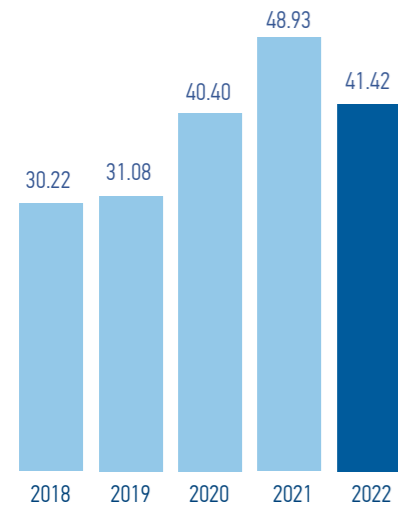


Specific OHS costs per employee in 2022 were

41,420 RUB

CHANGES IN COSTS FOR OHS MEASURES ACROSS THE COMPANY PER ONE PERSON IN 2018–2022 (RUB '000)



Following the Labour Code of the Russian Federation, the actions aimed at improving the working conditions and occupational safety at the Company are funded to at least 0.2% of the manufacturing costs for products (works, services); in fact, these activities were funded in the amount of 0.64% of the said amount.

INDUSTRIAL SAFETY

The operational supervision for 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 for Industrial Safety Requirement Implementation at Hazardous Facilities and with the Regulation of Operational Supervision for Industrial Safety Requirement Implementation at Hazardous Facilities approved by the Order No. 324 dated 9 June 2020 and elaborated in line with the following documents:

- Federal Law No. 116-FZ dated 21 July 1997 On Industrial Safety of Hazardous Production Facilities (as amended from time to time)
- 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 Production Control over Compliance with Industrial Safety Requirements

The Company 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 2022, the hazardous production facilities were operated following the requirements set out in technical reference documents.

The following measures were taken on the hazardous production facilities of Rosseti Kuban in 2022:

- 143 industrial safety reviews
- 191 partial technical inspections of equipment
- 69 full technical inspections of equipment
- 706 functional checks of safety devices

The following activities related to industrial safety training and attestation of employees were carried out in 2022:

- 266 employees received advanced training
- 648 employees were attested by the attestation commission on the Unified Testing Portal in the field of industrial safety, hydraulic structure safety, energy safety
- 102 employees were attested in the territorial attestation commission of the Federal Service for Environmental, Technological and Nuclear Supervision

Accounting and investigation of accidents, incidents at hazardous production facilities operated by the Company are performed in accordance with the approved procedure for technological investigation of causes of incidents at hazardous production facilities approved by Order of the Company No. 303-od dated 7 June 2021.

ENVIRONMENTAL PROTECTION

The Environmental Policy of the Company sets forth the goals to decrease the negative impact on the environmental compartments and support environmental safety at power grid facilities, upgrade equipment and employ innovative and eco-friendly technologies during renovation, retrofitting and construction of power grids, as well as the rational use of natural resources.

In order to fulfil its objectives in the reporting year, the Company:

- Complied with the requirements of environmental legislation:
 - Performed environmental rationing through an inventory of sources of emissions of harmful (polluting) substances into the atmospheric air for objects of negative impact on the environment
 - Developed draft sanitary protection zones for 23 facilities of the Company (production sites and substations) to establish special territories with a special use regime to ensure the level of public safety during normal operation of the facilities
- As part of its obligations under the Stockholm Convention on Persistent Organic Pollutants, phased out 731 spent condensers containing trichlorodiphenyls and ensured their environmentally sound disposal and replaced them with more environmentally friendly equipment
- Complied with the established standards for permissible environmental impact:

industrial environmental monitoring at stationary sources of pollutant emissions and wastewater collection, as well as sanitary monitoring of atmospheric air pollution in the zone of influence of the facilities; the indicators of negative environmental impact, based on measurements taken by accredited laboratories, do not exceed the environmental protection standards

- Improved the environmental management system by enhancing its efficiency and planning its business activities, giving priority to significant environmental aspects:
 - Environmental control managers and specialists of the Company, who were trained in 2022 in the course: Internal Auditor of the Environmental Management System According to ISO 14001:2015 conducted an internal environmental audit
 - To preserve biodiversity and ensure ornithological safety, 2,977 bird diverters were installed, and 728.48 km of overhead lines were built/renovated using self-supporting insulated wires

- Emergency oil discharge systems and transformer oil receivers at 31 substations were repaired (renovated) to prevent potential environmental contamination
- Nine tonnes of transformer oil, after treatment (regeneration), were reused to reduce the use of natural resources

By transmitting electricity, which is the most highly efficient and environmentally friendly form of energy, to consumers, Rosseti Kuban has a negative impact on the environmental.

CHANGES IN THE COMPANY'S ENVIRONMENTAL PERFORMANCE IN 2020–2022

Indicators	2020	2021	2022	Δ 2021/2022 (%)
Gross pollutant emissions into the air, total (t)	62.73	64.67	35.04	-45.8
Volume of water consumption (thsd cu.m)	69.32	69.89	68.86	-1.5
Volume of waste generated (t)	2,944.22	2,711.11	2,696.79	-0.5
Volume of waste transferred for disposal and treatment (t)	555.08	531.57	411.21	-22.6
Environmental impact fee (RUB '000)	226.58	170.77	218.58	+28.0
Installation of bird diverters at power grid facilities	4,978	4,217	2,977	-29.4



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

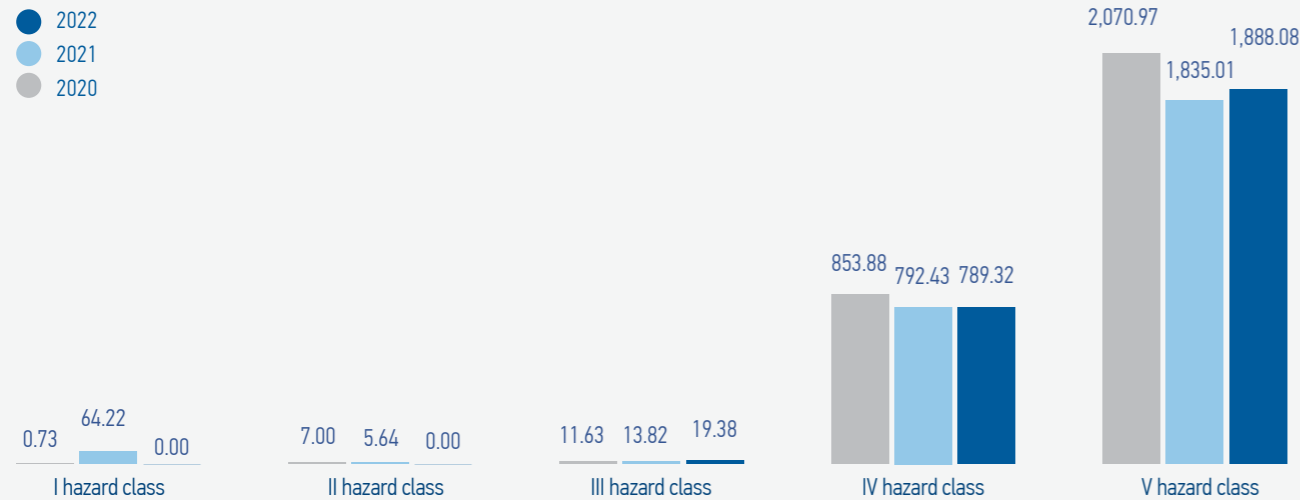
waste. In 2022, 22.6% less waste is transferred to specialised organisations for disposal and treatment compared to 2021. This is due to a reduction in the generation of hazard classes 1 and 2 waste.

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.

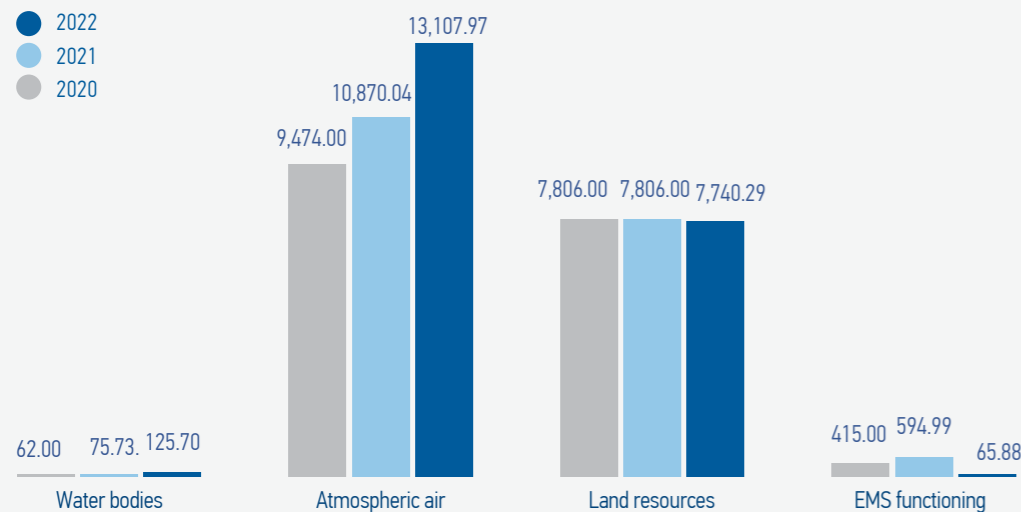
The Company keeps its voluntary environmental responsibility mechanisms up to date. Rosseti Kuban's environmental

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

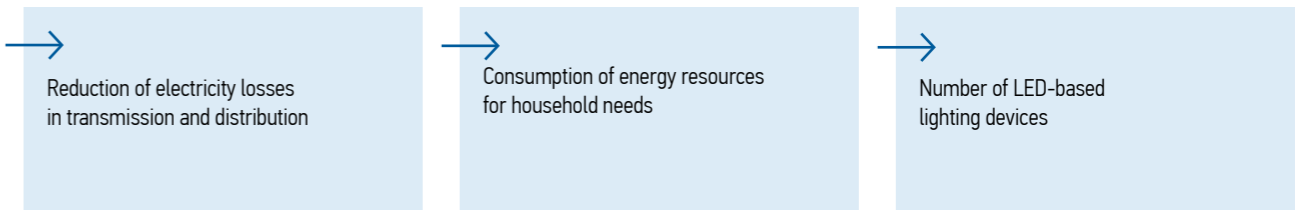
for Energy Saving and Energy Efficiency Improvement Programmes of Organisations Engaged in Regulated Activities

- 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:

