O O Sustainable Development O O O Annual Report 2023 | www.rosseti.ru





## — Have the Company's sustainable development priorities changed due to restructuring?

— In the reporting year, the restructuring of the transmission and distribution grid facilities was completed. Unification of approaches to ESG activities within the Group's perimeter is forthcoming. We expect that the introduction of a single centre of responsibility will increase our contribution to the implementation of the relevant UN goals. As a first step, the Board of Directors of PJSC Rosseti approved the Sustainable Development Policy. The document identifies the Company's consistent principles and approaches in this regard. Similar internal documents were approved by our subsidiaries.

At the same time, the basic principles that the Rosseti Group's companies have been adhering to in the area of sustainable development for many years will not change: reliable and high-quality power supply to consumers, environmental stewardship, and, by all means, fulfilment of social obligations to employees.

## — What are the specifics of ESG priorities for companies in the power industry?

— Recently, the sustainable development agenda has been undergoing changes. Priorities are being transformed, and the focus is shifting. This is relevant not only for power

industry companies but for all sectors of the economy as well. Whereas attaining carbon neutrality and mitigating the adverse effects were the main concerns a few years ago, the social aspect has now taken stage. The value of human capital is being more recognised. I believe this approach is fair and justified, especially for companies of the Rosseti Group.

People are our most valuable resource, and because of the peculiarities of the power grid industry, we also have an extra obligation to safeguard the lives and wellbeing of our employees. The fundamental principle is a preventive approach: timely personnel training and strict adherence to labour protection requirements. We place particular emphasis on improving employee well-being and creating opportunities to unleash potential. We run our own educational programmes, host professional skills competitions, and actively participate in the projects of the Presidential Platform: Russia, the Land of Opportunities.

Certainly, the E and G components also remain relevant.

We pay great attention to reforestation, safe waste management, biodiversity concerns and energy efficiency.

Sustainable development issues are integrated into the Company's corporate governance system at all levels. When making management decisions, the Board of Directors and the Company's management are mindful of ESG factors.

The validity of ESG prioritisation is confirmed by the expert community. We are proud that in the reporting year, the Company's ESG rating was raised one notch to ESG-2.

#### Yulia Leschevskaya,

**Deputy General Director for Strategy** 

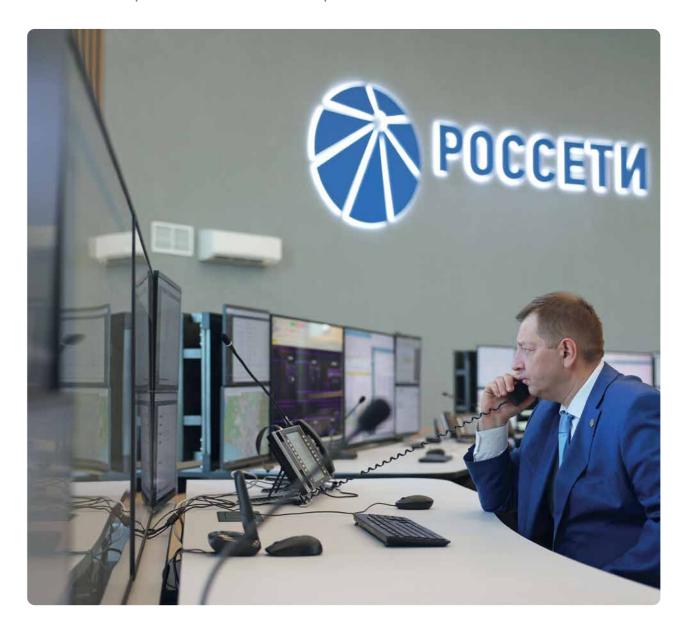
### **ESG** rating

In 2023, the Analytical Credit Rating Agency (ACRA) upgraded the Company's ESG rating to ESG-2, which corresponds to a very high level in the area of environmental protection, social responsibility and governance.

The ACRA's decision is driven by the large-scale integration of sustainable development principles into the business model of the Rosseti Group. The assessment reflects the Company's strong dedication to sustainable development issues, a very high level of environmental, social and governance risk management, and an outstanding compliance with the best domestic and global ESG practices.

# Stakeholder Relations

Viable and mutually beneficial stakeholder engagement is one of PJSC Rosseti's priorities in sustainable development.



The Company recognises the importance of building effective relations with stakeholders. PJSC Rosseti has a procedure for reviewing the list of stakeholders once every two years. The process includes analysing the Company's activities and external context, and assessing the mutual influence

of PJSC Rosseti and stakeholders. Most recently, the list of stakeholders was revised while compiling the Company's 2023 Social Responsibility and Corporate Sustainable Development Report. The next revision is scheduled as part of the preparation of the forthcoming annual Report.

108