

Strategic Development

National policy priorities for the development of the power grid sector

PJSC Rosseti is one of the world's largest power grid holdings, managing the Unified National (All-Russian) Power Grid (UNPG) and the distribution grid complex. The Company plays a major role in safeguarding the national interests of the country and solving large-scale state tasks.

The Company takes into consideration the priorities of the state policy in the field of power grid complex development:

- Improving the reliability and quality of power supply to consumers to a level comparable to the best foreign counterparts
- Improving the efficiency of the power grid complex
- Developing domestic scientific and technological potential, designing and mastering advanced technologies in the energy sector

Mission and Strategic Goals

Our mission is to ensure reliable operation and adequate economic growth of the UNPG.

In the upcoming years, the goals will be to improve the efficiency of the consolidated transmission and distribution assets while considering the requirements of the Russian economy and the development trends in the electric power sector.

Strategic goals of PJSC Rosseti defined in the Long-Term Development Programme for the period of 2020 to 2024 with an outlook until 2030¹

<p>Development of the UNPG, higher customer satisfaction</p> <ul style="list-style-type: none"> UNPG development Increased customer satisfaction <p>For more details, please see p. 50</p>	<p>Technological and innovative development with due regard for maintaining the achieved level of power supply reliability</p> <ul style="list-style-type: none"> Technological and innovative development Ensuring reliability of energy supply <p>For more details, please see p. 50</p>	<p>Improving the economic efficiency of operations</p> <ul style="list-style-type: none"> Improving the economic efficiency of operations <p>For more details, please see p. 51</p>	<p>Promotion of energy and environmental safety</p> <ul style="list-style-type: none"> Promotion of energy and environmental safety <p>For more details, please see p. 51</p>
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¹ Approved by the Company's Board of Directors (Minutes No. 526 dated 30 December 2020).

Strategic challenges and priority development areas

Strategic challenges facing the Company

Under unprecedented pressure from sanctions, the Russian economy and financial sector have to cope with a myriad of challenges. Due to the specifics of the Company's operations, with services provided mainly to consumers in the domestic (Russian) market, the sanctions imposed by foreign countries did not have a direct and significant negative impact on the Company and its activities.

Challenges and threats relevant to the Company in the new environment:

- Need to ensure technological sovereignty and accelerated import substitution
- Terrorist and sabotage activities damaging power grid facilities
- Growth of cyberthreats, especially against critical infrastructure facilities
- Shortage of free production capacities of domestic manufacturers/developers and human resources

- Implementation of projects of state significance
- Provision for the technological sovereignty of the Russian power grid sector
- Added security and antiterrorist protection of power grid facilities

Development priorities in non-tariff activities

In addition to their core activities (electricity transmission services and grid connections), the Rosseti Group's companies provide a range of services in non-tariff areas.

In 2023, the Uniform Quality Standards for Customer Service of the Rosseti Group's companies¹ were approved with the aim of providing high-quality services. These standards outline the aims, objectives, principles and measures related to customer interactions for the companies in the Rosseti Group.

The Company's response to the challenges. Focus areas of development

Taking into account industry-specific challenges and tasks, including those set at the state level, the main priorities for the Rosseti Group's development for the foreseeable future are as follows:

- Implementation of reliability improvement programmes and upgrade of the power grid sector

The Rosseti Group's companies will continue to grow a non-tariff business line to meet the evolving needs of customers by developing in-demand services and streamlining the infrastructure access process. This will help, among other things, to improve the process of customer access to power grid infrastructure and implement the principles of customer-centricity.

Long-term development programme

To achieve strategic goals, the Company implements the Long-Term Development Programme (LTDP)² for the period of 2020–2024 with an outlook until 2030.

Every year, the Company compiles LTDP progress reports and report on the achievement of key performance indicators. These reports are sent to the Board of Directors of the Company after being reviewed by an independent auditor. Annual reports are then submitted to the MED, Minenergo of Russia and Rosimushchestvo. Representatives of the professional community and federal executive authorities participate as members of the Strategy Committee in discussing the LTDP progress as part of the review of its progress reports.

The auditor issued an opinion dated 27 April 2024 on the reliability of the information reflected in the LTDP Progress Report on the implementation of planned activities, achievement

of key performance indicators and correctness of conclusions on the reasons for deviation of actual results from those planned for 2023, as well as on the Company's compliance with the requirements and recommendations for the preparation of the LTDP progress report.

In 2023, pursuant to the decision of the Board of Directors of PJSC Rosseti (Minutes No. 615 dated 17 April 2023) adopted in compliance with the directives of the Government of the Russian Federation No. 991p-P13 dated 31 January 2023, the LTDP was amended to include the target KPI values for 2023, 2024, and 2025³.

The Company plans to develop a new LTDP after the completion of the current LTDP in 2024.

¹ Approved by resolution of the Company's Management Board (Minutes No. 25/3 dated 23 May 2023).

² Approved by the Company's Board of Directors (Minutes No. 526 dated 30 December 2020).

³ Resolution of the Board of Directors dated 14 April 2023 (Minutes No. 615 dated 17 April 2023).