

SOCIAL POLICY

THE KEY PRINCIPLES OF THE SOCIAL POLICY OF PJSC ROSSETI KUBAN INCLUDE THE CREATION OF COMFORTABLE CONDITIONS FOR EMPLOYEES' WORK AND REST, THE IMPROVEMENT OF SOCIAL SECURITY AND LABOUR/SOCIAL RELATIONS AMONG EMPLOYEES. SOCIAL ACTIVITIES OF THE COMPANY ARE AIMED AT THE DEVELOPMENT OF THE SOCIAL PARTNERSHIP, THE IMPROVEMENT OF EMPLOYEES' SOCIAL SECURITY, AND THE CREATION OF DEVELOPMENT PROSPECTS FOR THE COMPANY AS A WHOLE.

ROSSETI KUBAN GIVES PRIORITY TO SOCIAL SUPPORT AS IT CONTRIBUTES TO THE MOTIVATION OF EMPLOYEES AND BOOST THEIR DEDICATION TO PRODUCTION ACTIVITIES. THE BENEFITS AND GUARANTEES IN PLACE IN THE COMPANY, AS WELL AS SOCIAL PROGRAMMES AND EMPLOYEE SUPPORT PROGRAMMES, HELP ATTRACT AND RETAIN THE MOST VALUABLE EMPLOYEES, PROMOTE STAFF LOYALTY TO THE COMPANY, AND FACILITATE THE ACHIEVEMENT OF ITS GOALS.

While demanding the maximum commitment and improved performance from its staff, the Company acknowledges that it is necessary to provide the employees with extra social benefits and guarantees exceeding those prescribed by law and funded from the Company profits.

The Social Policy of PJSC Rosseti Kuban is aligned with the Sectoral Tariff Agreement of the Electric Power Industry of the Russian Federation, the Collective Agreement, bylaws, rules, and other local regulatory documents.

In accordance with the collective agreement, as part of the social package, the Company's employees receive financial assistance in case of childbirth, marriage registration, burial of close relatives, retirement, difficult financial situation (emergency case), status of families with many children, and in case of death of an employee as well. Compensation is also paid for childcare in pre-schools, etc.

SOCIAL BENEFITS FOR THE COMPANY'S EMPLOYEES, THEIR FAMILY MEMBERS AND RETIREES (RUB MN)

Social event	2019	2020	2021
Financial assistance to employees and retirees	29.74	37.28	45.23
Compensation payments	0.78	0.72	0.97

FINANCIAL SUPPORT FOR WORKERS AND RETIREES

The Collective Agreement of the Company covers the support of employees who need better housing conditions through financial aid in mortgage arrangement and partial payment of credit interest. In the reporting period, the Company paid a total of RUB 11.07 mn to 395 employees as financial aid.

THE SOCIAL SECURITY OF EMPLOYEES AND NON-MATERIAL INCENTIVES ARE PROMOTED THROUGH THE NON-STATE PENSION PROVISION SCHEMES DESIGNED TO ENSURE A DECENT LEVEL OF WELL-BEING OF EMPLOYEES AT RETIREMENT AGE, TO LAY THE GROUNDWORK FOR THE EFFECTIVE ADDRESSING OF HR ISSUES RELATED TO RECRUITMENT, RETENTION AND MOTIVATION.

Being a socially responsible Company, Rosseti Kuban takes care of the Company's veterans and retirees. Honouring the veterans and providing them with monetary support is an integral component of the Company's social performance. Rosseti Kuban renders monthly financial aid to non-working retirees. In the reporting period, over 2.7 thousand of the Company veterans and retirees received various benefits (monetary support for the Victory Day, the Power Engineer Day, monthly monetary support and on-application monetary support, etc) to the total of RUB 10.52 mn.

RECREATION

An important factor in improving the workforce efficiency is the promotion of health and recreation of employees and their children. In the reporting year, 608 vouchers were purchased for health resort treatment and recreation of employees and their family members, and 137 employees were partially compensated for the cost of vouchers to children's health camps.

Rosseti Kuban provides its employees with a high quality modern medical services by signing agreements for their voluntary health insurance and accident insurance.

SPORT

Rosseti Kuban focuses on the development and maintenance of healthy lifestyle of its employees and arranges health, fitness, and participation sports among the employees, while providing them with access to the sports facilities. The outcomes of the reporting year:

- Employees of Rosseti Kuban took an active part in the fulfilment of the test standards of the All-Russian Physical Culture and Sports Complex — Ready for Labour and Defence (GTO relay race)
- The combined team of Rosseti Kuban took part in the championship of the Interregional Amateur Basketball League "Liga Strat KAUB 5x5" of the 2020/2021 season
- Rosseti Kuban's team took part in an open Spartakiade in seven sports: mini-football, volleyball, table tennis, chess, track-and-field athletics, weightlifting and swimming
- Rosseti Kuban's employees also took part in the Krasnodar Workers' Spartakiade

Given the restrictions on holding sports events due to the spread of COVID-19, the combined teams of Rosseti Kuban took part in the following online competitions in the reporting year:

- The first official World Chess Championship for corporations
- The "Energy of the Great Victory" chess tournament
- Competitions in running (race walking) and cycling housed by the specialised online sports platform Vmarafone, among the employees of fuel and energy companies of Russia
- XI Open Chess Tournament of Power Engineers in memory of M. Botvinnik

CULTURE

Rosseti Kuban attaches great importance to cultural-enlightenment events that help unite and rally its personnel, thus improving the corporate culture. In 2021, the following activities were carried out:

- Celebrating Defender of the Fatherland Day and March 8
- Children's drawing contest "Rosseti: Children Draw!" as part of the contest among children of the Group's employees
- Celebration of the 74th anniversary of the Victory in the Great Patriotic War of 1941–1945
- Celebration of Knowledge Day: congratulations to the children of employees, both first-graders and graduation class students
- Children's drawing competition "Autumn through the Eyes of Children"
- Corporate children's creative contest "Energy of Talents"
- Celebration of the 100th anniversary of the establishment of Rosseti Kuban's branch: Krasnodar Power Grids

- New Year's Eve celebrations: a greeting for employees and children of the Company's employees

More than 400 children took part in the qualifying and final stages of the children's competitions, and more than 150 of them were awarded valuable prizes and gifts.

Traditionally, the Company pays great attention to the preparation and celebration of the Power Engineer Day — the professional holiday of the Company.

ANTI-COVID MEASURES

In order to maintain a high level of social protection for employees and to safeguard against coronavirus infection COVID-19, a range of information and organisational measures were implemented in the Company:

- Printed and electronic information materials on prevention of COVID-19 coronavirus infection and vaccination were distributed
- A hotline was set up to help and advise employees
- Vaccination against coronavirus infection was organised, with more than 80% of employees vaccinated during the reporting period

Due to the epidemiological situation, remote work mode was set during the period of rising incidence of coronavirus infection.

The employees were regularly tested for COVID-19 to protect health, maintain the safe operation of the Company and prevent the spread of coronavirus infection. More than 56+ tests for coronavirus infection were taken in 2021.

In the reporting year, Rosseti Kuban provided financial assistance to employees who experienced hardship due to the spread of a new coronavirus infection, totalling RUB 1.81 mn

80%

OF OUR EMPLOYEES WERE VACCINATED AGAINST COVID-19

56+ tests

FOR CORONAVIRUS WERE CONDUCTED FOR EMPLOYEES IN 2021

1.8 RUB mn.

THE AMOUNT OF FINANCIAL AID TO THE COMPANY'S EMPLOYEES AFFECTED BY COVID-19

YOUTH POLICY

The Company's Youth Policy covers the activities in three key areas:

- Early career guidance of schoolchildren
- Practice-oriented training of personnel in educational institutions of secondary vocational and higher education
- Professional development of junior specialists – employees of the Company

WORKING WITH SCHOOLCHILDREN

The Company conducts comprehensive vocational guidance for the schoolchildren. It includes an open day and study tours of the Company's facilities, as well as special training sessions in schools conducted by the Company employees. The total number of sponsored schoolchildren participating in vocational guidance projects of Rosseti Kuban amounted to more than 265 people in 2021, and this figure stayed flat with same periods in 2020 and 2019.

Vocational guidance is provided to schoolchildren in order to develop their interest in the power industry and to help them enter universities and colleges in their fields of study.

ALL-RUSSIAN OLYMPIAD OF SCHOOLCHILDREN

To trace and foster talented schoolchildren, the Company annually orchestrates the All-Russian Olympiad of Schoolchildren at Rosseti's Group of Companies. In 2021, more than 70 students of grades 9 and 10 joined the competition, thus representing the regions where the Company operates. Three schoolchildren who became winners and awardees of the Olympiad took part in the energy-related project session of Rosseti's Group hosted by the Orlyonok All-Russian Children's Centre.

WORKING WITH STUDENTS

As at 31 December 2021, there were 62 cooperation agreements with universities and colleges in the territory of the Company's presence. The main areas of cooperation are target education, practical training, vocational guidance, and organisation of student teams. Kuban State Agrarian University and Kuban State Technological University are among the Company's partner universities.

As at 31 December 2021, 37 students were enrolled in specialised universities under targeted training agreements with the Company. The focus areas of targeted training include Electric Power and Electrical Engineering, Information Systems and Technologies.

37

STUDENTS STUDY AT RELEVANT UNIVERSITIES UNDER TARGET STUDY AGREEMENTS WITH THE COMPANY

468

STUDENTS COMPLETED INTERNSHIPS AT THE COMPANY'S FACILITIES IN 2021

69

GRADUATES WERE RECRUITED BY THE COMPANY

There were a total of 468 students who received hands-on training at the Company's facilities in the reporting period (vs. 701 trainees in 2020 and 813 in 2019). The number of students sent for internships in 2021 compared to previous periods decreased due to the epidemiological situation related to the pandemic of the new coronavirus infection COVID-19.

2021 LABOUR SEASON

The 2021 labour season engaged 99 people divided into five student teams. Working at the Company's facilities started with the apprenticeship for a job in educational institutions. The branches of the Company organised the hands-on training, where students were given assignments related to assembling power transmission poles, laying power cables, installing equipment, taking meter readings, and clearing right-of-ways.

In 2021, the Company hired 69 junior specialists who had just graduated from universities and colleges.

The professional and social adaptation of junior specialists, training, career advancement, promotion of scientific and technical potential, social support and involvement in the implementation of socially important projects, including through participation in young specialists' councils, are the objectives of the Youth Policy covering the young employees of the Company.

The Company encourages the participation of young specialists in scientific and technical conferences, competitions and forums. Vladimir Kizin, head of the Relay Protection and Automation Service of Rosseti Kuban, was recognised the first prize winner in the International Competition for Scientific, Scientific, Technical and Innovative Research for Development of the Fuel, Energy and Extractive Industries 2021, which is supported by the Ministry of Energy of the Russian Federation. Employees of Rosseti Kuban's Sochi branch, Alexey Lobanov, head of the Retrofitting and Renovation of Power Grid Facilities, and Dmitry Krutov, head of the Operations and Dispatch Service, became winners of the 2nd All-Russian Power Industry Leaders competition and were among the Top 100 out of more than 3,000 participants.