



SUSTAINABILITY MANAGEMENT

THE COMPANY’S UNDERSTANDING OF SUSTAINABLE DEVELOPMENT IS CONSISTENT WITH THE UN DEFINITION: “DEVELOPMENT THAT MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS”.

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Given the nature of its business, the Company contributes to the achievement of 8 of the 17 UN SDGs in the course of its operations.

UN Sustainable Development Goals	Contribution of the Company to the achievement
 <p>Goal 3: Good Health and Well-Being (ensuring healthy lifestyles and promoting well-being for all at all ages)</p>	<p>The principles of Rosseti Kuban’s occupational safety and social policy are to recognise and prioritise the life and health of employees over the Company’s operating results, to provide comfortable working and leisure conditions for employees, to improve their social security, and to improve labour and social relations in the workforce.</p> <p>PJSC Rosseti Kuban ensures:</p> <ul style="list-style-type: none"> • compliance with occupational health and safety regulations • social security for employees, including voluntary health insurance (VHI), health resort treatment, financial support for employees and retirees • safety of power facilities for third parties <p><i>For more details of the Company’s results and achievements in the reporting year, please see the Sustainable Development section.</i></p>
 <p>Goal 4: Quality Education (ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all)</p>	<p>Employee training is one of the priorities of the Company’s human resources and social policies. The ratio of employees who participated in off-the-job training was 96% of the average number of employees in the reporting year</p> <p><i>For more details of the Company’s results and achievements in the reporting year, please see the Sustainable Development section.</i></p>
 <p>Goal 7: Affordable and Clean Energy (ensuring universal access to affordable, reliable, sustainable and modern energy for all)</p>	<p>The Company maintains a sufficient level of operational reliability of electric grid equipment and ensures non-discriminatory access of consumers to the Company’s electricity transmission services</p> <p><i>For more details on results and achievements of the Company in the reporting year, please see the Operating Results section.</i></p>

UN Sustainable Development Goals

Contribution of the Company to the achievement

 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Goal 8: Decent Work and Economic Growth (promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)</p>	<p>The Company is actively involved in the social and economic life of the region by creating jobs and employment for suppliers in related industries, as well as by arranging various social programmes and charitable activities. In 2021, the level of average salary of production personnel in the branches of Rosseti Kuban is competitive; in all branches of the Company, it exceeds the accrued salary level being average in the region of operation by 10–50%</p>
 <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>	<p>Goal 9: Industry, Innovation and Infrastructure (building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation)</p>	<p>In order to eliminate the existing shortage of energy capacity and to meet the demand for the same (including in the longer terms), the Company:</p> <ul style="list-style-type: none"> • Participates fully in developing roadmaps for the five-year perspective development of the power industry in the Krasnodar Territory and the Republic of Adygea • Provides quality service to applicants, accessibility of electricity infrastructure in terms of grid connection of consumers, and development of the power grid complex • Eliminates power grid constraints to enable the grid connection of new consumers and provide quality and reliable power supply to existing electricity consumers • Implements the Company's Innovation Development Programme
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Goal 11: Sustainable Cities and Communities (ensuring inclusive, safe, resilient and environmentally sustainable cities and communities)</p>	<p>The Company provides reliable and uninterrupted power supply to consumers, ensures environmental safety at power grid facilities and promotes the development of small and medium-sized businesses</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Goal 12: Responsible Consumption and Production (ensuring transition to sustainable consumption and production patterns)</p>	<p>The Company is working on energy saving and energy efficiency improvements in accordance with the regulations of the Russian Federation and the Krasnodar Territory, as well as the Energy Saving and Energy Efficiency Improvement Programme</p>
 <p>15 LIFE ON LAND</p>	<p>Goal 15: Life on Land (protecting and restoring terrestrial ecosystems and promoting their sustainable use, sustainably managing forests, combating desertification, halting and reversing land degradation and halting biodiversity loss)</p>	<p>The Company carries out the necessary work to preserve the terrestrial ecosystem:</p> <ul style="list-style-type: none"> • Land reclamation • Restoration of terrestrial ecosystems and promotion of their sustainable use • Sustainable forest management • Timely compensatory planting in combating desertification and reversing land degradation • Installation of bird diverters at power grid facilities

For more details on results and achievements of the Company in the reporting year, please see the Operating Results section.

For more details on results and achievements of the Company in the reporting year, please see the Operating Results and Sustainable Development sections.

For more details of the Company's results and achievements in the reporting year, please see the Sustainable Development section.

For more details of the Company's results and achievements in the reporting year, please see the Sustainable Development section.

STAKEHOLDER RELATIONS

Stakeholders:

- State bodies, local authorities, legal entities under public law, as well as legal and natural persons who may have an interest in the Company’s results and value creation
- Persons who may affect the Company’s operations, products and services or the Company’s ability to create value, successfully implement its strategies and achieve its objectives
- Individuals and legal entities who are affected by the Company’s activities

KEY STAKEHOLDERS OF THE COMPANY

Stakeholders	Interaction of the Company with its stakeholders
Internal stakeholders	
Subsidiaries and affiliates of the Company	<p>These parties are interested in disseminating best corporate governance practices to them and maintaining their image as part of Rosseti Kuban Group. Interaction goes through the management and control bodies of subsidiaries and affiliates in accordance with the applicable laws of the Russian Federation and local regulations, joint activities, as well as interaction on current issues within the framework of standard business processes, including reporting.</p> <p><small>For more details, please see Appendix 3 to the Report.</small></p>
<p>Company’s personnel Social partners (trade unions, employers’ associations)</p>	<p>These parties are interested in attractive business culture, competitive wages, social and health benefits, opportunities for personal, professional development, and work safety.</p> <p>The ways of interaction:</p> <ul style="list-style-type: none"> • through the implementation of the Collective Agreement, a talent pool programme and targeted human resources assessment and development projects • through training and qualification improvement • through meetings between management representatives and employees, professional competitions, cultural and sporting events • through the Council of Young Professionals and the All-Russian Electrical Trade Union • through comprehensive adaptation and mentoring system (if any) for new employees and outreach for veterans <p><small>For more details, please see the Human Resources Management subsection of the Sustainable Development section.</small></p>
Operating environment	
Investment community (shareholders and investors)	<p>These parties have an interest in the growth of total shareholder return, including dividend yield and capitalisation of the Company, its development, consideration of the interests of all shareholder groups, information transparency and openness of the Company, efficiency of production activities for sustainable development, and a high level of corporate governance. Interaction goes through the General Meetings of Shareholders, representation in management and control bodies, when contacting the Company, as well as through the disclosure of information about the Company</p>
Consumers of electricity and grid connection services, territorial grid organisations	<p>Interaction goes through customer service centres, the Power Grid Services Portal of the Rosseti Group at www.rosseti-grp.ru, and the contact centre with the unified federal numbers 8-800-100-15-52 and 8-800-220-0-220. Individuals can also send their appeals through the online reception portal on the official website of Rosseti Kuban at https://rosseti-kuban.ru</p> <p><small>For more details, please see the Sustainable Development section.</small></p>

Stakeholders

Partners (suppliers, contractors, business partners, professional and industry associations, including international ones)

Interaction of the Company with its stakeholders

These parties are interested in mutually beneficial and long-term cooperation, stable financial condition of the Company, timely and accurate fulfilment of contractual obligations, transparency in procurement and rejection of corruption.

Interaction is effected through procurement procedures, negotiations, participation in topic-related forums, seminars and conferences with media participation, and through the corporate website

[For more details, please see the Sustainable Development section.](#)

State (federal, regional and local authorities)

This party is interested in ensuring the reliable and sustainable functioning of the power system, discussing and reviewing government projects and decisions related to industry regulation, cooperating on planning and implementing territorial development programmes in the region of operation, participating in implementing the Energy Strategy of Russia and the Strategy for Development of the Power Grid Complex of the Russian Federation, meeting medium-term and long-term demand for electricity, attracting additional investment to the region, creation of new jobs, and increase in tax payments.

Interaction is effected through expert discussions, conferences, forums, working meetings and joint events with representatives of regional authorities, setting tariffs for regulated activities, approval of investment programmes and reports on their implementation, participation in working groups to develop roadmaps for prospective development of the power sector, conclusion of cooperation agreements, reporting to authorities, disclosure of information in accordance with the legislation of the Russian Federation, and tax remittance

Social environment

Society (public, social, charitable and environmental organisations, scientific and educational institutions, non-consumptive population, and media)

The said party is interested in reliable, uninterrupted and high quality energy supply, employment, socio-economic development of the regions of operation, environmental safety and protection, energy security and energy efficiency, implementation of social and charitable programmes, development of science and education in the regions of operation, introduction of advanced scientific technologies, demand for young promising personnel, availability and regularity of information on activities of the Company.

Interaction is effected through participation in charity projects, publications in the media and on the corporate website, press conferences, PR events, topic-related seminars, forums, competitions, meetings and topic-related events with veterans, students, schoolchildren, etc., application of measures to prevent electrical accidents with the population, participation in research and educational projects

[For more details, please see the Sustainable Development section.](#)