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	0.00	0.00	0.00	0.00	142.58	130.08	0.00	0.00	0.00	0.00	142.58	130.08
Nevinnomysskaya GRES	4.00	38.50	4.24	4.45	0.00	16.20	4.00	38.50	4.24	4.45	0.00	16.20
Reftinskaya GRES	416.66	424.06	0.00	0.00	79.42	74.60	416.66	424.06	0.00	0.00	79.42	74.60
Sredneuralskaya GRES	0.00	0.00	2.66	2.58	8.50	3.79	0.00	0.00	2.66	2.58	8.50	3.79
Headquarters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Material consumption at PJSC Enel Russia	Quick lime	Trivalent sodium phosphate	Resins	Ammonia	Sodium hydroxide	Sulfuric and soldering acid	Quick lime	Trivalent sodium phosphate	Resins	Ammonia	Sodium hydroxide	Sulfuric and soldering acid

Material type	Sodium hypochlorite		Chlorine dioxide		Ferrous sulphate (II)		Lube Oil		Transformer oil		Other		Total for the Company	
Unit of measurement	tons		tons		tons		tons		tons		tons		tons	
	2018	2017	2018	2017	2018	2017	2018	2018	2017	2018	2017	2018	2017	2018
Konakovskaya GRES	0.00	0.00	0.00	0.00	0.00	0.00	69.10	0.00	0.00	0.00	0.00	0.00	0.00	69.10
Nevinnomysskaya GRES	7.45	7.55	0.00	0.00	0.00	0.00	44.98	7.45	7.55	0.00	0.00	0.00	0.00	44.98
Reftinskaya GRES	0.00	0.00	0.00	0.00	363.10	397.27	82.75	0.00	0.00	0.00	0.00	363.10	397.27	82.75
Sredneuralskaya GRES	15.10	0.00	147.67	120.08	0.00	0.00	104.82	15.10	0.00	147.67	120.08	0.00	0.00	104.82
Headquarters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Material consumption at PJSC Enel Russia	22.55	7.55	147.67	120.08	363.10	397.27	301.65	22.55	7.55	147.67	120.08	363.10	397.27	301.65

303-1

Description of water intake methods		List of water intake points	Description of water consumption	Description of waste water discharge methods
Konakovskaya GRES	Surface water: Intake of surface water is carried out from the Ivankovskoye reservoir (Volga river) via 2 water intake facilities: cooling water intake facility CWIF No.1 and cooling water intake facility CWIF No.2. Artesian water: Artesian water is taken from 5 artesian wells.	Surface water: - Cooling water intake facility CWIF No.1 - Cooling water intake facility CWIF No.2. Artesian water: 5 artesian wells.	Surface water is used for cooling of thermal equipment and other production needs. Artesian water is used to feed the heating network and for household needs.	The waste waters are discharged via open discharge channel through discharge outlet No.1 into the Ivankovskoye reservoir. The utility fluids from production and amenity premises are sent to the enterprise Municipal unitary enterprise "Waterworks" of urban settlement of Konakovo town.
Nevinnomysskaya GRES	Intake of surface water is carried out by two water intakes: Water is taken from Irrigation Canal via a gravity sewer and is the main water intake for process water supply. Water is taken from the Nevinnomyssk Canal at the cooling water intake facility (CWIF). Receipt of domestic water is carried out from Nevinnomyssky Azot JSC.	Surface water: - Barsuchkovsky water intake (BWI) and - Cooling water intake facility (CWIF). Domestic water is supplied through a sewerage network.	Surface water is used for cooling of thermal equipment and other production needs. Water obtained from Nevinnomyssky Azot JSC is used for domestic general needs.	Waste water is discharged through discharge canals: - Via open discharge canal No.1 through discharge outlet No.2 in Nevinnomyssky channel - Via open discharge canal No.2 through discharge outlet No.3 in Nevinnomyssky channel - Via winter discharge canal through discharge outlet No.1 to the river Kuban. The utility fluids from production and amenity premises are sent to Vodokanal JSC. Industrial storm waters are diverted to the treatment facilities of Nevinnomyssky Azot JSC.
Reftinskaya GRES	Surface water: Intake of surface water is carried out from Reftinskoye reservoir. The water is taken through submerged intake from the reservoir and fed through an open inlet channel to the cooling water intake facilities. Underground water: The water is taken from two wells.	Surface water: - submerged intake - supply channel - cooling water intake facilities (CWIF No.1, CWIF No.2, CWIF No.3) Underground water: - production wells: No. 1/2546, 2/2549 - observation wells: 6, 7	Surface water: - for process needs of GRES; - for compensation of losses in hydraulic ash removal system; - for use in chemical water treatment system Underground water: - for drinking and domestic water supply.	The circulation water in various systems of GRES is discharged through outlet channels No. 1 and No. 2 to the Reftinskoye reservoir after cooling. The waste (filtrate) waters of ash disposal area No. 2 enter the Reftinskoye reservoir along the western collecting ditch (outlet No. 3) and into the river Reft through the river Poludenka along the eastern collecting ditch (outlet No. 7). Domestic waste waters from GRES industrial site are transferred to the third-party organization MU OP Reftinskoye for treatment.
Sredneuralskaya GRES	Intake of surface water is carried out from the Isetskoye reservoir via 3 water intake	Surface water: - Cooling water intake facility CWIF No.1	Surface water is used for cooling of thermal equipment and other production needs.	Circulation water is discharged after cooling of turbines into open discharge channel. The waste waters from cooling mechanisms of

	<p>facilities. Intake at CWIF-1 is carried out via a gravity sewer, then water is supplied by circulation pumps for equipment cooling. Intake at CWIF-2 and CWIF-3 is carried out from the receiving chambers and supplied by circulation pumps for equipment cooling. Receipt of domestic water is carried out from Teplovodokanal LLC.</p>	<p>- Cooling water intake facility CWIF No.2 - Cooling water intake facility CWIF No.3.</p> <p>Domestic water is supplied through a sewerage network.</p>	<p>The water received from Teplovodokanal LLC is used for domestic general needs.</p>	<p>chemical water treatment, main building and CCGT is discharged through water discharge outlets No. 2, 3, 7, 10, 11 to the Isetskoye reservoir. The waste waters from cooling mechanisms of fuel oil facilities are discharged through discharge outlet No.8 to the untitled swamp near the mouth of the river Lebyazhka. The waste waters from RWTF and chemical water treatment as well as drains of the main building are discharged through discharge outlet No. 9 into the untitled swamp at the base of the cape of Yelovyi. The utility fluids from production and amenity premises are sent to Teplovodokanal LLC.</p>
Headquarters	<p>Domestic water is supplied through a water main.</p>	<p>Domestic water is supplied through a water main.</p>	<p>Water consumption is carried out for domestic general needs.</p>	<p>The utility fluids are sent to the sewerage network.</p>

303-2

Standards and regulations related to waste water quality	
	State and/or municipal standards and regulations used
Konakovskaya GRES	Order of the Ministry of Agriculture of Russia No. 552 dated 13.12.2016 "On approval of standards of quality water for the water bodies of commercial fishing importance including the standards of maximum permissible concentrations in the waters of water bodies of commercial fishing importance"
Nevinnomysskaya GRES	Order of the Ministry of Agriculture of Russia No. 552 dated 13.12.2016 "On approval of standards of quality water for the water bodies of commercial fishing importance including the standards of maximum permissible concentrations in the waters of water bodies of commercial fishing importance"
Reftinskaya GRES	Order of the Ministry of Agriculture of Russia No. 552 dated 13.12.2016 "On approval of standards of quality water for the water bodies of commercial fishing importance including the standards of maximum permissible concentrations in the waters of water bodies of commercial fishing importance" SanPiN 2.1.5.980-00 Hygienic Requirements to Surface Water Protection.
Sredneuralskaya GRES	Order of the Ministry of Agriculture of Russia No. 552 dated 13.12.2016 "On approval of standards of quality water for the water bodies of commercial fishing importance including the standards of maximum permissible concentrations in the waters of water bodies of commercial fishing importance"
Headquarters	Not applicable

303-3

General water intake for the Company needs (in megalitres/cubic meters)

Source type	Surface water bodies		Groundwater		Formation water		Sea water		Water provided by the third parties		Total for the Company	
Measurement Units	m3		m3		m3		m3		m3		m3	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	872849184	1000689795	2566979	2789240	0	0	0	0	0	0	875416163	1003479035
including fresh water	872849184	1000689795	2566979	2789240	0	0	0	0	0	0	875416163	1003479035
Nevinnomysskaya GRES	608766620	690156700	0	0	0	0	0	0	12041360	12418400	620807980	702575100
including fresh water	608766620	690156700	0	0	0	0	0	0	12041360	12418400	620807980	702575100
Reftinskaya GRES	12732820	13863010	318772	297190	0	0	0	0	624	756	13052216	14160956
including fresh water	12732820	13863010	318772	297190	0	0	0	0	624	756	13052216	14160956
Sredneuralskaya GRES	23328700	24948860	0	0	0	0	0	0	2177	2803	23330877	24951663
including fresh water	23328700	24948860	0	0	0	0	0	0	2177	2803	23330877	24951663
Headquarters	Not applicable	Not applicable	Not applicable	Not applicable	0.00	0.00	0.00	0.00	Not applicable	Not applicable	Not applicable	Not applicable
including fresh water	Not applicable	Not applicable	Not applicable	Not applicable	0.00	0.00	0.00	0.00	Not applicable	Not applicable	Not applicable	Not applicable
Total water taken	1517677324	1729658365	2885751	3086430	0	0	0	0	12044161.25	12421959.25	1532607236	1745166754

Data collection and recording was carried out using various methods. Mainly based on actual measurements. In the cases where actual measurements were not assumed, the computational methods for data collection and recording were used. There is no shortage of water resources in the areas of water intake.

303-4

Total volume of planned and unplanned discharges	Surface Water		Amount of waste water discharge by BU	
Measurement Units	m3		m3	
	2018	2017	2018	2017
Konakovskaya GRES	848339640	974814180	848339640	974814180
Nevinnomysskaya GRES	576911690	657224120	576911690	657224120
Reftinskaya GRES	8475330	12451030	8475330	12451030
Sredneuralskaya GRES	4184940	3723740	4184940	3723740
Headquarters	0	0	0	0
Total discharged water	1,437,911,600	1,648,213,070	1437911600	1648213070

The total volume of planned and unplanned discharges with breakdown by wastewater treatment method												
	Partially clean water (without purification)		Polluted undertreated water		Biological		Waters treated to standard quality (mechanical and physical & chemical treatment)		Disinfection		Amount of waste water discharge by BU	
	m3		m3		m3		m3		m3		m3	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	847243640	973708110	0	0	0	0	1096000	1106070	0	0	848339640	974814180
Nevnomyskaya GRES	576911690	657224120	0	0	0	0	0	0	0	0	576911690	657224120
Reftinskaya GRES	0	0	8475330	12451030	0	0	0	0	0	0	8475330	12451030
Sredneuralskaya GRES	476300	468650	0	0	0	0	3708640	3255090	0	0	4184940	3723740
Headquarters	0	0	0	0	0	0	0	0	0	0	0	0
Total discharged water	1424631630	1631400880	8475330	12451030	0	0	4804640	4361160	0	0	1437911600	1648213070

The calculations are based on the Guidelines for completion of federal statistical observation form 2TP-water services as being revised and took effect from the report for 2011 by order of the Federal Service for State Statistics (Rosstat) dated November 28, 2011 N 466, with amendments as of May 5, 2016 The Company implements the project "Construction of wastewater collection and treatment systems of Sredneuralskaya GRES". In 2019, the project obtained a part of necessary approvals at government agencies and is under development

Total greenhouse gas emissions and their change in the reporting period

Total direct greenhouse gas emissions in CO ₂ equivalent			
	tons in CO ₂ -equivalent		
	2018	2017	Changes in emissions volume*
Konakovskaya GRES	3 548 5923548592	3 802 8123802812	254220
Nevnomyskaya GRES	4 000 3044000304	4 189 8794189879	189575
Reftinskaya GRES	18 248 41618248416	18 094 55218094552	-153864
Sredneuralskaya GRES	3 585 5313585531	3 643 3263643326	57795

Headquarters	0	0	0
Total emissions	29 382 84329382843	29 730 56929730569	347726

* A negative value indicates an increase in emissions in 2018.

305-7

Emissions of significant pollutants into the atmosphere, in kilograms or multiple units, for each of the following types of substances			
		2018	2017
		tons	
Konakovskaya GRES	i. NOx	5671.89	6748.02
	ii. SOx	0.57	2.76
	iii. Persistent organic pollutants (POP)	0.00	0.00
	iv. Volatile organic compounds (VOC)	16.50	16.50
	v. Hazardous air pollutants	0.00	0.00
	vi. Particulate matters (PM)	0.01	0.04
Nevinnomysskaya GRES	i. NOx	5539.32	5694.87
	ii. SOx	116.73	204.49
	iii. Persistent organic pollutants (POP)	0.00	0.00
	iv. Volatile organic compounds (VOC)	12.78	12.67
	v. Hazardous air pollutants	0.01	0.01
	vi. Particulate matters (PM)	0.37	0.59
Reftinskaya GRES	i. NOx	74720.58	75068.86
	ii. SOx	133214.62	141258.21
	iii. Persistent organic pollutants (POP)	0.00	0.00
	iv. Volatile organic compounds (VOC)	33.87	33.87

	v. Hazardous air pollutants	0.30	0.30
	vi. Particulate matters (PM)	41601.79	66714.16
Sredneuralskaya GRES	i. NOx	4020.22	4250.27
	ii. SOx	5.97	153.80
	iii. Persistent organic pollutants (POP)	0.00	0.00
	iv. Volatile organic compounds (VOC)	1.90	1.90
	v. Hazardous air pollutants	0.00	0.00
	vi. Particulate matters (PM)	0.18	1.27
	Headquarters	i. NOx	0
ii. SOx		0	0
iii. Persistent organic pollutants (POP)		0	0
iv. Volatile organic compounds (VOC)		0	0
v. Hazardous air pollutants		0	0
vi. Particulate matters (PM)		0	0
Other standard emissions categories		0	0
Total for the Company	i. NOx	89952.02	91762.02
	ii. SOx	133337.88	141619.27
	iii. Persistent organic pollutants (POP)	0.00	0.00
	iv. Volatile organic compounds (VOC)	65.05	64.93
	v. Hazardous air pollutants	0.31	0.31
	vi. Particulate matters (PM)	41602.33	66716.06

Breakdown according to the Federal Waste Classification Catalogue (FCCW)	Konakovskaya GRES		Nevinnomysskaya GRES		Reftinskaya GRES		Sredneuralskaya GRES		Headquarters		Total for the Company	
	Tons		Tons		Tons		Tons		Tons		Tons	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017

306-2

Placement in a landfill	3589.7	4283.9	1122.6	1322.9	1055.6	889.6	1381.2	1649.9	0.00	0.00	7149.06	8146.28
Waste of hazard class 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waste of hazard class 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waste of hazard class 3	0.00	0.00	0.00	0.00	2.59	10.06	29.61	8.57	0.00	0.00	32.20	18.63
Waste of hazard class 4	2465.3	3220.8	792.3	542.4	1027.8	849.8	977.7	1201.3	0.00	0.00	5263.12	5814.34
Waste of hazard class 5	1124.4	1063.2	330.2	780.5	25.2	29.7	373.8	439.9	0.00	0.00	1853.64	2313.30
Waste disposal at operating facilities	0.00	0.00	72.69	63.24	4634721.63	4247872.18	951.38	141.75	0.00	0.00	4635745.70	4248077.17
Waste of hazard class 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waste of hazard class 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waste of hazard class 3	0.00	0.00	9.70	2.62	0.00	0.00	0.12	0.13	0.00	0.00	9.82	2.75
Waste of hazard class 4	0.00	0.00	0.00	0.13	10631.90	10800.40	2.30	0.00	0.00	0.00	10634.20	10800.53
Waste of hazard class 5	0.00	0.00	62.99	60.49	4624089.70	4237071.78	948.90	141.60	0.00	0.00	4625101.59	4237273.87
Other removal method (transferred for recycling and disposal)	1268.7	161.0	1596.4	758.7	5851.4	249184.8	1732.7	607.7	0.00	0.00	10449.16	250712.12
	0.27	0.50	0.42	0.75	2.32	3.64	1.25	0.92	0.00	0.00	4.26	5.81

Waste of hazard class 1												
Waste of hazard class 2	0.00	0.00	0.52	161.59	0.17	0.00	0.04	0.00	0.00	0.00	0.73	161.59
Waste of hazard class 3	959.31	69.32	600.23	3.12	256.56	336.72	29.41	17.28	0.00	0.00	1845.50	426.43
Waste of hazard class 4	195.20	3.80	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195.58	3.80
Waste of hazard class 5	113.90	87.40	994.82	592.82	5592.30	248844.40	1702.00	589.50	0.00	0.00	8403.02	250114.12

Enel Russia cooperates with the companies that have specialized licenses in accordance with applicable laws of the Russian Federation for carrying out such activities.			
	Recycled using own efforts	When involving contractors in waste disposal, provide information about the organization.	Waste management standards applicable to the activities of contractors involved in the Company's waste management
Konakovskaya GRES	No	Inchermet LLC, Transsnab LLC	Federal Law "On Production and Consumption Waste" No. 89-FZ dated 24.06.1998 Procedure of PJSC Enel Russia No.522 "Interaction with suppliers and contractors in HSE&Q"
Nevinnomysskaya GRES	No	YuVM LLC, Chisty Gorod LLC, Yuzhmet LLC, TARA YuG LLC, Tensor LLC,	
Reftinskaya GRES	No	Industrial Waste Safety Center LLC, Chermetinvest-T LLC, Chermet-SMK LLC, MIDA LLC, TPM LLC,	
Sredneuralskaya GRES	No	Splav-Stal LLC, MIDA Ekaterinburg LLC, Chermetinvest-T LLC, Meta-Ekaterinburg LLC Profmet LLC, Industrial Materials Technologies LLC	
Headquarters	No	Not applicable	

	The number of suppliers evaluated in terms of environmental impact.	The number of suppliers that have a significant actual and potential negative environmental impact.	Existing actual and potential negative environmental impacts, environmental impact consequences identified in the supply chain.
Konakovskaya GRES	32	1	Not identified
Nevinnomysskaya GRES	25	2	Not identified
Reftinskaya GRES	50	2	Not identified
Sredneuralskaya GRES	41	3	Not identified
Headquarters	12	0	Not identified
Total suppliers	160	8	

Social disclosure

Group 400
403-1(a)

Health and Safety

Number of man-hours worked by the employees of the Company		
	2018	2017
Konakovskaya GRES	712505	775338
Nevinnomysskaya GRES	746529	794730
Reftinskaya GRES	1756368	1825415
Sredneuralskaya GRES	742453	799927
Headquarters	433177	453436
Number of man-hours worked, total	4391032	4648846

The number of man-hours worked by **employees who are not directly employed by the Company**, but whose work and / or workplace is controlled by the organization (for example, contractors)

	2018	2017
Konakovskaya GRES	749841	763254
Nevinnomysskaya GRES	773993	927771
Reftinskaya GRES	5579121	3492974
Sredneuralskaya GRES	1511336	1538446
Headquarters	45806	63963
Number of man-hours worked, total	8660097	6786408

Staff structure at the end of the reporting period

	Number of job holders, persons									
	Managers		Heads		Specialists		Workers		Total employees in BU	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	1	1	65	67	155	158	176	191	397	417
Nevinnomysskaya GRES	1	1	68	71	153	167	190	194	412	433
Reftinskaya GRES	1	1	160	160	279	288	577	556	1017	1005
Sredneuralskaya GRES	1	1	65	69	180	187	172	181	418	438
Headquarters	17	16	71	73	161	167	3	3	252	259
Total employees	21	20	429	440	928	967	1118	1125	2496	2552

Number of employees with level of education, persons								
	Secondary general education		Primary and secondary vocational education		Higher education		Total employees in BU	
	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	19	25	112	122	266	270	397	417
Nevinnomysskaya GRES	4	5	58	69	350	359	412	433

Reftinskaya GRES	97	97	422	418	498	490	1017	1005
Sredneuralskaya GRES	26	28	113	127	279	283	418	438
Headquarters	2	2	5	5	245	252	252	259
Total employees	148	157	710	741	1638	1654	2496	2552

Information about employees and other workers

102-8

Total number of employees broken down by labor contract and gender, persons				
	As of the end of 2018		As of the end of 2017	
	Number of employees with permanent labor contract	Number of employees with temporary labor contract	Number of employees with permanent labor contract	Number of employees with temporary labor contract
Konakovskaya GRES	396	1	415	2
including, women	93	1	93	2
including, men	303	0	322	0
Nevinnomysskaya GRES	412	0	433	0
including, women	95	0	105	0
including, men	317	0	328	0
Reftinskaya GRES	991	26	1005	0
including, women	212	1	226	0
including, men	779	25	779	0
Sredneuralskaya GRES	418	0	438	0
including, women	142	0	148	0
including, men	276	0	290	0
Headquarters	247	5	251	8
including, women	114	2	116	3

including, men	133	3	135	5
Total	2464	32	2542	10
including, women	656	4	688	5
including, men	1808	28	1854	5

Total number of employees broken down by employment type and gender				
	As of the end of 2018		As of the end of 2017	
	Number of full-time employees	Number of part-time employees	Number of full-time employees	Number of part-time employees
Konakovskaya GRES	396	1	416	1
including, women	93	1	94	1
including, men	303	0	322	0
Nevnomyskaya GRES	412	0	433	0
including, women	95	0	105	0
including, men	317	0	328	0
Reftinskaya GRES	1017	0	1005	0
including, women	213	0	226	0
including, men	804	0	779	0
Sredneuralskaya GRES	416	2	436	2
including, women	141	1	146	2
including, men	275	1	290	0
Headquarters	250	2	258	1
including, women	115	1	118	1
including, men	135	1	140	0
Total	2491	5	2548	4
including, women	657	3	689	4
including, men	1834	2	1859	0

The average salary of employees and its ratio to the average salary in the relevant region

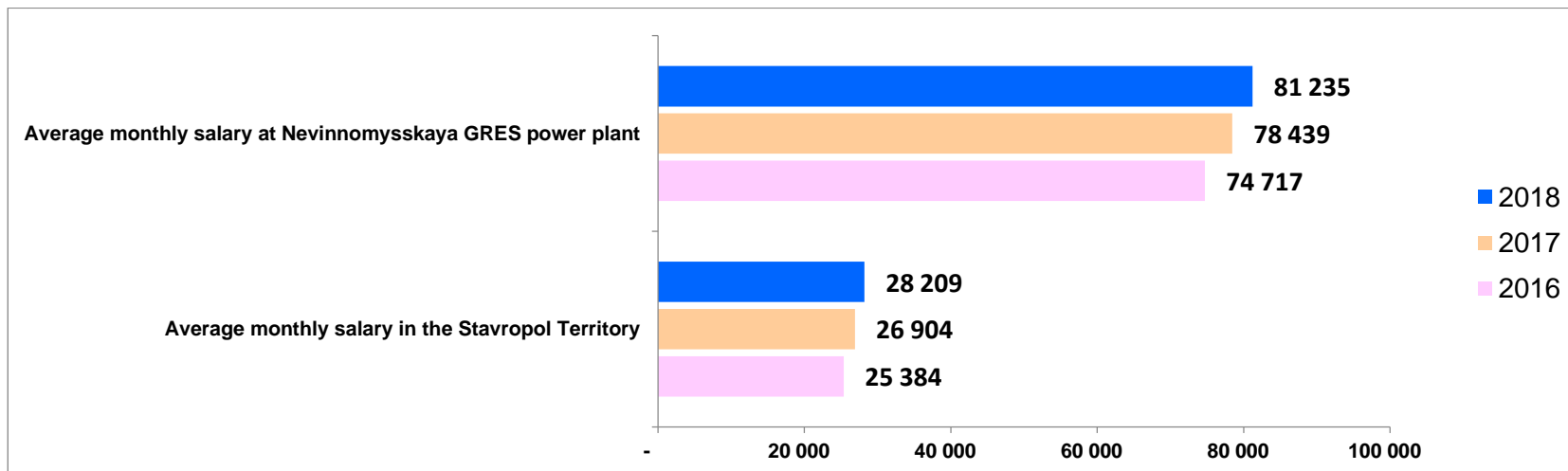
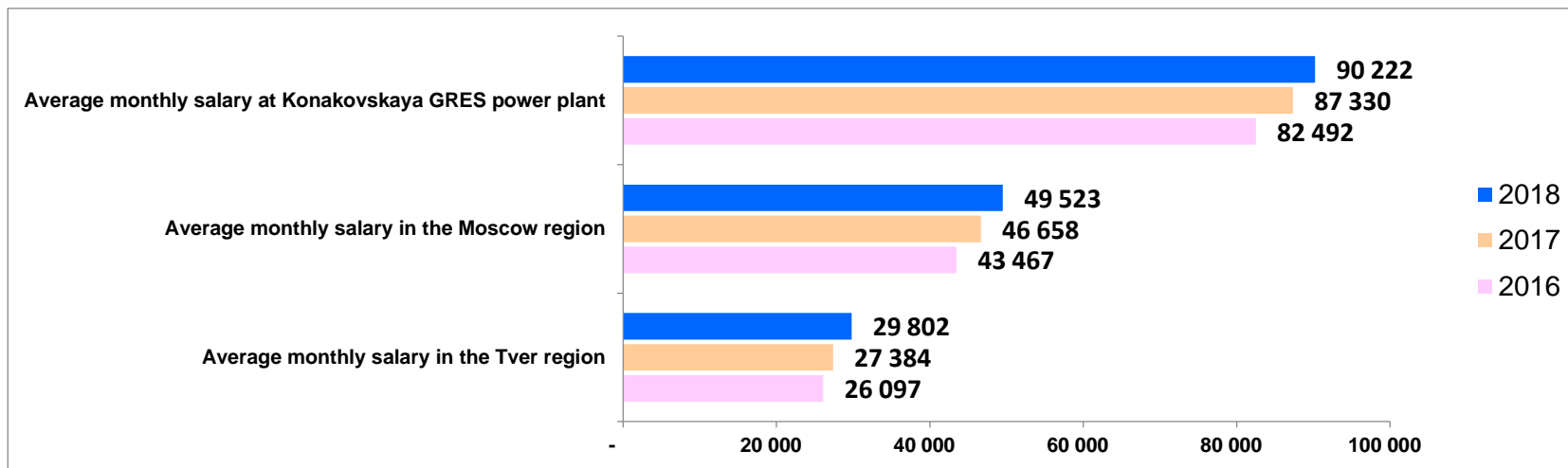
202-1*

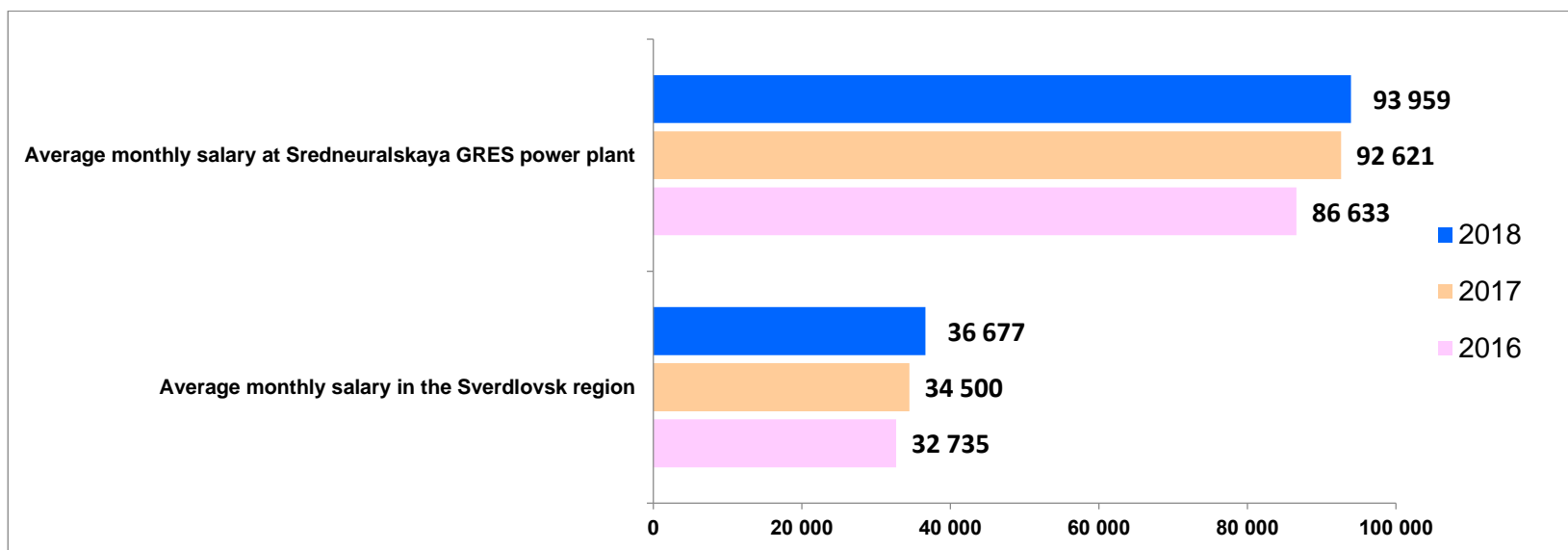
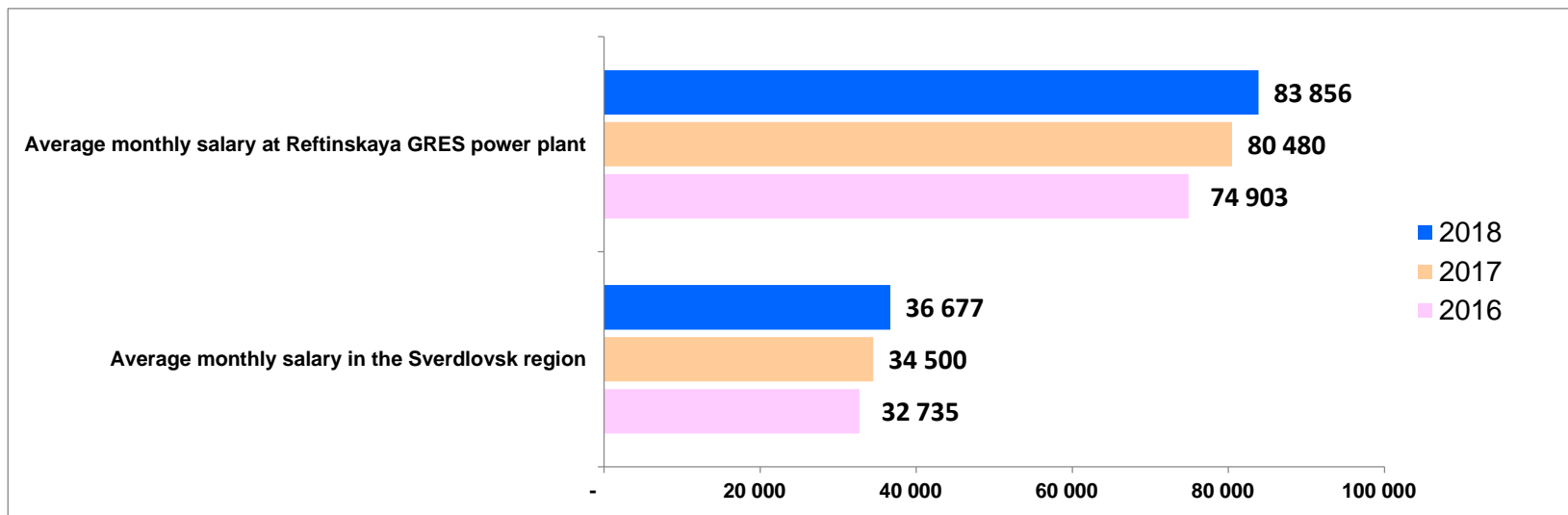
	Average salary of employees, in this roubles**		Region where BU carries out activities	Average salary in the region, where BU carried out activities ***		Ratio of average salary to average salary in the regions significant for the Company's activity	
	2018	2017		2018	2017	2018	2017
Konakovskaya GRES	90 222	87 330	Tver Region	29 802	27 384	3,03	3,19
Nevinnomysskaya GRES	81 235	78 439	Stavropol Territory	28 209	26 904	2,88	2,92
Reftinskaya GRES	83 856	80 480	Sverdlobsk Region	36 677	34 500	2,29	2,33
Sredneuralskaya GRES	93 959	92 621	Sverdlobsk Region	36 677	34 500	2,56	2,68
Headquarters	227 737	225 802	Moscow Region	80 816	73 153	2,82	3,09

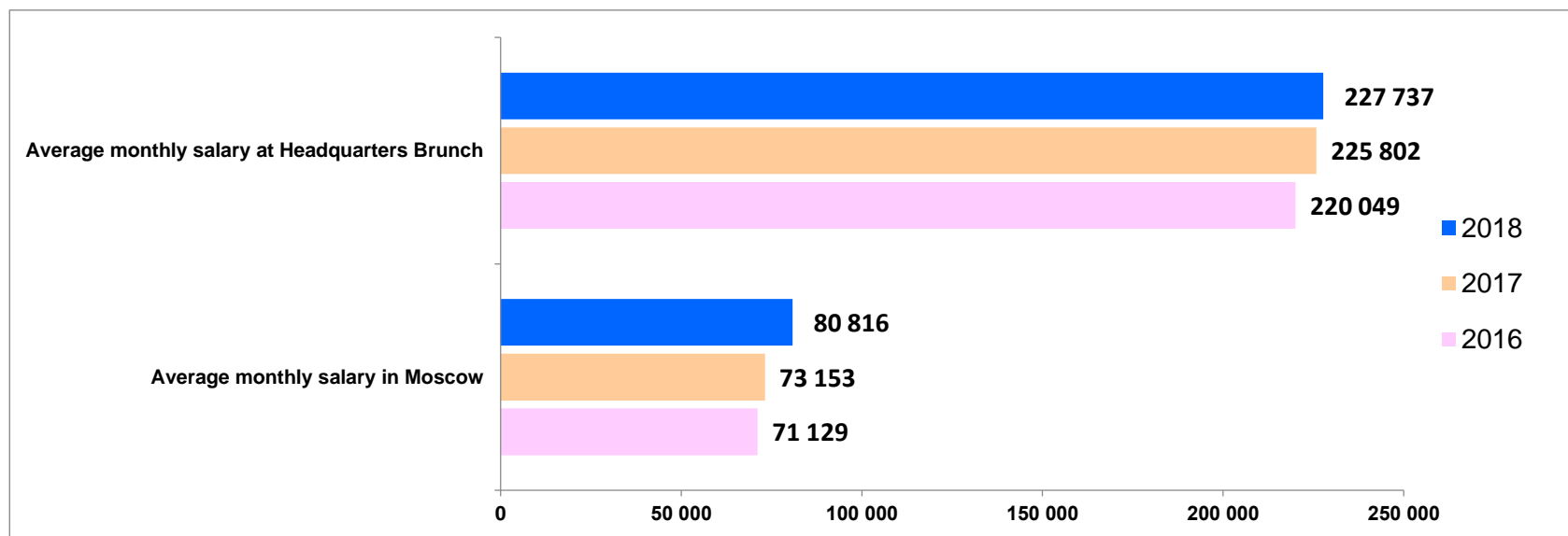
* Due to inability to provide data on standard wages for entry-level employees as well as inability to provide a breakdown by gender and functionality, the Company discloses the average salary without a breakdown by gender for each of the Company's business units, and gives its ratio to the average salary in the respective regions of presence.

**Calculation of the average salary does not include the salaries of employees classified as "managers"

***The data is given according to the report of the Federal State Statistics Service "Average monthly nominal accrued salary of employees by the full range of organizations by subjects of the Russian Federation in 2013-2018".







GRI 401-1 (a)

Total number, percentage of new employees, personnel turnover

401-1 (a)

The total number of employees at the end of the reporting period, broken down by age group, gender and region.								
	up to 30 years old		30 - 50 years old		Over 50 years old		Total employees in BU	
	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	10	16	280	291	107	110	397	417
including, women	1	1	70	72	23	22	94	95
including, men	9	15	210	219	84	88	303	322
Nevinnomysskaya GRES	18	24	309	321	85	88	412	433

including, women	4	4	73	79	18	22	95	105
including, men	14	20	236	242	67	66	317	328
Reftinskaya GRES	121	111	729	728	167	166	1017	1005
including, women	8	8	167	172	38	46	213	226
including, men	113	103	562	556	129	120	804	779
Sredneuralskaya GRES	38	51	310	313	70	74	418	438
including, women	8	8	100	104	34	36	142	148
including, men	30	43	210	209	36	38	276	290
Headquarters	24	27	182	193	46	39	252	259
including, women	14	17	84	88	18	14	116	119
including, men	10	10	98	105	28	25	136	140
Total employees	211	229	1810	1846	475	477	2496	2552
including, women	35	38	494	515	131	140	660	693
including, men	176	191	1316	1331	344	337	1836	1859

Total number of staff employed during the reporting period *								
	up to 30 years old		30 - 50 years old		Over 50 years old		Total employees in BU	
	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	1	1	1	0	4	4	6	5
including, women among new employees	1	0	1	0	3	4	5	4

including, men among new employees	0	1	0	0	1	0	1	1
Nevnomyskaya GRES	2	4	9	4	1	0	12	8
including, women among new employees	1	0	6	1	1	0	8	1
including, men among new employees	1	4	3	3	0	0	4	7
Reftinskaya GRES	48	28	40	39	4	3	92	70
including, women among new employees	3	2	3	12	2	3	8	17
including, men among new employees	45	26	37	27	2	0	84	53
Sredneuralskaya GRES	6	9	15	14	0	0	21	23
including, women among new employees	3	3	7	5	0	0	10	8
including, men among new employees	3	6	8	9	0	0	11	15
Headquarters	9	9	14	7	1	0	24	16
including, women among new employees	4	8	7	4	0	0	11	12
including, men among new employees	5	1	7	3	1	0	13	4
Total employees	66	51	79	64	10	7	155	122
including, women among new employees	12	13	24	22	6	7	42	42
including, men among new employees	54	38	55	42	4	0	113	80

* Compliance with the principle of equal opportunities for women and men when hiring staff is one of the key objectives. The Company guarantees its implementation where possible. By the results of 2018, the average number of women for a short list of candidates was 33% of the total number of candidates.

401-1 (b)

The total number of dismissed employees and the turnover rate for the reporting period, by age group, gender and region.						
	Total dismissed employees		The average number of employees of the organization for the year		Turnover rate	
	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	26	26	403.66	421.42	0.14	0.15
including, women among dismissed employees	7	9	89.27	92.52	0.08	0.10
including, men among dismissed employees	19	17	314.39	328.90	0.06	0.05
Nevnomyskaya GRES	32	20	416.30	429.72	0.23	0.11
including, women among dismissed employees	17	7	91.01	97.40	0.19	0.07
including, men among dismissed employees	15	13	325.29	332.32	0.05	0.04
Reftinskaya GRES	77	102	1,000.88	1,022.28	0.17	0.21
including, women among dismissed employees	20	26	213.72	227.57	0.09	0.11
including, men among dismissed employees	57	76	787.16	794.71	0.07	0.10
Sredneuralskaya GRES	41	35	417.95	437.01	0.21	0.14
including, women among dismissed employees	16	7	135.13	138.67	0.12	0.05
including, men among dismissed employees	25	28	282.82	298.34	0.09	0.09
Headquarters	35*	26	242.93	249.15	0.29	0.22
including, women among dismissed employees	15	15	102.53	102.40	0.15	0.15
including, men among dismissed employees	20	11	140.40	146.75	0.14	0.07
Total employees	211	209	2,481.72	2,559.59	1.03	0.84
including, women among dismissed	75	64	631.66	658.57	0.62	0.48

including, men among dismissed	136	145	1,850.06	1,901.02	0.41	0.36
---------------------------------------	------------	------------	-----------------	-----------------	-------------	-------------

*In 2018, 13 employees of Headquarters Branch were dismissed due to being transferred to work at LLC Enel Green Power Rus

404-1

Total staff training hours at the end of the year by job										
	Managers		Heads		Specialists		Workers		Total training hours at BU	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	855	216	1684	4125	3574	3726	4729	2316	10842	10383
Nevinnomysskaya GRES	127	80	3045	4266	6370	5948	16370	37748	25912	48042
Reftinskaya GRES	121	167	3845	4952	6898	6862	24230	13626	35094	25607
Sredneuralskaya GRES	259	209	5777	4766	8839	6228	18517	10337	33392	21540
Headquarters	2268	1053	5205	3973	7881	7564	0	16	15354	12606
Total training hours per year	3630	1725	19556	22082	33562	30328	63846	64043	120594	118178

Average number of staff training hours by position										
	Managers		Heads		Specialists		Workers		Total training hours at BU	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	855.00	216.00	25.91	61.57	23.06	23.58	26.87	12.13	27.31	24.90
Nevinnomysskaya GRES	127.00	80.00	44.78	60.08	41.63	35.62	86.16	194.58	62.89	110.95
Reftinskaya GRES	121.00	167.00	24.03	30.95	24.72	23.83	41.99	24.51	34.51	25.48
Sredneuralskaya GRES	259.00	209.00	88.88	69.07	49.11	33.30	107.66	57.11	79.89	49.18
Headquarters	133.41	65.81	73.31	54.42	48.95	45.29	0.00	5.33	60.93	48.67
Average annual number of training hours	172.86	86.25	45.59	50.19	36.17	31.36	57.11	56.93	48.31	46.31

Total staff training hours at the end of the year by gender						
	Women		Men		Total training hours at BU	
	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	2618	2918	8224	7465	10842	10383
Nevinnomysskaya GRES	10305	7335	15607	40707	25912	48042
Reftinskaya GRES	6754	4030	28340	21577	35094	25607
Sredneuralskaya GRES	9490	6367	23902	15173	33392	21540
Headquarters	11296	4148	4058	8458	15354	12606
Total training hours per year	40463	24798	80131	93380	120594	118178

Average annual staff training hours by gender						
	Women		Men		Total number of training hours in BU	
	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	27,85	30,71	27,14	23,18	27,30	24,89
Nevinnomysskaya GRES	108,47	69,85	49,23	124,10	62,89	110,95
Reftinskaya GRES	31,70	17,83	35,24	27,69	34,50	25,47
Sredneuralskaya GRES	66,83	43,02	86,60	52,32	79,88	49,17
Headquarters	97,37	34,85	29,83	60,41	60,92	48,67
Average annual number of training hours	61,30	35,78	43,64	50,23	48,31	46,30

404-3

Due to transformation of the feedback process, the data are available only for 2018.

Number of employees receiving regular feedback on the results of work as to career development during the reporting period, by position					
	Managers	Heads	Specialists	Workers	Total employees in BU
	2018	2018	2018	2018	2018
Konakovskaya GRES	1	65	145	164	375
Nevinnomysskaya GRES	1	68	143	177	389
Reftinskaya GRES	1	157	262	539	959
Sredneuralskaya GRES	1	65	169	160	395
Headquarters	18	71	151	3	243
Total employees	22	426	870	1043	2361*

Share of employees receiving regular feedback on the results of work as to career development during the reporting period, by position					
	Managers	Heads	Specialists	Workers	Total at BE
	2018	2018	2018	2018	2018
Konakovskaya GRES	1	1,00	0,93	0,93	0,94
Nevinnomysskaya GRES	1	1,00	0,93	0,93	0,94
Reftinskaya GRES	1	0,98	0,93	0,93	0,94
Sredneuralskaya GRES	1	1,00	0,93	0,93	0,94
Headquarters	1	1,00	0,93	1,00	0,96
Total percentage of employees	1	0,99	0,93	0,93	0,94

Number of employees receiving regular feedback on the results of work as to career development during the reporting period, by gender					
--	--	--	--	--	--

	Women	Men	Total employees in BU
	2018	2018	2018
Konakovskaya GRES	86	289	375
Nevinnomysskaya GRES	87	302	389
Reftinskaya GRES	195	764	959
Sredneuralskaya GRES	130	265	395
Headquarters	106	137	243
Total employees	604	1757	2361*

Average number of employees receiving regular feedback on the results of work as to career development during the reporting period, by gender

	Women	Men	Total at BE
	2018	2018	2018
Konakovskaya GRES	0,91	0,95	0,94
Nevinnomysskaya GRES	0,91	0,95	0,94
Reftinskaya GRES	0,91	0,95	0,94
Sredneuralskaya GRES	0,91	0,96	0,94
Headquarters	0,91	1,00	0,96
Total percentage of employees	0,91	0,95	0,94

*When calculating these indicators, the employees who are on maternity leave or have worked at the Company for less than 3 months at the time of evaluation are not included

405-1

Indicators of social and cultural diversity of executives including breakdown by gender and age:

	up to 30 years old		30 - 50 years old		Over 50 years old		Total executives at BU	
	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	0	0	1	1	0	0	1	1

including, women among executives	0	0	0	0	0	0	0	0
including, men among executives	0	0	1	1	0	0	1	1
Nevnomyskaya GRES	0	0	1	1	0	0	1	1
including, women among executives	0	0	0	0	0	0	0	0
including, men among executives	0	0	1	1	0	0	1	1
Reftinskaya GRES	0	0	1	1	0	0	1	1
including, women among executives	0	0	0	0	0	0	0	0
including, men among executives	0	0	1	1	0	0	1	1
Sredneuralskaya GRES	0	0	1	1	0	0	1	1
including, women among executives	0	0	0	0	0	0	0	0
including, men among executives	0	0	1	1	0	0	1	1
Headquarters	0	0	17	15	3	3	20	18
including, women among executives	0	0	4	3	0	1	4	4
including, men among executives	0	0	13	12	3	2	16	14
Total number of executives	0	0	21	19	3	3	24	22
including, women among executives	0	0	4	3	0	1	4	4
including, men among executives	0	0	17	16	3	2	20	18

Indicators of social and cultural diversity of employees including, by gender and age:								
	up to 30 years old		30 - 50 years old		Over 50 years old		Total employees in BU	
	2018	2017	2018	2017	2018	2017	2018	2017
Konakovskaya GRES	10	16	279	290	107	110	396	416

including, women among employees	1	1	70	72	23	22	94	95
including, men among employees	9	15	209	218	84	88	302	321
Nevnomyskaya GRES	18	24	308	320	85	88	411	432
including, women among employees	4	4	73	79	18	22	95	105
including, men among employees	14	20	235	241	67	66	316	327
Reftinskaya GRES	121	111	728	727	167	166	1016	1004
including, women among employees	8	8	167	172	38	46	213	226
including, men among employees	113	103	561	555	129	120	803	778
Sredneuralskaya GRES	38	51	309	312	70	74	417	437
including, women among employees	8	8	100	104	34	36	142	148
including, men among employees	30	43	209	208	36	38	275	289
Headquarters	24	27	165	178	43	36	232	241
including, women among employees	14	17	80	85	18	13	112	115
including, men among employees	10	10	85	93	25	23	120	126
Total number of employees	211	229	1789	1827	472	474	2472	2530
including, women among employees	35	38	490	512	131	139	656	689
including, men among employees	176	191	1299	1315	341	335	1816	1841

Contacts:

- Охана Рыабчинская, Юриисконсулт, Oxana.Ryabchinskaya@enel.com
- Maria.Shipitsyna, Senior Manager for Sustainability, Maria.Shipitsyna@enel.com
- Sofya.Krasnoyarova, Chief Specialist for Sustainability, Sofya.Krasnoyarova@enel.com

Company

Full name: Public Joint Stock Company Enel Russia

Abbreviated name: PJSC Enel Russia

The Company's place of location is Yekaterinburg

The Company's address is ul. Khokhryakova, 10, Yekaterinburg, Sverdlovsk Oblast, Russian Federation 620014.

Mailing Address: 7 Pavlovskaya Str., bldg. 1, Moscow 115093, Russia,

Phone: +7 (495) 539-31-31

Fax: +7 (495) 539-31-48

E-mail address: office.russia@enel.com

Web site (web-sites) where information about the Company is presented: <https://www.enelrussia.ru>

Press-service: EnelRussiaPressOffice@enel.com

Investor Relations: Ekaterina Orlova, IR Manager, Ekaterina.orlova@enel.com,

Branches of PJSC Enel Russia

Branch "Central office", Russian Federation, 115093, Moscow, Pavlovskaya street 7, bld. 1

Branch "Konakovskaya GRES", Russian Federation, 171252, Konakovo, Tverskaya oblast, Promyshlennaya street 12

Branch "Nevinnomysskaya GRES", Russian Federation, 357107, Nevinnomyssk, Stavropol Territory, Energetikov street 2

Branch "Reftinskaya GRES", Russian Federation, 624285, Asbest of the Sverdlovsk region, the Reftinsky settlement

Branch "Sredneural'skaya GRES", Russian Federation, 624070, Sredneural'sk, Sverdlovsk region, Lenin street 2

Depository bank

Description: The bank of New York Mellon

Location: One Wall Street, New York, New York 10286, USA

Web site: www.bnymellon.com

Registrar

Full name: Nezavisimaya Registratorskaya Kompaniya Joint Stock Company

Abbreviated name: Nezavisimaya Registratorskaya Kompaniya JSC

Location: 107076, Moscow, Stromynka street 18, bld. 5B.

Phone: +7 (495) 926-81-60

Web site: <http://www.ncreg.ru/>

Starting from February 5, 2019, JSC Independent Registrar Company R.O.S.T. is registrar of PJSC Enel Russia.

Address: Stromynka 18, bld. 13, Moscow 107996

TIN 7726030449

KPP 771801001

Phone: +7 (495) 989-76-50 +7(495) 780-73-63

Web site:<http://rrost.ru/ru/>

Auditor

Full company name: Limited Liability Company Ernst and Young

Abbreviated company name: Ernst and Young LLC

Location: Sadovnicheskaya naberezhnaya 77, bld. 1, 115035 Moscow, Russia

Phone: +7 (495) 755-97-00, 705-97-00

Fax: +7 (495) 755-97-01

Website: <http://www.ey.com/russia>

16. Glossary

The Company (OJSC OGC-5, OJSC Enel OGC-5, OJSC Enel Russia, PJSC Enel Russia, Company, Issuer) — Public Joint Stock Company Enel Russia

Annual Report — Annual Report of Public Joint-Stock Company Enel Russia

HQ - Headquarters Branch of PJSC Enel Russia

Konakovskaya GRES (KGRES) — Konakovskaya GRES branch of PJSC Enel Russia

Nevinnomysskaya GRES (NGRES) — Nevinnomysskaya GRES branch of PJSC Enel Russia

Reftinskaya GRES (RGRES) — Reftinskaya GRES branch of PJSC Enel Russia

Sredneuralskaya GRES (SUGRES) — Sredneuralskaya GRES branch of PJSC Enel Russia.

NPP — nuclear power plant

BM — balancing market

RES — renewable energy sources

HV line — high voltage power transmission line

ARETU — All-Russian electrical trade union
GRES — state regional power plant
HPP — hydro-electric power plant
DPM — capacity supply agreements
IES — Integrated Energy System
Corporate Governance Code — Corporate Governance Code recommended by letter of the Bank of Russia N 06-52/2463 dated April 10, 2014
Efficiency — efficiency factor
KPI — key performance indicator
IFRS — International Financial Reporting Standards
UN — United Nations
WEM — wholesale electricity and capacity market
HSEQ — Health & Safety, Ecology and Quality
UPS — Unified Power System
CCGT — combined cycle gas turbine unit
OSPRP —oil spill prevention and response plans
PLECA — plan for localization and elimination of consequences of accidents
RC — regulated contracts
FPF — fish protection facilities
DAM — day ahead market
CSV — Creating Shared Value
CHP — combined heat and power plant
FZ — federal law
SDG — Sustainable Development Goals
ES — emergency situation
IoT — Internet-of-things

Units of Measure:

kW/h (Kilowatt/hour) — generated power measurement unit
kW (kilowatt) — capacity measurement unit
MW (megawatt) — capacity measurement unit

Gcal (gigacalorie) — heat measurement unit

Gcal/ h (gigacalorie/hour) — heat output measurement unit