# PUBLIC HEARING MINUTES "CONFORMITY OF THEMES AND INDICATORS OF THE INTEGRATED REPORT OF ROSSETI CENTRE FOR 2020 TO EXPECTATIONS OF STAKEHOLDERS"

Survey form: correspondence

Date of the survey: June 2021

Hearing participants: 10 representatives of stakeholders, including representatives of internal stakeholders (heads of key areas of the Company's activities) and external stakeholders (Russian Institute of Directors, PJSC Rosseti, Prosperity Capital Management, Moscow Chamber of Commerce and Industry)

Purpose of the survey: determining the degree of satisfaction with the completeness and quality of information disclosure in the Integrated Report for 2020, identifying priority topics for disclosure in the next reporting period and collecting recommendations to correct the structural elements of the report.

Based on the analysis of the respondents' opinions, the following conclusions can be drawn:

1. THE GRAPHICAL DESIGN OF THE COVER AND THE DESIGN OF THE REPORT, IN THE OPINION OF THE MOST OF THE RESPONDENTS, REFLECT THE KEY TOPIC OF THE REPORT.

How accurately does the cover and design of the Integrated Report reflect the current trends of 2020?





80 % Fully conforms

10 % Does not fully reflect the achievements of the reporting period

10% Doesn't conform at all

2. IT IS PROPOSED TO PLACE IN THE REPORT MORE INFORMATION ON THE PROCEDURE OF IDENTIFICATION OF MATERIAL TOPICS, MECHANISMS OF INTERACTION WITH STAKEHOLDERS.
IT IS NECESSARY TO DEVELOP A NAVIGATION ON MATERIAL TOPICS DISCLOSED IN THE REPORT.

Which of the identified material topics will remain relevant for the next reporting period?



- 37 % Prevention of COVID-19, Consolidation of territorial grid organizations (TGOs)
- 18 % Projects of the Program of Digital Transformation, ESG-factors
- 9 % Motivational programs for management, Transparency of dividend
- 18 % | Sustainability of the Company (plans for development of value-added services and increase of the share of non-tariff revenue), as well as the stable business model
- 9 % | Energy and resource saving
- 9 % ESG-factors

## 3. AS THE LEADING INDUSTRY TRENDS TO WHICH SHOULD BE PAYED ATTENTION, THE RESPONDENTS

- · Charging infrastructure development
- Renewable energy sources
- New technologies
- Implementation of regulatory agreements on the establishment of long-term tariffs
- Development strategies of PJSC Rosseti and subsidiaries and dependent companies and the Energy Strategy of the Russian Federation
- Determination of criteria for preferential grid connection for a category of customers from 15 to 150 kW
- Taking into account non-financial indicators and principles of sustainable development when working with investors
- Increasing the role of disclosure of ESG factors in nonfinancial reporting (an initiative of the Bank of Russia): adaptation to climate change, transition to a cyclical economy, measures to prevent pollution, ensuring the safety of power grid facilities, protection of personal information, ESG standards for suppliers

# 4. THE MAJORITY OF THE RESPONDENTS NOTED THE IMPORTANT ROLE OF DIGITALIZATION FOR THE COMPANY.

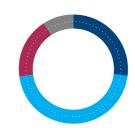
Does the digitalization affect the Company's production performance?



- 80 % Yes, implementation of digital technologies has a significant impact on operational and financial performance
- 10 % As long as digital technologies do not allow significant changes in performance, they should not be given close attention in an integrated report
- 10 % In general, the topic of integration of digital technologies can be included in the report, but they do not have a significant impact on the Company's activities

5. AS A SUPPLEMENT TO THE EXISTING STRUCTURE, IT IS PROPOSED TO ADD A SECTION DESCRIBING THE IMPACT OF CURRENT RISKS TO ACHIEVE PLANNED KPIS. PAY ATTENTION TO INCREASING THE CONTENT OF DIGITAL SECURITY, QUALITY CONTROL IN CONSTRUCTION AND THE IMPACT OF THE EPIDEMIC ON ANNUAL PERFORMANCE.

## What sections need to be added to the structure of the future Integrated Report?



- 27 % I Impact of the COVID-19 epidemic on the achievement of target KPIs, ensuring digital security of the emerging automated production asset management system
- 46 % Actual risks that have a significant impact on the achievement of target KPIs
- 18 % Quality control at the stages of design and construction of power facilities
- 9 % | Ensuring digital security

#### Suggestions for expanding the structure of the report:

- Environmental risks
- Reliability of the grid infrastructure
- Taking into account views and recommendations of stakeholders
- Allocation of key risks in a separate section. Risk management measures
- Extended section "KPI System"

6. BASED ON THE RESULTS OF THE SURVEY, IT IS POSSIBLE TO DRAW A CONCLUSION ON THE NEED TO PAY ATTENTION TO THE OPTIMIZATION OF THE STRUCTURE OF THE "CORPORATE GOVERNANCE" SECTION AND UPDATE THE APPROACHES TO THE DESIGN OF THIS CONTENT.

7. THE ESG FACTORS SHOULD BE PRESENT IN THE CONTENT, BUT THE FORMATION OF AN INDEPENDENT BLOCK IS NOT REQUIRED. A POSSIBLE SOLUTION IS TO MARK THE ESG INDICATORS ALL OVER THE BODY OF THE REPORT.

Is it necessary to highlight the ESG factors in a separate block of the Integrated Report?



- 40 % A section is not needed, but individual factors from blocks E, S and G need to be added
- 50 % It is not necessary to specially highlight the ESG, the report contains all the significant aspects
- 10 % A separate section "ESG factors" in the annual report is required

### 8. THE RESPONDENTS PROPOSED THE FOLLOWING OPTIONS TO EXPAND THE ESG AGENDA:

#### Social performance options:

- The ratio of top managements income to workers income;
- Inclusiveness;
- Average salary by gender;
- Information on pending litigation on claims for debt collection.

#### Environmental performance options:

- Availability of its own internal regulations for disclosing the goals of environmental policy;
- Achieving carbon neutrality;
- Disclosure of greenhouse gas emissions by scope 2, measurable targets to reduce greenhouse gas emissions gases for the future (scope 1 and scope 2), environmental risks and opportunities for the Company assessed by the Board of Directors.

#### Corporate Governance options:

- The Company's development strategy
- Requirements to suppliers/contractors in the field of environment/human rights/business ethics
- Statistics of the quorum of general meetings of shareholders
- for 3-5 years
- Description of the relationship with the controlling shareholder;
- Information on the role of the Board of Directors of the Company in corporate governance and its work practice, including:
- information about the work of representatives
   of the controlling shareholder in it, taking into account
   the presence of the controlling shareholder's documents,
   determining the procedure of their work;
- %% of in-person meetings of the Board of Directors and each from its committees, with most of the correspondence meetings – explanation of reasons;
- %% ratio of the number of strategic and the number of current issues considered by the Board of Directors, comments;
- share of independent directors in the composition of committees on audit and nomination and remuneration, comments;
- Comparison of dividend policy and practice of the company with policies and practices of foreign peer companies;
- Disclosure of incentive management programs (no confidential details), comparing them with best practices recommended including by the Corporate Governance Code of the Bank of Russia.

Kozhevnikov A.V., CEO Zebra-PR LLC

