

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL SAFETY

THE KEY OCCUPATIONAL SAFETY PRINCIPLE OF ROSSETI KUBAN IS TO RECOGNISE AND PRIORITISE EMPLOYEES' LIVES AND HEALTH OVER THE RESULTS OF THE COMPANY'S PRODUCTION PERFORMANCE.

The occupational safety initiatives of the Company are aligned with the statutory requirements of the Russian Federation, regional laws, industry sector codes and rules, and executive documents. During 2021, the occupational safety system was subject to systematic improvement across all divisions of the Company with a view to prevent job-related injuries and promote better working conditions as required by the key regulatory documents on occupational safety.

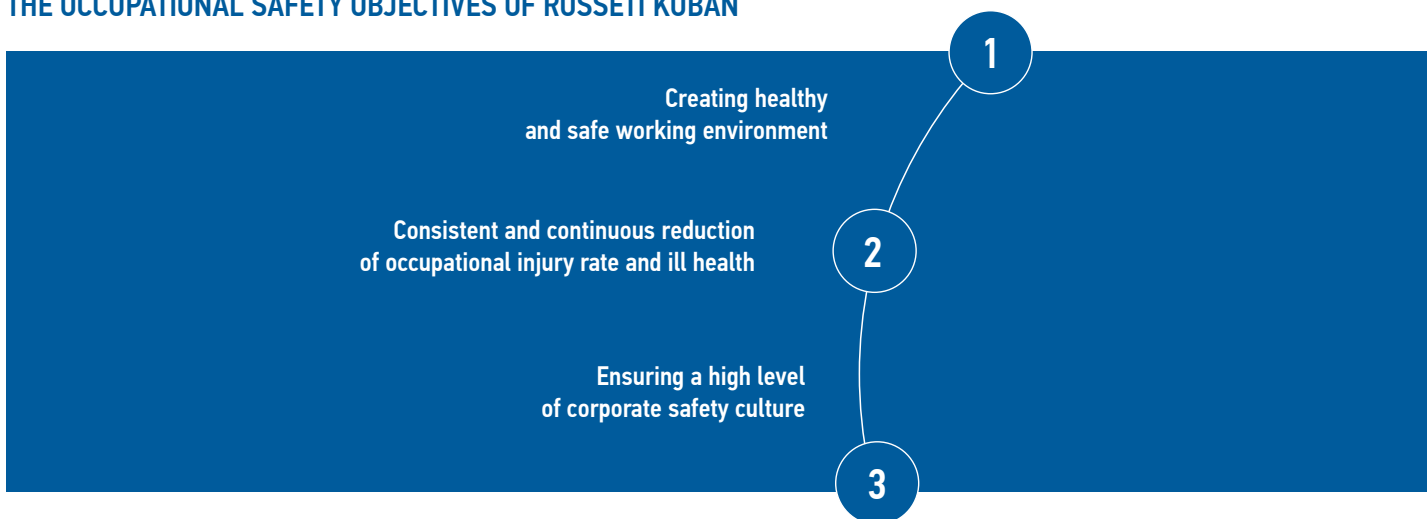
Maintaining safe working conditions and labour safety at Rosseti Kuban and compliance of the same with the requirements established is the responsibility of the Company's management. The Company fully complies with the requirements of the Russian laws regarding the occupational safety obligations of the employer.

The year 2021 was proclaimed the Year of Occupational Safety (the Year of Safety Culture) by the Company's Order No. 2-od dated 11 January 2021.

By introducing and promoting safety culture, the Company's management proves its commitment to a policy of prevention and reduction of occupational injuries and illnesses.

The Company aims to establish own unified labour management system and to ensure safe and normal working conditions for employees at all stages of production. In addition, compliance with occupational health and safety requirements is monitored at all management levels within the Company. To implement the same, the Company has STO 00104604-ISM 007-2018 Regulations on Labour Protection Management System in place that meets the requirements of GOST 12.0.230-2007, interstate standards for labour protection management systems, as well as the labour legislation of the Russian Federation.

THE OCCUPATIONAL SAFETY OBJECTIVES OF ROSSETI KUBAN



The management of the Company (the Company's branches) annually analyses and evaluates the achievement of the occupational safety goals.

FOLLOWING THE FUNCTIONAL ANALYSIS OF THE OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM IN 2021, THE COMPANY CONSIDERS THE EFFECTIVENESS OF THE TOTAL CORPORATE EFFORTS INVESTED TO BE SATISFACTORY.

In 2020, in order to create and ensure the operation of a unified occupational health and safety management system in Rosseti Group and to improve the occupational safety system, the Company adopted the corporate standards approved by the order of PJSC Rosseti and uses them for reference purposes. Based on the results of their application in the reporting year, proposals were sent to PJSC Rosseti to improve the documented procedures of the occupational health and safety management system within Rosseti Group. During 2021, systematic work was carried out to improve occupational safety, prevent occupational accidents and improve working conditions:

- The Company undertook occupational safety measures developed following the requirements of order No. 181n of the Ministry of Healthcare and Social Development of Russia dated 1 March 2012 On Approval of Standard List of Annual Employer Events for Improvement of Working Conditions and Occupational Safety and Professional Risks Mitigation
- Comprehensive programmes were implemented to reduce the risk of injuries to the Company's personnel and third parties from electric shocks at the facilities of the Company's power grid complex
- Monthly video conference calls were held with the participation of first deputy directors — chief engineers and heads of branch divisions
- Monthly occupational health and safety days were held, allowing a large number of employees to be involved in the process of self-supervision and mutual supervision and increasing their knowledge and experience
- Some training sessions were held at the Company branches to explain the functioning of the occupational safety system and to determine potential threats and risks for employees' health and safety in a timely manner in a form of business games involving the specialists in mental and physiological support of professional activities
- The Armavir, Slavyansk and Sochi Power Grids branches carried out comprehensive inspections of compliance with current legislation of the Russian Federation and local regulatory acts of the Company aimed at preventing occupational accidents and third-party injuries
- Heads of branches, business units and their deputies carried out unannounced inspections of workplaces to check the personnel's compliance with occupational safety rules when organising and carrying out work on electrical installations

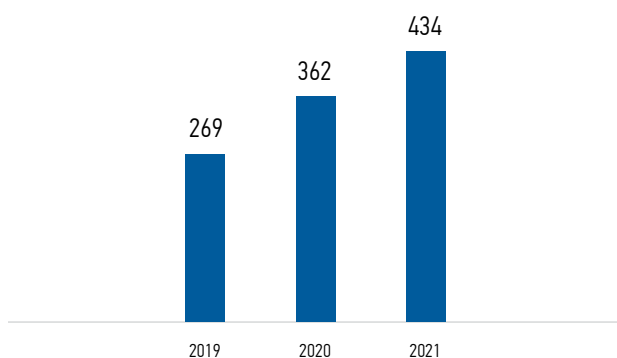
There was one occupational accident, and no occupational diseases were diagnosed among the Company's personnel during the reporting year.

To promote employees' health and life-span, the Company purchased necessary protection and safety equipment in 2021. The annual purchase order for working wear and shoes was fully executed.

434.3 RUB mn

OCCUPATIONAL SAFETY COSTS IN 2021 (+20% VS. 2020)

OCCUPATIONAL SAFETY COSTS (RUB MN)



Specific expenses for personal protective equipment (PPE) per one employee amounted to RUB 22.65 ths, up 5.5% year-on-year.

Specific expenses for occupational safety per one employee amounted to RUB 48.9 ths, up 21.1% year-on-year.

22.7 RUB ths

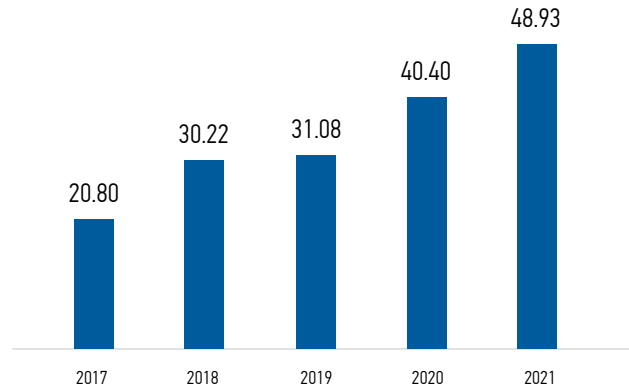
SPECIFIC EXPENSES FOR PPE PER EMPLOYEE (+5.5% VS. 2020)

48.9 RUB ths

SPECIFIC EXPENSES FOR LABOUR PROTECTION PER EMPLOYEE (+21% VS. 2020)

SPECIFIC OCCUPATIONAL SAFETY COSTS PER EMPLOYEE (RUB '000)

Following the Labour Code of the Russian Federation, the standard financing of the improvement of working conditions and occupational safety amounts to at least 0.2% of the manufacturing costs for products (works, services); the actual amount of financing stood at 0.87%.



INDUSTRIAL SAFETY

The operational supervision of industrial safety is aligned with the Company's Order No. 550-od dated 28 September 2021 On the Appointment of Persons Responsible for Operational Supervision of whether Industrial Safety Requirements are Complied with at Hazardous Facilities, as well as with the Regulation of Operational Supervision of whether Industrial Safety Requirements are Complied with at Hazardous Facilities approved by Order No. 324 dated 9 June 2020 and elaborated in line with the following:

- Federal Law No. 116-FZ dated 21 July 1997 On Industrial Safety of Hazardous Production Facilities
- Order No. 461 of the Federal Service for Environmental, Technological and Nuclear Supervision dated 26 November 2020 On Approval of Federal Standards and Rules for Industrial Safety of Hazardous Production Facilities, Safety Rules for Hazardous Production Facilities with Hoisting Equipment

- Decree of the Government of the Russian Federation No. 2168 dated 18 December 2020 On the Organisation and Implementation of Operational Supervision over Compliance with Industrial Safety Requirements

Rosseti Kuban has three hazardous production facilities registered at the Federal Service for Environmental, Technological and Nuclear Supervision (certificate No. A30-00777 dated 13 October 2020). In 2019–2021, the hazardous production facilities were operated following the requirements set out in technical regulatory documents.

REQUIREMENTS FOR THE PERSONNEL IN TERMS OF TRAINING IN INDUSTRIAL SAFETY

