

SOCIAL POLICY

Key principles of the Social Policy of Rosseti Kuban include the creation of comfortable conditions for employees' work and rest, the improvement of social security and labor-social relations among the staff. Social activities of Rosseti Kuban are aimed at the development of the social partnership, improvement of employees' social security, and creation of development prospects for the Company as a whole.

Rosseti Kuban gives priority to social assistance as it contributes to the motivation of employees and boost their dedication in production activities. The benefits and guarantees in place in the Company, as well as social programs and employee support programs, 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 Rosseti Kuban is aligned with the Sectoral Tariff Agreement of the Electric Power Industry of the Russian Federation, the collective bargaining agreement, bylaws, rules, and other local regulatory documents.

Social benefits for the Company's employees, their family members and retirees (RUB mln)

Social events	2018	2019	2020
Monetary support for employees and retirees	25.19	29.74	37.28
Partial or full reimbursement of employees' proven expenses	0.76	0.78	0.72

Within the social benefits package, the Company employees may receive monetary support in case of childbirth, marriage registration, death of close relatives, retirement, in case of emergency, to large families; in case of an employee's death – kindergarten allowances, etc.

The collective bargaining 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 8.86 mln to 318 employees as financial aid.

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 2.3 mln

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 material aid to non-working pensioners. During the reporting period, more than 2.8 thousand veterans and pensioners received various benefits (financial assistance to the Victory Day and the Power Engineers' Day, monthly financial assistance and application-based financial assistance, etc.) for a total amount of RUB 11.08 mln. Also in 2020, in the context of the COVID-19 pandemic, the Company was actively engaged with the veteran community in order to sponsor treatment and health resumption after a coronavirus infection. Financial assistance covered 46 retirees.

An important factor in improving the workforce efficiency is the promotion of health and recreation of employees and their children. In the reporting year, 368 vouchers were purchased for health resort treatment and recreation of employees and their family members, and 31 employees were partially compensated for the cost of vouchers to a children's health camp.

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, retainment and motivation.

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

- employees of Rosseti Kuban took an active part in the fulfillment of the test standards of the All-Russian Physical Culture and Sports Complex Ready for Labor and Defence (GTO relay);
- 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.

Given the restrictions on holding sports events due to the spread of COVID-19, the combined teams of Rosseti Kuban took part in online competitions supported by the Ministry of Energy of Russia and the Ministry of Sports of Russia in the reporting year:

- chess tournaments "Energy of the Great Victory" among Russian fuel and energy companies;
- competitions in running, walking and cycling housed by the specialized online sports platform Vmarafone among the fuel and energy companies of Russia;
- background walking competitions under the Walking Man physical activity enhancement program;
- X open chess tournament of power engineers in memory of M. Botvinnik.

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ROSSETI KUBAN PROVIDES ITS EMPLOYEES WITH A HIGH QUALITY MODERN MEDICAL SERVICES BY SIGNING CONTRACTS FOR THEIR VOLUNTARY HEALTH INSURANCE AND ACCIDENT INSURANCE.

Rosseti Kuban attaches great importance to cultural-enlightenment events that help unite and rally its personnel, thus improving the corporate culture. The following events were held in 2020:

- the Rosseti Children Painting and Drawing competition;
- events dedicated to the celebration of the Defender of the Fatherland Day and International Women's Day (8 March);
- celebration of the 75th anniversary of the Victory in the Great Patriotic War of 1941–1945;
- celebration of anniversaries of branches of Rosseti Kuban;
- New Year online events for the children of Company employees.

Over 100 children took part in the Rosseti Children Painting and Drawing Competition, and 60 of them received valuable prizes and presents.

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

Rewarding the Company's employees with awards is one of the most important moral incentives and is designed to intensify their work activity.

On the occasion of the 55th anniversary of the establishment of the Company's branches –Power Grids of Armavir, Labinsk, Leningrad, Slavyansk, Timashev, Tikhoretsky, Ust-Labinsk , 67 employees of the branches were rewarded with awards from the Ministry of Fuel and Energy Complex and Housing and Communal Services of the Krasnodar Territory, the ERA of Russia Association, PJSC Rosseti and the Company for their devotion to the profession and the loyalty to the Company, generational continuity and assistance in educating young personnel; among them, 14 employees were awarded the commemorative medal "100 Years of GOELRO" and the badge "100 years of GOELRO" of PJSC Rosseti.

For a significant contribution to the development of the power grid complex, many years of conscientious work, and promotion of reliable power supply to power grid facilities during the summit and other events in the "Russia – Africa" format held in Sochi, 55 employees of the Company were awarded certificates of honour and commendations of PJSC Rosseti.

To celebrate the professional holiday, the Power Engineer Day, and to acknowledge their contribution to the development of the Power Grid Industry in Russia, 1,062 employees of the Company received rewards in 2020:

- from the Russian Ministry of Energy – 17 employees, including one person who got the title of the Honoured Power Engineer);
- from ERA of Russia Association – 27 employees, including one employee who got the badge of honour "For Exemplary Work in Power Industry, and one employee who got the honorary title of Honoured Power Industry Employee);
- from the Administration of the Krasnodar territory and the Ministry of Fuel and Energy Complex and Housing and Communal Services of the Krasnodar territory – 46 employees, including two employees awarded the honorary title "Honoured Worker of the Fuel and Energy Complex of the Kuban";
- from the Head of the Republic of Adygea and the State Council of KHASe of the Republic of Adygea – nine employees;
- from PJSC Rosseti – 25 employees, including eight employees awarded the commemorative medal "100 years of GOELRO" and the badge "100 years of GOELRO";
- from the Company and its branches – 938 employees.

In 2020

202 employees received state, official (from the Ministry of Energy of Russia), industry-sponsored (from ERA of Russia Association), and regional rewards (from the government of the Krasnodar territory, the head of the Republic of Adygea and the State Council of KHASe of the Republic of Adygea).

708 employees received corporate rewards for the significant contribution to the development of the power grid and promotion of the reliable and continuous operation, among them 205 received rewards from Rosseti PJSC, and 503 from Rosseti Kuban.

For a great personal contribution to ensuring the stability and continuity of production processes during the lockdown period related to the spread of the new coronavirus infection (COVID-19),

31 employees were awarded by the Ministry of Energy of the Russian Federation and Rosseti.

For a significant contribution to the consolidation of the assets of PJSC FGC UES on the basis of the Sochi Power Grids branch

16 people were awarded corporate awards of PJSC Rosseti and the Company.