

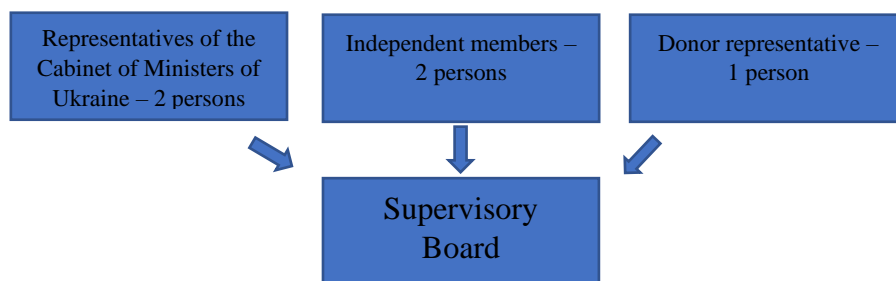
**Report of the Supervisory Board
of the State Institution "Energy Efficiency Fund"
2024**

Kyiv
2025

1. The Supervisory Board of the State Institution "Energy Efficiency Fund" (hereinafter referred to as the "Supervisory Board" or the "Board") is the highest collegial governing body within the two-tier corporate governance structure of the State Institution "Energy Efficiency Fund" (hereinafter referred to as the "EEFund"). It safeguards the rights of the founder, creditors, donors, and ultimate beneficiaries of the institution, ensures the achievement of the institution's objectives, and oversees management within the powers defined by the Law of Ukraine "On the Energy Efficiency Fund" (hereinafter referred to as the Law on the EEFund) and the Charter of the State Institution "Energy Efficiency Fund." The Supervisory Board monitors and regulates the activities of the executive body of the State Institution "Energy Efficiency Fund" — the Directorate — within the scope of its competence as defined by Ukrainian legislation, the Charter, and the Regulation on the Supervisory Board of the State Institution "Energy Efficiency Fund."

2. ASSESSMENT OF THE COMPOSITION AND STRUCTURE OF THE SUPERVISORY BOARD. CHANGES IN THE PERSONAL COMPOSITION THAT OCCURRED DURING 2024..

The composition of the Supervisory Board of the EEFund is formed in accordance with Article 4 of the Law of Ukraine "On the Energy Efficiency Fund," namely:



Representatives of the Cabinet of Ministers of Ukraine and independent members are elected for a five-year term. The term of office of the donor representative on the Supervisory Board of the EEFund may be determined by an agreement between the Cabinet of Ministers of Ukraine and the donors, which provides for the donors' funding of the EEFund's activities. The same person may be elected to the Supervisory Board multiple times, but not more than three consecutive terms.

When forming the personal composition of the Supervisory Board, the requirements regarding the professional competence and business reputation of the officials of the State Institution "Energy Efficiency Fund," approved by the Resolution of the Cabinet of Ministers of Ukraine dated February 28, 2018, No. 138, are taken into account.

As of January 1, 2024, the composition of the Supervisory Board included:

- **Sabatiuk Yuliya** – Chair of the Supervisory Board, independent member of the Supervisory Board;
- **Butenko Oleksandr** – Member of the Supervisory Board, representative of the Cabinet of Ministers of Ukraine;
- **Zhuk Oleksandr** – Member of the Supervisory Board, representative of the Cabinet of Ministers of Ukraine;
- **Raikevich Andrzej (Poland)** – Independent member of the Supervisory Board.

As of January 1, 2024, the Supervisory Board was not fully formed due to the expiration of the term of office of the donor representative, **Laura Garbenchute-Bakene**, on December 6, 2023, and the donors' failure to appoint a new representative.

According to Article 4 of the Law of Ukraine "On the Energy Efficiency Fund," the Supervisory Board is considered fully authorized if at least four of its members have been appointed. Therefore, at the beginning of the reporting period, the Supervisory Board had all the necessary powers to make decisions within its competence.

Changes in the personal composition that occurred during 2024.

Full Name	Event	Basis	Comment
Raikevich Andrzej	Termination of powers on February 26, 2024.	Expiration of the contract term	Due to the expiration of the term of office of the member of the Supervisory Board
Matoniene Daiva	Elected as an independent member of the Supervisory Board on February 27, 2024	Decision of the Commission for the competitive selection of independent members of the Supervisory Board of the EEFund dated January 31, 2024, Protocol No. 5	A competitive selection was conducted due to the expiration of the term of office of the members of the previous convocation of the Supervisory Board in 2023.
Butenko Oleksandr	Termination of powers on March 15, 2024	Resolution of the Cabinet of Ministers of Ukraine dated March 15, 2024, No. 229-r	Resignation at one's own request from the position of Deputy Minister of Community, Territory, and Infrastructure Development of Ukraine.
Vodovozov Yevhenii	Appointed as a representative of the Cabinet of Ministers of Ukraine on February 15, 2024	Resolution of the Cabinet of Ministers of Ukraine dated March 15, 2024, No. 230-r	
Sabatiuk Yuliya	Elected as an independent member of the Supervisory Board on February 27, 2024	Decision of the Commission for the competitive selection of independent members of the Supervisory Board of the EEFund dated April 16, 2024, Protocol No. 6	Elected for a second term of office.
Vodovozov Yevhenii	Termination of powers on July 25, 2024	Resolution of the Cabinet of Ministers of Ukraine dated July 25, 2024, No. 261-r	Resignation at one's own request from the Ministry of Community, Territory, and Infrastructure Development of Ukraine.
Petrinin Dmytro	Appointed as a representative of the	Resolution of the Cabinet of Ministers	

	Cabinet of Ministers of Ukraine on July 25, 2024	of Ukraine dated July 25, 2024, No. 262-r	
Rolf Behrndt	Elected as a member of the Supervisory Board – Donor representative on July 25, 2024	Letter from the European Union Delegation dated July 3, 2024, No. Ares (2024) 4804029	Notification from the donors regarding the appointment of a representative of the Multi-Donor Trust Fund to the Supervisory Board of the EEFund.

As of December 31, 2024, the composition of the Supervisory Board included:

- Sabatiuk Yuliya – Chair of the Supervisory Board, independent member of the Supervisory Board;
- Petrunin Dmytro – Member of the Supervisory Board, representative of the Cabinet of Ministers of Ukraine;
- Zhuk Oleksandr – Member of the Supervisory Board, representative of the Cabinet of Ministers of Ukraine;
- Matoniene Daiva – Independent member of the Supervisory Board;
- Behrndt Rolf – Member of the Supervisory Board, representative of the donors.

Events after the last date of the reporting period. According to the resolutions of the Cabinet of Ministers of Ukraine dated February 18, 2025, No. 129-r and 130-r, the representative of the Cabinet of Ministers of Ukraine in the Supervisory Board of the EEFund was replaced. The powers of the Supervisory Board member, Dmytro Petrunin, were terminated, and Shkrum Aliona Ivanivna, First Deputy Minister for Community and Territory Development of Ukraine, was appointed to the Supervisory Board.

3. STRUCTURE, PRINCIPLES OF FORMATION, SIZE OF REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD, ADDITIONAL BENEFITS THEY RECEIVE (ARE ENTITLED TO RECEIVE) DURING THE PERFORMANCE OF THEIR DUTIES, AS WELL AS IN CONNECTION WITH THE TERMINATION OF THEIR POWERS.

Independent members of the Supervisory Board, as well as the member of the Supervisory Board who is the donor representative, perform their duties on a paid basis in accordance with the conditions of the Model Agreement with the independent member of the Supervisory Board of the State Institution "Energy Efficiency Fund," approved by the Resolution of the Cabinet of Ministers of Ukraine dated February 28, 2018, No. 581 (as amended). The remuneration of independent members of the Supervisory Board consists of an annual salary, including incentive and compensatory payments. The size of the annual salary is 360 times the minimum living wage established for working-age individuals as of January 1 of the calendar year. The Supervisory Board may decide to make incentive payments to a member of the Supervisory Board based on the results of the EEFund's work for the year, in an amount not exceeding 1 percent of the annual salary. Based on the results of the EEFund's work in 2024, no decision was made regarding the payment of incentive bonuses to the members of the Supervisory Board. Compensations cover the expenses of a Supervisory Board member related to the performance of their duties, provided that they are documented. There are no entitlements to other additional benefits or reward payments during the performance of duties or in connection with the termination of powers, as stipulated by the terms of the signed agreements. Members of the Supervisory Board who are representatives of the Cabinet of Ministers of Ukraine perform their duties on an unpaid basis. There are no entitlements to receive benefits or reward payments from the EEFund during the performance of their duties or in case of termination of their powers.

4. ACTIVITIES OF THE SUPERVISORY BOARD IN 2024

The Supervisory Board of the EEFund operates based on the Law of Ukraine "On the Energy Efficiency Fund," the Charter of the State Institution "Energy Efficiency Fund," the Regulation on the Supervisory Board of the State Institution "Energy Efficiency Fund," the Resolution of the Cabinet of Ministers of Ukraine dated February 28, 2018, No. 142, and other internal regulatory documents of the EEFund.

The organizational form of the Supervisory Board's work is meetings (regular and extraordinary), including in the form of absentee voting (surveys). Regular meetings of the Supervisory Board are held as needed, but no less than once every three months, according to the schedule of regular meetings approved by the Supervisory Board.

A meeting of the Supervisory Board is considered quorate if more than half of its total composition is present. A decision of the Supervisory Board is considered adopted if it is approved by a simple majority of the members of the Supervisory Board from its total composition. In the case of a tie, the Chair of the Supervisory Board has the deciding vote.

During 2024, the Supervisory Board held 23 meetings, all in-person. The meetings also included participation from the Directorate members and the head of the internal audit department.

Information on the participation of the members of the Supervisory Board in meetings in 2024:

Full Name	Participated in Supervisory Board meetings	Percentage of meetings attended.
Yuliya SABATIUK (for the term of office from 01.01.2024 to 31.12.2024)	23	100,00
Oleksandr BUTENKO (for the term of office from 01.01.2024 to 15.03.2024)	1	25,00
Yevhenii VODOVOZOV (for the term of office from 15.03.2024 to 25.07.2024)	8	100,00
Dmytro PETRUNIN (for the term of office from 25.07.2024 to 31.12.2024)	11	100,00
Oleksandr ZHUK (for the term of office from 01.01.2024 to 31.12.2024)	19	82,6
Andrzej RAIKEVICH (for the term of office from 01.01.2024 to 27.02.2024)	2	100,00
Daiva MATONIENE (for the term of office from 27.02.2024 to 31.12.2024)	21	100,00
Rolf BEHRNDT (for the term of office from 22.07.2024 to 31.12.2024)	11	100,00

In order to achieve the strategic objectives of the EEFund, in 2024 the Supervisory Board devoted considerable attention to improving the Programs, adapting their conditions to the specifics of implementation under martial law, as well as taking into account the requests and needs of the Beneficiaries.

During the reporting year, the Supervisory Board approved seven editions of the ENERGO DIM Program, which included the following important changes:

An increase in the grant amount for construction works by 20% for all Program participants;

The resumption of application acceptance for participation in the Program under Package of Measures "B", but in a simplified procedure;

The introduction of the possibility of partial advance payment for construction works under Package "B" at the level of 30% of the project cost, but not exceeding UAH 4.2 million;

An extension of the application deadline for participation in the ENERGO DIM Program until 31 December 2025.

Among the key amendments to the Vidnovy DIM Program were:

An increase in the maximum grant amount to UAH 8 million, and subsequently to UAH 8.8 million (the equivalent of USD 220,000);

An expansion of the list of eligible construction works, which now also includes emergency repair works.

Additionally, in 2024, the Supervisory Board approved a fundamentally new program — GreenDIM, aimed at increasing the share of renewable energy in domestic electricity and heat generation systems, as well as implementing measures to improve energy efficiency and energy security in the residential sector.

By the end of the reporting year, 138 homeowners' associations (HOAs), uniting 24,424 households, had become participants in the GreenDIM Program.

5. STATUS OF IMPLEMENTATION OF THE STRATEGIC DEVELOPMENT PLAN, ACHIEVEMENT OF THE EEFUND'S SHORT-TERM FINANCIAL, OPERATIONAL, AND NON-FINANCIAL OBJECTIVES DEFINED IN THE "BASELINE SCENARIO" OF THE EEFUND'S STRATEGY FOR 2024–2026

№	Indicator	Target indicators by year-end (Strategy)	Actual indicators by year-end
Program Indicators			
1	Number of projects under the "ENERGODIM" Program, partially and fully completed, units	171	224
2	Grants disbursed by the EEFund under the "ENERGODIM" Program, million UAH	621,5	600,1
3	Number of fully paid projects under the "ENERGODIM" Program, units	79	77
4	Number of projects under the "VidnovyDIM" Program, fully completed, units	173	416
5	Grants disbursed under the "VidnovyDIM" Program, million UAH	822,8	824,5
6	Number of fully paid projects under the "VidnovyDIM" Program, units	249	250
7	Number of projects under the "GreenDIM" Program, fully completed, units	51	32
8	Grants disbursed under the "GreenDIM" Program, million UAH	11,5	18,1
9	Number of fully paid projects under the "GreenDIM" Program, units	20	19
10	Average level of energy savings across all projects financed by the EEFund, %, not less than	25%	24,7
Financial Indicators			
11	Ratio of administrative (operational) expenses to grant disbursements, %	6,0%	4,76%

Results of the 2024 Independent Board Member Selection and the Formation of the Supervisory Board's Composition. On June 27, 2024, following the competitive selection of independent members of the EEFund's Supervisory Board and the formation of its personnel composition, the Supervisory Board addressed the issue of electing the Chairperson of the

Supervisory Board. The Chairperson is elected by the members of the Supervisory Board from among their number by a simple majority vote of all appointed members of the Supervisory Board through an open vote. As a result of unanimous voting, **Yulia Sabatyuk** was elected as the Chairperson of the Supervisory Board.

Throughout 2024, the Supervisory Board announced and conducted its own competition for the vacant position of Technical Director of the EEFund. The winner of the competition was **Dmytro Syrykh**, who had been acting as the Technical Director of the EEFund since 2021 and held the position of Head of the Verification Department. A three-year contract was signed with the competition winner, with a term of office lasting until December 18, 2027, inclusive.

In addition to the aforementioned, during the reporting year, the Supervisory Board considered and made decisions regarding:

- Giving consent for significant transactions (transactions related to providing partial reimbursement for energy efficiency measures by the EEFund, where the amount exceeds 10 million UAH).
- Risk management in the EEFund's activities.
- Financing of the EEFund's maintenance expenses, monitoring compliance with the approved annual Budget and EEFund Maintenance Expenditure Estimates.
- Reviewing and approving annual reports: financial statements of the EEFund for 2023 and the Supervisory Board's annual report for 2023.
- The conclusion of the independent auditor regarding the EEFund's financial statements for 2023.
- Reviewing reports from the EEFund's Directorate on the current performance results, internal audit, and compliance department, and making decisions based on the review of these reports. Establishing KPIs for officials for the reporting period and reviewing their performance.
- Publicizing information about the EEFund's activities.
- Approving the EEFund's internal regulatory documents in accordance with the Supervisory Board's competence.

Additionally, the Supervisory Board discussed other issues presented by the Directorate and made decisions or approved further steps for the EEFund's operations.

6. REPORT ON THE EVALUATION OF THE ACTIVITIES (WORK) OF THE SUPERVISORY BOARD AND ITS MEMBERS FOR 2024

The Supervisory Board reviews and evaluates its performance annually. Based on the results of such evaluations, measures are approved, if necessary, to improve the activities and enhance the efficiency of the Supervisory Board.

According to paragraph 22 of the Regulations on the Supervisory Board of the State Institution "Energy Efficiency Fund," in January 2025, the Supervisory Board conducted a self-assessment of its performance for 2024 (as a collegial body) using a survey method.

Based on the results of the self-assessment of the overall effectiveness of the Supervisory Board (as a collegial body), the following conclusions were made:

■ **The composition of the Supervisory Board is balanced and covers all areas of the EEFund's activities overseen by the Board.** As of the end of the reporting period, the composition and number of independent members of the Supervisory Board complied with the requirements of Ukrainian legislation, as well as the specific nature and scope of the EEFund's activities and services. According to the assessment of the majority of Board members, the size of the Supervisory Board meets the needs of the EEFund, and its composition is balanced, enabling it to effectively fulfill the tasks assigned to it.

■ **The structure of the Supervisory Board enables it to properly perform its functions.**

Throughout 2024, the Supervisory Board did not establish permanent or temporary committees,

instead performing their roles independently.

■ **The activities of the Supervisory Board were assessed as being at an appropriate level.**

Assessment of the Independence of Each Independent Member of the Supervisory Board

The assessment of the independence of each member of the Supervisory Board was conducted in accordance with the criteria defined in Article 5 of the Law on the EEFund and paragraph 6 of the Procedure for the Selection, Appointment, and Dismissal of Members of the Supervisory Board of the State Institution "Energy Efficiency Fund," approved by the Resolution of the Cabinet of Ministers of Ukraine dated May 23, 2018, No. 582.

Based on the assessment of the independence of each independent member of the Supervisory Board:

1. **Yuliia SABATIUK**, Chairperson of the Supervisory Board of the EEFund (independent) — meets the requirements for independence of Supervisory Board members.
2. **Daiva MATONIENĖ**, member of the Supervisory Board of the EEFund (independent) — meets the requirements for independence of Supervisory Board members.

Assessment of Collective and Professional Suitability

Based on the self-assessment conducted by the Supervisory Board, the Board performed an evaluation of its own collective and professional suitability. The current composition of the Supervisory Board is balanced and consists of professionals with the necessary skills, diverse characteristics, and significant work experience that meet the EEFund's needs. Together, they possess the required level of qualification and professional experience. The collective suitability of the Supervisory Board corresponds to the size, specific nature of the EEFund's activities, and the nature and scope of the EEFund's services. The members of the Supervisory Board collectively have the knowledge and adequate understanding of the EEFund's areas of activity, for which they share responsibility, as well as the skills and experience necessary for the Board to exercise its powers effectively.

The Supervisory Board has a sufficient number of members who possess the knowledge, skills, and experience across all areas of the EEFund's activities, enabling professional discussions on matters requiring decision-making. The composition of the Supervisory Board and the number of independent members of the Supervisory Board comply with the requirements of current Ukrainian legislation.

The members of the Supervisory Board have the skills to assert their views and influence the collective decision-making process. Collectively, the members of the Board are able to effectively oversee the decisions made by the EEFund's Directorate and their implementation.

In accordance with the EEFund's internal procedures, continuous monitoring is in place to detect potential or actual conflicts of interest during decision-making by the EEFund's governing bodies, including the Supervisory Board. During the reporting period, such monitoring was carried out by the Risk Assessment Department.

Throughout the reporting year, there were no cases of actual or potential conflicts of interest involving the Chairperson and/or members of the Supervisory Board.

The Chairperson and members of the Supervisory Board fulfill their duties of care and loyalty to the EEFund in accordance with Ukrainian legislation.

Assessment of the Competence and Effectiveness of Each Board Committee

There are no committees within the Supervisory Board, and none were established during 2024. The Supervisory Board independently exercises all its powers.

Based on the results of the self-assessment of the Supervisory Board's activities in 2024, none of the issues under review received an unacceptably low rating. The identified shortcomings are irregular and situational in nature.

Following the self-assessment of the Supervisory Board's activities for 2024, the following measures have been proposed for implementation in 2025 to further improve the Board's performance:

1. **Establishment of temporary committees of the Supervisory Board.** Prepare the regulatory framework and internal documents necessary for the formation and operation of temporary committees of the Supervisory Board.
2. **Fundraising activities.** To develop a common position of the Supervisory Board regarding the role of its members in the implementation of the EEFund's fundraising activities, hold a joint discussion with members of the Directorate. If necessary, prepare a proposal to amend the EEFund's Charter, for approval by the Cabinet of Ministers of Ukraine, to assign responsibility for fundraising activities to one of the EEFund's governing bodies (the Supervisory Board or the Directorate).
3. **Building/improving the EEFund's reputation.** To form a common position of the Supervisory Board on the role of its members in building or improving the EEFund's reputation, conduct a joint discussion with members of the Directorate.