

## Appendix 3. Independent practitioner's limited assurance report (translation from Russian original)



### INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT [TRANSLATION FROM RUSSIAN ORIGINAL]

*To the management of Joint-stock company ASE Engineering Company.*

We have undertaken a limited assurance engagement of nature and level of Joint-stock company ASE Engineering Company (hereinafter referred to as ASE EC JSC) compliance with the principles of the AA1000 Accountability Principle (2018) (hereinafter referred to as AA1000 AP 2018) in the process of stakeholder engagement in sustainability activities as well as compliance of the accompanying translation of annual report of Engineering Division of Rosatom State Corporation for 2018 to English (hereinafter referred to as the Report) with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Comprehensive option and with the requirements of the International Integrated Reporting Framework.

#### **Responsibility of ASE EC JSC**

ASE EC JSC is responsible for its compliance with the principles of the AA1000 AP 2018 in the process of stakeholder engagement in sustainability activities as well as preparation of the Report in compliance with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Comprehensive option and with the requirements of the International Integrated Reporting Framework. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

#### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Rules of Independence of the Auditors and Audit Organizations and The Code of Professional Ethics of the Auditors, which are in accordance with Code of Ethics for Professional Accountants issued by the International Ethics Standards

Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and we have fulfilled our other ethical responsibilities in accordance with these requirements

The firm applies International Standard on Quality Control 1, Quality Control for Firm that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Our Responsibility**

Our responsibility is to express a limited assurance conclusion on nature and level of ASE EC JSC compliance with the principles of the AA1000 AP 2018 in the process of stakeholder engagement in sustainability activities as well as compliance of the Report with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Comprehensive option and with the requirements of the International Integrated Reporting Framework based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, as well as in accordance with AA1000 Assurance Standard 2008 (type 2, as defined by AA1000AS 2008). These standards require that we plan and perform this engagement to obtain limited (moderate as defined by AA1000AS 2008) assurance about whether ASE EC JSC complies with the principles of the AA1000 AP 2018 in the process of stakeholder engagement in sustainability activities and whether the Report is free from material misstatement.

A limited assurance engagement undertaken in accordance with these standards involves assessing the following criteria (hereinafter referred to as Criteria):

- Nature and level of ASE EC JSC compliance with the principles of the AA1000 AP 2018 – inclusivity, materiality, responsiveness and impact – in the process of stakeholder engagement in sustainability activities;
- Compliance of the Report with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Comprehensive option;
- Compliance of the Report with the requirements of the International Integrated Reporting Framework

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we have performed the following procedures:

TRANSLATION NOTE: Our report has been prepared in Russian. In all matters of interpretation of information, views or opinions, our original report in Russian takes precedence over this translation from Russian into English.

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- Study and selective testing of systems and processes implemented by ASE EC JSC to ensure and analyze the compliance of the activities with the AA1000 AP 2018 principles; collection of evidence confirming practical implementation of these principles.
- Interviewing the management and employees of ASE EC JSC and obtaining documentary evidence.
- Participation in public dialogues and consultations with stakeholders and study of minutes of dialogues and consultations with stakeholders.
- Study of information available on the websites of Rosatom State Corporation Engineering Division organisations related to their activities in the context of sustainable development.
- Study of public statements of third parties concerning economic, environmental and social aspects of the Rosatom State Corporation Engineering Division organisations activities, in order to check validity of the declarations made in the Report.
- Analysis of non-financial reports of companies working in the similar market segment for benchmarking purposes.
- Analysis of the current system of internal audit of non-financial reporting in ASE EC JSC.
- Selective review of documents and data on the efficiency of the management systems of economic, environmental and social aspects of sustainable development in ASE EC JSC.
- Study of the existing processes of collection, processing, documenting, verification, analysis and selection of data to be included into the Report.
- Analysis of information in the Report for compliance with the requirements of Criteria.

The procedures were performed only in relation to data for the year ended 31 December 2018.

The evaluation of reliability of the information on performance in the Report was conducted in relation to compliance with the requirements of Standards to the report prepared in accordance with the Comprehensive option and information referred to in the annex to the Report "GRI Content Index" as well as in relation to compliance with the requirements of the International Integrated Reporting Framework. In respect to the quantitative performance indicators the conformity assessment to external and internal reporting documents provided to us was performed.

The procedures were not performed in relation to forward-looking statements; statements expressing the opinions, beliefs and intentions of ASE EC JSC as Managing Company of Rosatom State Corporation Engineering Division to take any action relating to the future; as well as statements based on expert opinion.

The procedures were performed in relation to the translation of annual report of Engineering Division of Rosatom State Corporation for 2018 to English, which includes information to be published in a hard-copy form as well as in digital form on the ASE EC JSC website.

We had no chance to verify that the Report was published on the ASE EC JSC website as well as that Global Reporting Initiative was notified of the use of the Standards in the Report preparation, due to the fact that the date of signing this Assurance Report preceded the planned dates of these procedures completion.

We had no chance to verify that ASE EC JSC has received the conclusion on public verification by Non-Financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs as well as by the Russian Integrated Reporting Regional Network due to the fact that the date of signing this Assurance Report preceded the planned dates of the procedures completion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about ASE EC JSC adherence to the principles of the AA1000 AP 2018 as well as about compliance of the Report, in all material respects, with the Criteria.

#### **Limited Assurance Conclusion**

##### ***Nature and extent of compliance of ASE EC JSC with AA1000 AP 2018 principles***

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that ASE EC JSC stakeholder engagement in sustainability activities has not complied, in all material aspects, with the criteria of AA1000 AP 2018 in respect to adherence of ASE EC JSC to the principles (Inclusivity, Materiality, Responsiveness and Impact).

##### ***Compliance of the Report with the GRI Sustainability Reporting Standards (Comprehensive option)***

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report has not complied, in all material aspects, with requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Comprehensive option.

##### ***Compliance of the Report with the requirements of the International Integrated Reporting Framework***

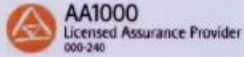
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report has not complied, in all material aspects, with the guiding principles of the International Integrated Reporting Framework and with requirements to the structure of content elements of integrated reports.

**Recommendations**

Based on the results of the limited assurance engagement we recommend:

- Disclose in more detail in the Report the methodology for identification the boundaries for the material topics.
- It is reasonable to disclose GRI indicators in relation to target values.
- Consider the possibility of increasing the extent of disclosure of information concerning contractors on the material topics.
- In case of significant changes in the list of material topics, explain reasons of changes in materiality assessment.
- In case of disclosure with omissions due to absence of a recording system, provide information about plans to obtain data in future.
- Extend disclosure of information on how the organization evaluates the management approach to all material topics.

The recommendations are not intended to detract from the practitioner's conclusion. Our conclusion is not modified in respect of the matters referred to in the recommendations.



FBK, LLC



V.Y. Skobarev

Practitioner  
Partner  
acting under Power of Attorney No. 76/18 of December 17, 2018  
The Russian Federation, Moscow, June 26, 2019