

## Sustainability

DTEK Group is focused on long-term sustainable development and considers ESG criteria (Environmental, Social, and Corporate Governance) for all its activities. The UN Sustainable Development Goals have been integrated into DTEK Group's business strategy. All actions and decisions correlate with interests of the society, this responsible financing practice is aimed at an integrated and balanced approach to sustainable development.

As a member of the United Nations Global Compact, DTEK Group contributes to the achievement of the UN Sustainable Development Goals. 17 goals were set by world leaders at the UN General Assembly and officially took legal effect on January 1, 2016. These goals set out a timeframe of 15 years, in which countries and organizations would focus on overcoming poverty, tackling inequality and eliminating the negative effects of climate change.

DTEK Group's sustainable development policy focuses

on reducing the organization's environmental impact, sustainable use of resources, improving industrial safety and health of personnel, ethical business practices and compliance with anti-corruption standards, open dialog with employees and wider society. This approach applies to activities throughout the value chain and at all levels of business management: companies and enterprises of DTEK Group are guided in their activities by the DTEK Corporate Social Responsibility Policy and the Sustainable Development Policy of SCM.

### 17 goals of the UN Global Compact



## Sustainability management

The Sustainability Committee under the Management Board of DTEK and Regional Policy Directorate of DTEK Energy, the executive office of DTEK Renewables, DTEK Oil & Gas, DTEK Grids plan and implement all sustainable development projects.

Cooperation and engagement with stakeholders are important components of sustainable development. DTEK Group believes in transparency, providing stakeholders with full information about its activities. We conduct partnerships and constructive dialog with stakeholders on a systematic basis, which ensures we can share timely information which matches their interests and expectations.

#### Stakeholders include:

- employees and their families,
- citizens in areas where the company operates,
- non-governmental organizations,
- local authorities, regional and central authorities,
- international organizations and investment communities,
- experts and analytical centers,
- academia and the scientific community,
- media,
- general population of Ukraine.

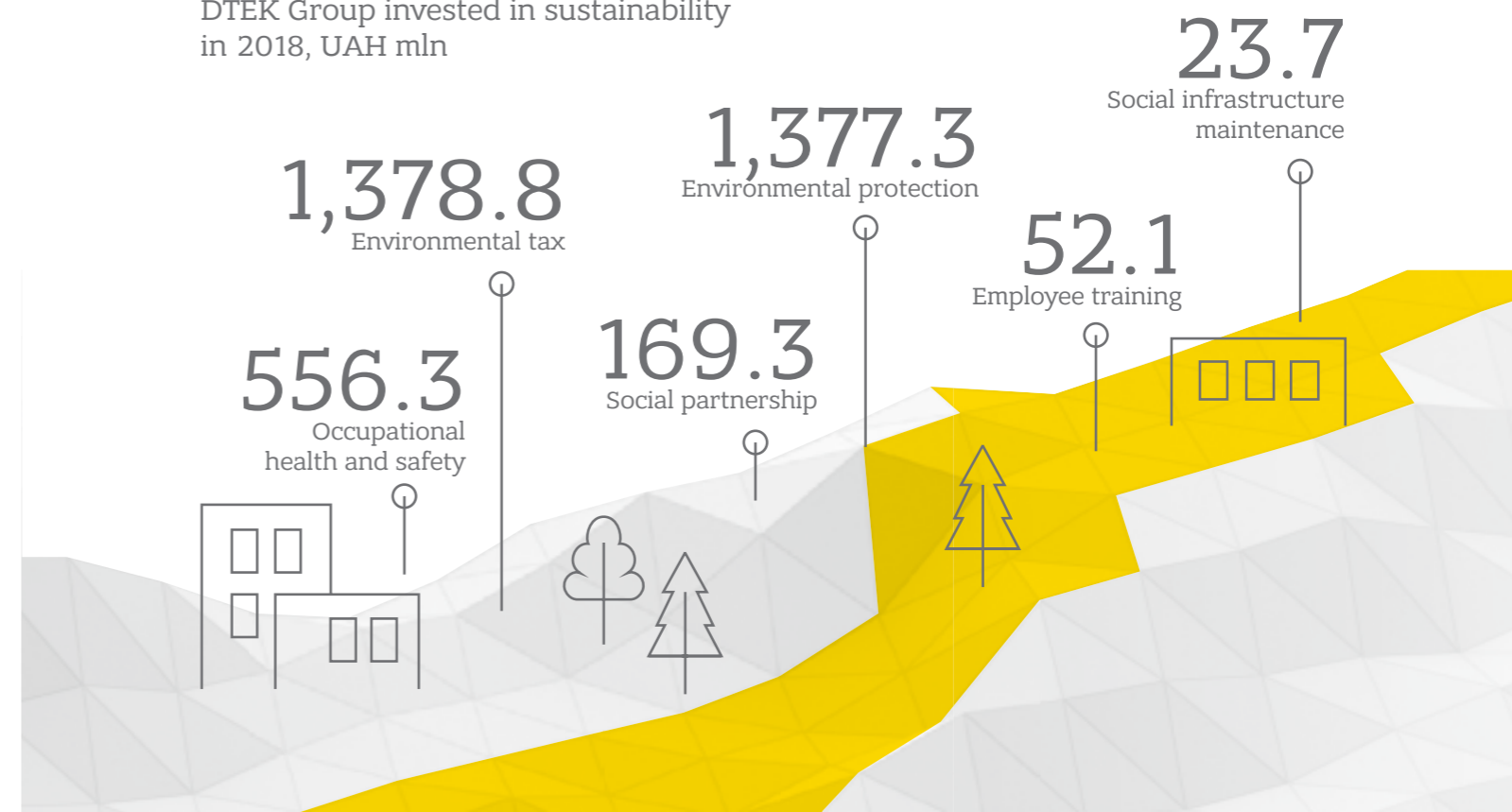
#### The Sustainability Committees' key tasks are:

- approval and updates to the strategy, as well as personnel management policies, including the corporate culture concept, recommendations for considering internal candidates for participation in training programs for successors to key positions — Top 50, Energy of Leader, Energy of Knowledge, Talent Pool;
- assessment of the occupational safety management system;
- identification of challenges and approval of social development strategies for the regions of operations;
- coordination of the environmental strategy;
- consideration of non-production issues that can significantly affect the company's ability to reach business targets.

#### The directorates' key tasks are:

- planning, implementation, monitoring of social projects and assessment of their efficiency;
- cooperation with stakeholders;
- development of corporate social responsibility in Ukraine;
- participation in Ukrainian and international sustainable development initiatives.

DTEK Group invested in sustainability in 2018, UAH mln



## Top 5 Awards by ESG criteria for 2018

- DTEK Burshtyns'ka TPP received the "ECO Transformation-2018" award for implementing a project to increase the extraction of dry ash.

Awards for achievements in the field of environmental safety were given during the business forum "ECOtransformation of Ukraine". The forum brought together more than 50 companies, public environmental organizations and government institutions responsible for the implementation of environmental policies.

- In the contest of the UN Global Compact in Ukraine, the Energy Efficient Schools project won the Planet nomination. Projects were evaluated according to the following criteria: innovation, contribution to social development, number of people involved.

The Energy Efficient Schools project has been going since 2012 and is aimed at educating students on environmental values, responsible attitudes towards the consumption of resources and practical tips on conserving energy.

- DTEK Dnipro Grids' work was recognized in the Green Technologies and Innovations contest held by the Federation of Employers' Organizations of Dnipropetrovs'k region within the framework

of the Ukrainian-German project Green Business Solutions — Unity for Sustainable Development.

The company received an award for organizing an effective system of separate collection and disposal of waste.

- Naftogazvydobuvannya was recognized as the best company in the sector in the All-Ukrainian contest "The best enterprise in occupational health and safety". The competition is held annually by the State Labor Service of Ukraine. A prerequisite for participation in the competition is the absence of accidents or occupational diseases in the preceding year.

- A project managed by Academy DTEK was recognized in the "HR-Brand Award Ukraine" competition. Held since 2011 by the recruiting company Head Hunter Ukraine, the competition promotes the latest methods of personnel management.

The Academy DTEK project "To calculate is impossible to guess. Where to draw the line? How HR-analytics saves people's lives and health" won the lead in the Region nomination.

HR analytics is one of the tools helping DTEK achieve its global goal of zero injuries in the workplace. Academy DTEK's research team has developed a model that uses data analytics to forecast risks of safety violations associated with human factors. Measures are already being developed to minimize and eliminate those risks, based on the results obtained.

## Membership in associations and international and national organizations

**DTEK** is a participant of the UN Global Compact network and a member of the Global Compact Alliance in Ukraine.

**DTEK** is one of the founders of the World Economic Forum's Energy for Society Initiative.

**DTEK** is a member of CSR Centre, an expert organization that promotes corporate social responsibility to achieve comprehensive and profound changes in Ukraine.

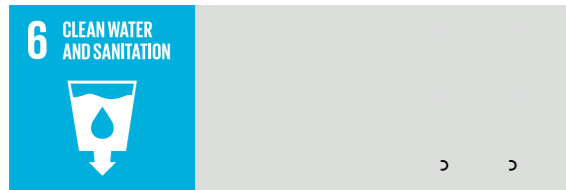
**DTEK** is a member of the European Business Association and the American Chamber of Commerce, the European-Ukrainian Energy Agency, and the U.S.–Ukraine Business Council.

**DTEK** is a member of professional associations: the European Association for Coal and Lignite (EURACOAL), the Union of the Electricity Industry (Eurelectric), the European Energy Forum (EEF), the European Federation of Energy Traders (EFET), the European Distribution System Operators (E.DSO).



# DTEK Group follows the principles of social responsibility and sustainable development, implementing projects to achieve the goals of the UN Global Compact

## Criteria ESG: Environmental



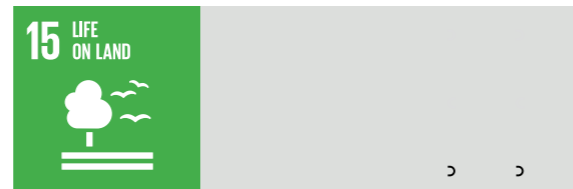
DTEK Group focuses its water resource management efforts around economic and efficient use at all its production facilities. To ensure optimum water consumption, the enterprises use both circulating water supply systems and reuse of water (for more detail, see Environmental Protection).



The DTEK Group strategy is aimed not only at reducing costs but also focuses on maximizing output from existing resources. The enterprises use innovative technologies to reduce fixed unit costs and increase product competitiveness. The second line of operation focuses on energy awareness and fostering responsible consumption by organizations and citizens (for more detail, see Investment Projects, Environmental Protection, Society).



In order to keep the environmental balance, DTEK Group systematically upgrades its facilities, ensuring production reliability and compliance with the European environmental standards, as well as developing new business lines to decrease environmental impact and combat climate change (for more detail, see Investment Projects, Environmental Protection).

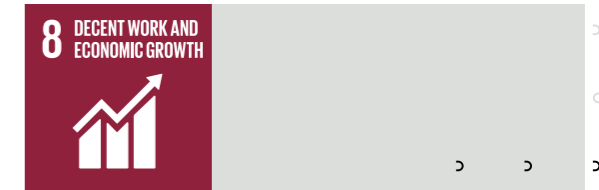


DTEK Group's environmental efforts all revolve around prevention and minimizing the organization's negative impact on biodiversity and the wider environment (for more detail, see Investment Projects, Environmental Protection).

## Criteria ESG: Social



DTEK Group pays great attention to the issue of health care, ensuring employees of its enterprises and local residents can all receive quality medical care on time (for more detail, see the Society).



DTEK Group's enterprises primarily work in single-industry towns. To foster the development of more economically self-sufficient communities, DTEK Group supports small and medium businesses which can stimulate job creation and attract investors to the regions. This also contributes to the growth of tax revenues for local budgets (for more detail, see the Society).



DTEK Group supports various projects aimed at improving access to education and leisure. Educational programs have been implemented for external and internal stakeholders. The programs for external stakeholders have been created on an open platform to provide wider access. Employees, under the development of professional competencies, are given free education opportunities in the corporate university — Academy DTEK (for more detail, see the Society, Employees).



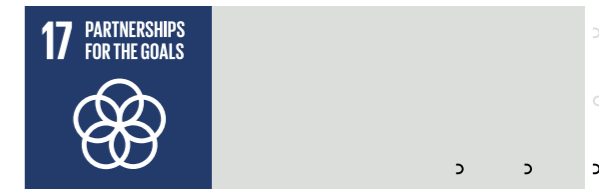
DTEK Group works hard to ensure it has stable social partnerships with the communities and local governing bodies of the regions in which it operates, to make those towns more comfortable to live in. To this end, the enterprises implement social partnership programs every year aimed at ensuring sustainable development.

The programs cover five key areas: energy efficiency in the utilities sector, health care, developing socially-important infrastructure, supporting business environment and increasing local communities' activity (for more detail, see the Society).



DTEK Group provides equal conditions for all employees to unlock their full potential and promotes career development regardless of gender.

DTEK Group's human resources work — including headhunting and personnel recruitment, and staff administration — is in line with the relevant Ukrainian laws and internal regulatory documents, with zero restrictions relating to gender.



DTEK Group develops partnership relations with international donor organizations, state funds for the implementation of joint sustainable development projects in the areas where the company operates (for more detail, see the Society).

