

Gross emissions of pollutants into the ambient air decreased by 45.8% compared to 2021. Operation of vehicles, machines (cutting, drilling, woodworking, turning and sharpening), the performance of welding and painting works, chemical analysis of transformer oils, transformer oil storage are the main sources of atmospheric air pollution.

Rosseti Kuban accumulates waste at its production sites for a period not exceeding 11 months for the purpose of further transfer to specialised organisations. Waste accumulation sites are equipped as required by environmental and sanitary legislation, selective storage is organised, waste is picked up in a timely manner, and personnel are informed of the rules for handling production and consumption

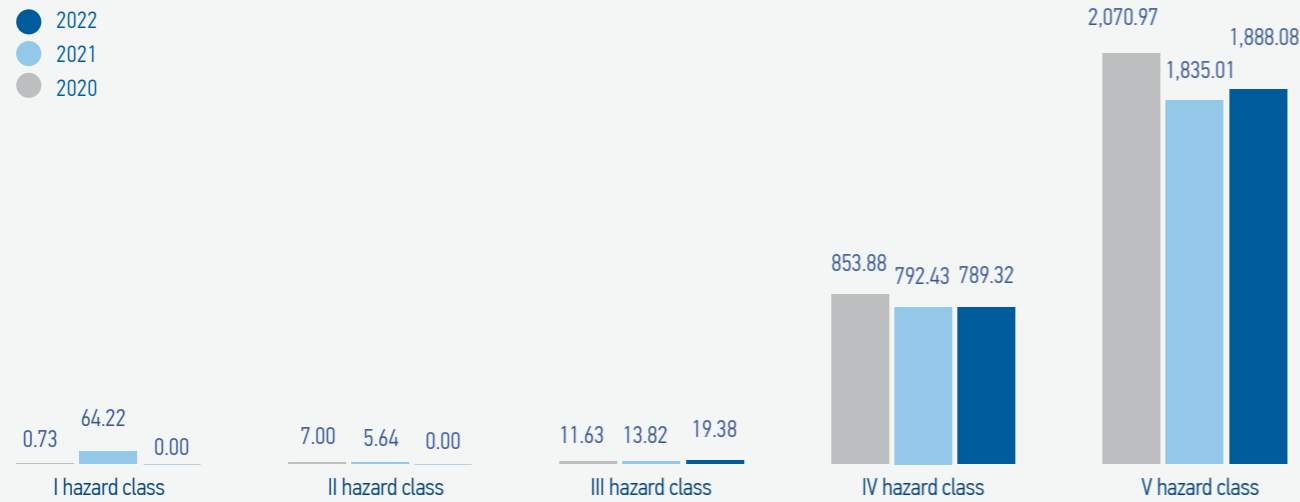
waste. In 2022, 22.6% less waste is transferred to specialised organisations for disposal and treatment compared to 2021. This is due to a reduction in the generation of hazard classes 1 and 2 waste.

Planning and implementation of environmental protection measures complied with the Environmental Policy of Rosseti Kuban and the obligations to apply the most advanced technical solutions that eliminate the impact of harmful substances on the environment, to prevent environmental risks, and to improve the environmental management system.

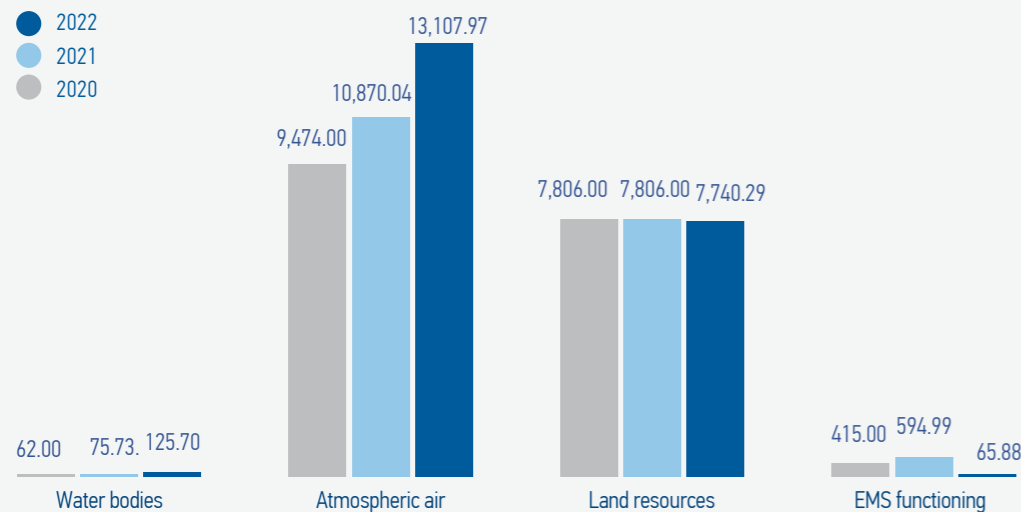
The Company keeps its voluntary environmental responsibility mechanisms up to date. Rosseti Kuban's environmental

management system has been put in place, assessed and certified as meeting the requirements of ISO 14001 international standard, Environmental Management System, since March 2009. No non-compliance with the requirements of ISO 14001:2015, Environmental Management System, was identified in 2022 based on the results of a surveillance audit conducted by Russian Certification Technologies, LLC. The environmental management system enables the Company to effectively manage environmental risks, prevent and reduce its negative impact on the environment, thus enhancing the Company's image.

WASTE GENERATED, TOTAL (T)



CURRENT ENVIRONMENTAL CONTROL COSTS (RUB '000)



ENERGY CONSUMPTION AND ENERGY SAVING

In the reporting year, the Company performed the work on energy saving and energy efficiency improvement according to the following documents:

- Decree of the Government of the Russian Federation No. 161 dated 11 February 2021 On Establishing Requirements for Regional and Municipal Energy Saving and Energy Efficiency Improvement Programmes
- Federal Law of the Russian Federation No. 261-FZ dated 23 November 2009 On Energy Saving and Enhanced Energy Efficiency, as well as Amendments to Certain Legislative Acts of the Russian Federation
- Decree of the Government of the Russian Federation No. 340 dated 15 May 2010 On the Procedure for Setting Requirements

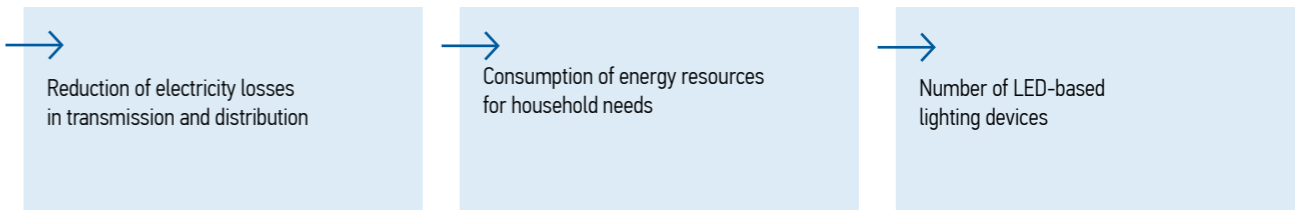
for Energy Saving and Energy Efficiency Improvement Programmes of Organisations Engaged in Regulated Activities

- Decree of the Government of the Russian Federation On Investment Programmes of Electric Power Industry Entities No. 977 dated 1 December 2009 (as amended)
- Order of REC-PTD KT On Approval of Requirements for Programmes in the field of Saving Energy and Improving the Energy Efficiency of Organisations Engaged in Regulated Activities in the Krasnodar Territory No. 5/2011 dated 31 March 2011
- Law of the Krasnodar Territory On Energy Saving and Energy Efficiency Improvement in the Krasnodar Territory No. 1912-KZ dated 3 March 2010

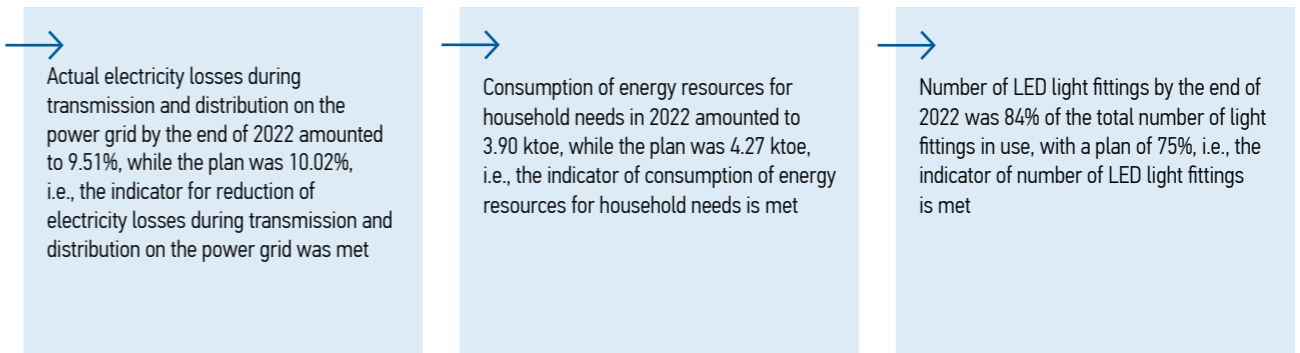
- Energy Saving and Energy Efficiency Improvement Programme of Rosseti Kuban for 2017–2022, approved by decision of the Board of Directors on 2 June 2021 (Minutes No. 436/2021)

To make sure that the Programme is implemented as is right and proper, Rosseti Kuban appointed the persons responsible for arranging and monitoring its fulfilment, and established working groups as well.

THE TARGETS OF THE PROGRAMME:



ACHIEVEMENT OF THE PROGRAMME'S TARGETS:



INDICATORS FOR ENERGY CONSUMPTION AND ENERGY SAVINGS IN 2020–2022

Indicators	UoM	Period			Δ 2022/2021 (%)
		2020	2021	2022	
Consumption of energy resources for household needs of administrative and industrial buildings	ktoe	4.14	4.16	3.90	-6.3
	RUB mn	120.74	123.75	123.39	
Consumption of natural resources for household needs of administrative and industrial buildings	thsd cu.m	68.70	69.45	68.43	-1.5
	RUB mn	2.51	2.62	2.41	
Motor fuel consumption by motor vehicles and special-purpose vehicles	ktoe	8.72	8.79	8.81	0.2
	RUB mn	284.92	303.55	327.67	

AMOUNT OF ENERGY RESOURCES USED BY THE COMPANY IN 2022

S. No.	Types of resources	UoM	2022 (plan)	2022 (actual)	Variation (%)
1	atomic energy	The resource is not used			
2	thermal energy	Gcal	2,655.85	3,023.67	13.8
		RUB mn	9.18	6.45	
3	electric energy	mn kWh	31.22	28.02	-10.2
		RUB mn	127.20	116.31	
4	electromagnetic energy	The resource is not used			
5	petroleum	The resource is not used			
6	motor petrol	thsd l	4,383.10	4,482.84	2.3
		RUB mn	183.13	189.36	
7	diesel fuel	thsd l	3,312.26	3,030.94	-8.5
		RUB mn	138.15	138.32	
8	furnace fuel oil	The resource is not used			
9	natural gas	thsd cu.m	122.93	94.41	-23.2
		RUB mn	1.69	0.64	
10	coal	The resource is not used			
11	oil shale	The resource is not used			
12	peat	The resource is not used			
13	others	The resource is not used			

MANAGEMENT SYSTEMS

The Company put in place the following management systems.

1. Quality Management System (QMS)

QMS is a part of the Company's overall management system with the own organisational structure, processes, procedures, and resources necessary for the general quality management.

The Company's QMS was put in place and successfully passed certification/recertification audits for compliance with ISO 9001:2008 from 2009 to 2017 and for compliance with ISO 9001:2015 from 2018 to 2021.

In 2022, during the 1st surveillance audit, the certification body ROSTEHSERT, LLC confirmed the compliance of the Company's QMS with the requirements of ISO 9001:2015. The Company received confirmation of the validity of the Quality Austria Certificate Reg. No. 25523/0 dated 19 January 2021.

2. Environmental Management System (EMS)

EMS is a part of the Company's overall management system with its own organisational structure, mechanisms, procedures, and resources necessary for management of the environmental aspects of activities through developing and achieving the environmental policy goals.

The Company's EMS was put in place and successfully passed certification/recertification audits for compliance with ISO 14001:2004 from 2009 to 2017 and for compliance with ISO 14001:2015 from 2018 to 2021.

In 2022, during the 1st surveillance audit, the certification body ROSTEHSERT, LLC confirmed the compliance of the Company's EMS with the requirements of ISO 14001:2015. The Company received confirmation of the validity of the Quality Austria Certificate Reg. No. 04287/0 dated 19 January 2021.

3. Energy Management System (EnMS)

EnMS is a part of the Company's overall management system, which has a well-defined organisational structure and focuses on fulfilling the provisions stated in the energy policy through the Programme on Energy Saving and Energy Efficiency Improvement.

The Company's EnMS was put in place and successfully passed certification/recertification audits for compliance with ISO 50001:2011 from 2015 to 2020 and for compliance with ISO 50001:2018 from 2018 to 2021.

In 2022, during the 1st surveillance audit, the certification body Russian Register Certification Association confirmed the compliance of the Company's EnMS with the requirements of ISO 50001:2018. The Company received confirmation of certificate No. 21.2469.026 dated 8 December 2021.

4. Labour Safety and Health Protection Management System (LS&HPMS)

The LS&HPMS is a part of the general management system that helps manage risks and improve occupational health and safety performance.

The Company's LS&HPMS was put in place and successfully passed certification/recertification audits for compliance with ISO OHSAS 18001:2007 from 2009 to 2020 and for compliance with ISO 45001:2018 from 2018 to 2021.

In 2022, during the 1st surveillance audit, the certification body ROSTEHSERT, LLC confirmed the compliance of the Company's 45001 with the requirements of ISO 45001:2018. The Company received confirmation of the validity of the Quality Austria Certificate Reg. No. 01101/0 dated 19 January 2021.

5. Innovation Management System (IMS)

The IMS is part of the Company's overall management system, which defines the basic principles of innovation and scientific & technological development aimed at improving the efficiency of Rosseti Kuban's operations through the development and implementation of new technologies, engineering, production and market launch of new innovative products and services.

In 2022, during the certification audit, the certification body ROSTEHSERT, LLC confirmed the compliance of the Company's IMS with the requirements of GOST R 56273.1-2014/CEN/TS 16555-1:2013. The Company received Certificate of Conformity No. ROSS RU.FK11. K00649 dated 21 June 2022.

The Company's management systems comply with the requirements of international standards ISO 9001, ISO 50001, ISO 14001, ISO 45001 and GOST R 56273.1-2014/CEN/TS 16555-1:2013 and are combined in an integrated management system.

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