

The Company’s understanding of sustainable development is consistent with the definition adopted by the United Nations (UN): Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The Company’s main objective in the area of sustainable development is to maximise its operational pursuits’ contribution to the UN SDGs and to generate added value for stakeholders in the context of relevant national and international goals.

Rosseti Kuban JSC is responsible for reliable, high-quality, and affordable electricity supply to consumers in the regions where it operates and understands the significance

of its impact on the environment, society, and the sustainable development of the Krasnodar Krai, the Republic of Adygeya, and their economies.

On 29 December 2023, the Sustainable Development Policy of Rosseti PJSC and the Climate Change Policy of Rosseti PJSC were approved as internal documents of the Company .

Rosseti Kuban’s sustainable development areas:



Promotion of the economic growth of the Company and the regions where it operates



Environmental protection



Care for the public

Guiding principles for Rosseti Kubans sustainable development initiatives

Principles	Description
Safety of operations	Electric power assets are classified as high-risk infrastructural facilities. The life and health of employees and the population of the regions where the Company operates is the key priority of the Company. Rosseti Kuban takes all necessary measures to ensure safe operations and prevent electrical injuries among social groups at risk
Conservation of the environment	The Company assumes responsibility for the economic, social and environmental consequences of its activities and strives to minimise their negative environmental impact
Accommodation of stakeholders’ expectations and interests	Rosseti Kuban recognises its stakeholders and incorporates their expectations and interests when setting strategic goals and priorities, as well as when conducting operational activities. The Company works to keep all stakeholders’ interests in balance and to create welcoming environments that facilitate productive communication
Consistency and transparency	Rosseti Kuban understands the value of having a transparent and constant communication with stakeholders, which involves disclosing information on performance and sustainability plans on a regular basis in compliance with legal requirements. The Company publishes only trustworthy information about the outcomes of its operations, including in the annual report, and guarantees that all stakeholders have access to such information
Mutual respect as the foundation for ethical business practices	A fundamental element of the Company’s corporate culture is its dedication to ethical business practices and cultivating respectful relationships. Rosseti Kuban always strives to fulfil its obligations under all circumstances. The Company does not tolerate corruption or bribery, aims to prevent them from happening, and expects the same zero tolerance from its employees, subsidiaries, and partners. Rosseti Kuban supports and encourages fair competition, in particular, it ensures transparency of the procurement process and does not restrict competition in procurement procedures
Risk management	The Company makes sure to identify, assess, and monitor risks, as well as take steps to minimise them. It also works out ways to develop and improve the risk management process based on best practices.

¹ Resolution of the Board of Directors of Rosseti Kuban PJSC (Minutes No. 543/2023 dated 29 December 2023).

² Published on Rosseti Kuban’s website in the About [the Company / Constitutive and Internal Documents](#) section.

ENGAGEMENT WITH STAKEHOLDERS

Among the Company’s stakeholders are state bodies, local authorities, public legal entities, shareholders and investors, other legal entities and individuals who may have an interest in Rosseti Kuban’s performance and (or) may have a significant impact on the Company’s activities and services.

The key stakeholders of the Company

Stakeholders	Engagement of Rosseti Kuban with stakeholders
Internal stakeholders	
Subsidiaries and affiliates of the Company (S&As)	<p>These S&As are interested in disseminating the best corporate governance practices to them and maintaining their image as part of the Rosseti Group.</p> <p>Interaction is effected through the management and control bodies of S&As 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>For more details, see Appendix 3 to the present Report</p>
Personnel of the Company Social partners (trade unions, employers’ associations)	<p>These parties are interested in an attractive business culture, competitive wages, social and health benefits, opportunities for personal, professional development, as well as work safety.</p> <p>Interaction ways:</p> <ul style="list-style-type: none"> Through the Collective Bargaining Agreement, a succession pool programme and targeted human resources assessment and development projects Through staff training and qualification improvement By holding meetings between management representatives and the personnel, professional competitions, cultural and sporting events Via the Council of Young Professionals and participation in the All-Russian Electrical Trade Union By onboarding and mentoring of new employees and support for veterans <p>For more details, see the Human Resources Management subsection of the Sustainable Development section</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, as well as a high level of corporate governance. Interaction is through general meetings of shareholders, representation in management and control bodies, as well as through the disclosure of information about the Company.</p>
Consumers of electricity and grid connection services, TGOs	<p>Interaction is through customer service centres, the power grid services portal of Rosseti Group (hereinafter – RF TP Portal), and the contact centre with unified federal numbers — 8 (800) 100-15-52 and 8 (800) 220-02-20.</p> <p>Individuals can also send messages (claims, complaints, applications, requests) through the online reception desk on Rosseti Kuban’s official website.</p> <p>For more details, see the Customer Relations subsection of the Sustainable Development section</p>