

## Mission, vision and values

### Mission

We are working in the name of progress and social prosperity. Our energy brings light and warmth to people.

### Vision

We are a dynamically developing Ukrainian company that strives for leadership in the European energy markets. Our success is based on people, efficiency and advanced technologies.

### Values

#### Professionalism

Our employees have extensive professional knowledge, carry out their duties responsibly and diligently, and accomplish their tasks in a timely and workmanlike manner.

We strive to achieve the best results while making the best possible use of human, natural and financial resources.

#### Responsibility

We are building our business on the understanding that all of our efforts should serve the interests of society. We bear responsibility for the quality of our work and the observance of corporate standards, for meeting our obligations, for using resources prudently, and for protecting the environment. We are responsible for the people who make the success of our company possible — our employees.

#### Pursuit of excellence

We create the right conditions for the development of talents and abilities of our employees, implement the latest technologies, and improve production and management processes. As we expand our business, we strive to instill confidence in our employees and contribute to the successful development of Ukraine.

#### Unity

We value team spirit, unity and solidarity. We can only achieve strong results as a team. We enjoy both working and leisure time together. Our common potential comes from the diverse experience and knowledge of each employee. Our unity comes from the common pursuit of the same ideas and goals while understanding and supporting each other.

#### Openness

We are open and keep our employees, partners, shareholders and other external stakeholders informed about important issues regarding our development, creating a foundation for working together in a spirit of trust. We conduct our business based on principles that are clear to our employees and partners.



## DTEK Group's 2030 Development Strategy

### Development Concept

DTEK will actively develop in Ukraine and enter the markets of neighbouring countries as a diversified energy company with secured fuel resources.

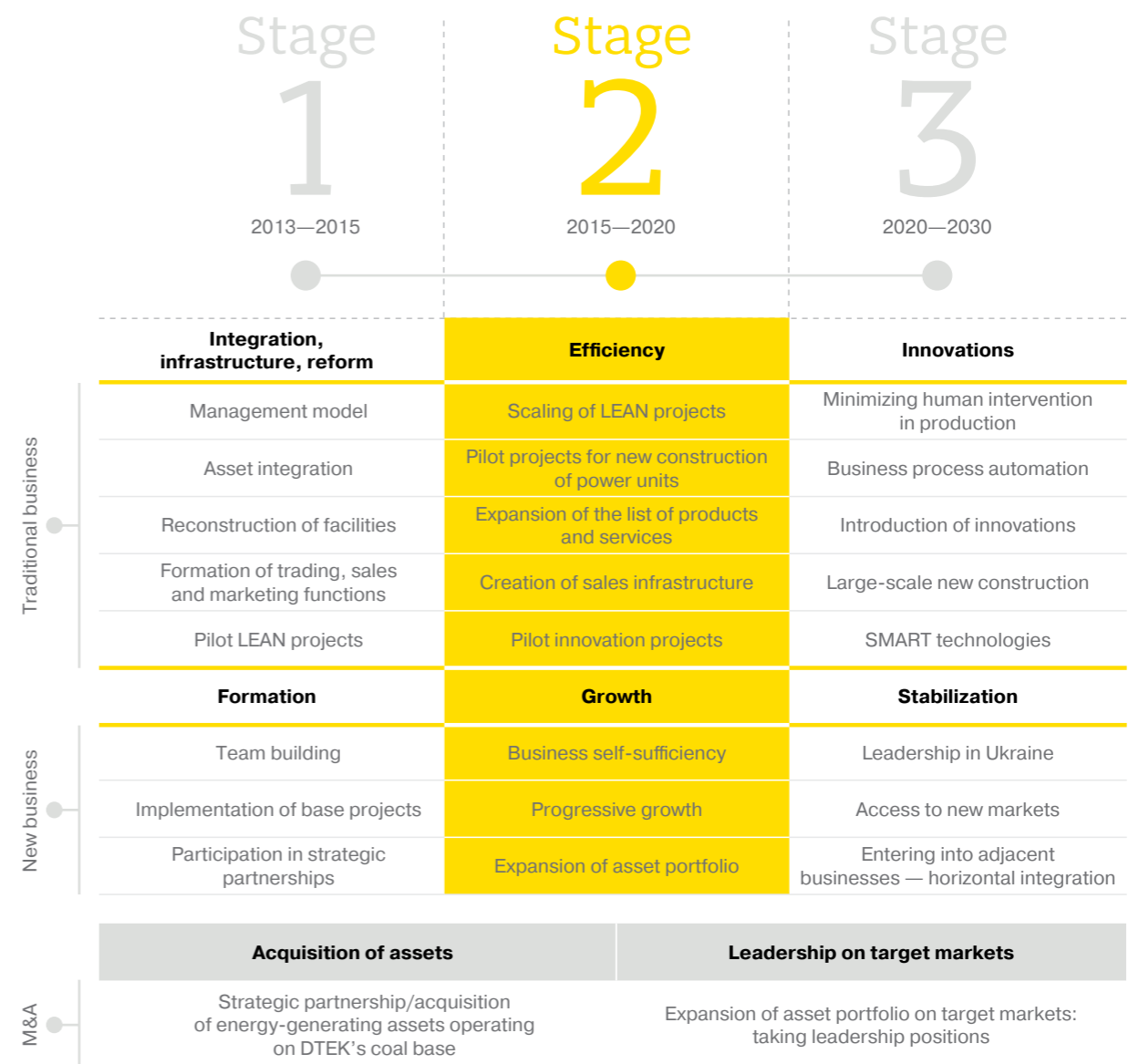
DTEK will focus on the sale of electricity to all categories of consumers while maintaining high standards of service and building a strong retail brand.

DTEK will support and develop key success factors: the talents and potential of its employees and the efficiency of production, investments and management.

DTEK will participate in the reform and modernization of Ukraine's economy, social development of regions where it operates, and the promotion of best standards in industrial and environmental safety.

### Stages and priorities of DTEK Group's Development Strategy

The long-term corporate strategy determines key areas of business development, management projects and technologies.



## Six strategic vectors of development

### Energy sector

The basis of DTEK's energy business is coal mining and gas production, electricity production at thermal and renewable generation plants, and the distribution and supply of electricity.

The company intends to maintain at least a 25% share of the electricity market until 2020. The company plans to continue developing its renewable assets in wind energy initially by implementing the Priazovs'ky wind park construction project, and by creating new facilities for solar generation.

The main coal mining priorities are meeting the company's thermal power plants' fuel needs and creating safe working conditions.

RAB-regulation is expected to be introduced after 2019, which will increase the investment attractiveness of electricity distribution business and create favourable conditions for further development.

In gas production, the company will focus on drilling of wells at the Semyrenkivs'ke and Machukhs'ke fields under a long-term development program, and will carry out an exploration survey in the Khoroshivs'ka area. The company also will participate in auctions for licensed sites from the unallocated site list and tenders for production sharing agreements (PSA).

### Society

DTEK has a zero-tolerance policy to industrial injuries, so creating a culture of self-preservation is a critical task. DTEK plans to reduce workplace injury rates by introducing safety control parameters and building modern production facilities with more automation.

DTEK promotes comprehensive development throughout Ukraine, with a particular focus on regions where the Group's companies operate. One of the company's primary goals is to establish long-standing partnerships with wider society, promoting joint initiatives with local residents for urban development and a better understanding among local communities of the challenges the business faces.

DTEK carries out a series of programs aiming to improve people's quality of life in the cities and towns in its operating footprint. The programs span five main areas: energy efficiency in the utilities sector; health care; development of socially important infrastructure; development of business environment; and increasing local communities' activity. There is a special focus on environmental protection. With this goal in mind, DTEK has designed its own environmental strategy.

Today, the Ukrainian energy sector is undergoing large scale reforms that will result in the liberalization of the market, and the establishment of coal market and electricity pricing mechanisms. DTEK is actively engaged in supporting the reforms by participating in working groups on the development of draft laws. The company promotes engaging best European practices in the reform process of the energy industry and creation of efficient competitive environment. It is ready to adapt all of its activities in support of these goals.

The company is putting particular focus on preserving and improving its reputation. DTEK has always demonstrated a high level of business transparency and social responsibility, and will continue to do so in the future.

### Customers

Liberalization of the energy market ensures consumers can choose their suppliers. To operate effectively in a free market, DTEK is focused on transitioning from an electricity supply company to a customer-oriented business.

The company is developing uniform customer relations standards for all undertakings, replacing its obsolete system with European best practice service. The network of CSC has already expanded, and its operating principles have been standardized. Online services are replacing consumer billing books. There are plans to introduce a common centralized billing system in the next few years, thereby establishing the foundations for a large-scale deployment of Smart Grid and Smart Metering technologies.

The range of services offered by the company has been complemented by energy efficiency services — including the

implementation of energy service projects for industrial and state-financed consumers, as well as the Smart WATT brand which is targeted at the retail sector. In 2018, the company created a network of STRUM fast-charging stations for electric vehicles.

Through further diversification of high-quality products and services, we hope to increase customer satisfaction to 90% by 2030. The company will continue to develop DTEK's retail brand to ensure reliable and innovative services are available to everyone.

## People

People are the backbone of the company and the driving force behind its competitive advantage. DTEK will continue to invest in the development of its personnel and promote a culture of open innovation.

People are the company's intellectual capital, so a system supporting ongoing personal development for employees has been created — all managers are trained in personnel management processes. The focus is on creating a corporate culture which supports the timely achievement of business goals and employee engagement, while building loyalty to the company and spreading the company's values.

DTEK plans to use state-of-the-art IT technologies for

its HR activities, focusing on benefits, incentives, and management to help organize personnel management processes efficiently while cultivating and attracting new talents to the company.

DTEK will continue to make large-scale investments in the development of its personnel and will promote an innovation culture in production and management. The company's goal is to use the Human Capital instead of Managing People philosophy, according to which employees act as business partners.

## Efficiency

DTEK strives not only to reduce costs, but to explore new opportunities to obtain maximum return from existing resources. DTEK's competitive ability and industry leadership are based on the three pillars: efficiency of management, efficiency of production, and efficiency of investments.

Efficiency of production is impossible without timely modernizing DTEK's production companies which, in turn, requires investment efficiency. The company determines investment priorities and chooses the best engineering solutions to minimize human involvement in the coal production process, as well as upgrading and constructing power units and creating modern grids. DTEK's innovation management function was set up and its main task is to identify and implement innovative technologies and digital solutions.

For production efficiency, the company is implementing the "Novator" continuous improvement system and developing a culture of lean production. "Novator" has become the go-to model for employee behaviour: each

employee has the right to make a suggestion on how things could be more efficient at his/her workplace. The best proposals are implemented and their authors awarded. This approach is conducive to business development and improved efficiency has advantages for consumers and the economy in general. From a consumer point of view, DTEK's efficiency means lower electricity consumption. For partners, it means a lower energy component in product cost. For Ukraine, it leads to greater energy security, a better use of innovation, a more favourable investment climate, and improvements to the entire economy.

Business efficiency is a prerequisite for sustainable long-term development.

## Ukraine "plus"

Ukraine is the key priority for DTEK's development. The company's largest investments are channelled into the development of Ukraine's energy sector and economy. New capacities are built, new technologies are introduced and new businesses are set up. Efficient operation on external markets is impossible when there is no strong production base at home.

DTEK aims to develop commercial relations with external markets. One of our main tasks is to expand the number of technical and business opportunities to export electricity, implement modern and innovative commercial mechanisms, and reach end consumers in European markets. DTEK is ready to support synchronization with ENTSO-E, and will do everything necessary to get

its power units and grids ready for integration into the European energy system.

DTEK has become the face of Ukrainian business for foreign partners. The company strives to showcase the appeal of the Ukrainian business sector to international partners, acting as a transparent, responsible and efficient company focused on long-term sustainable development.