



РОССЕТИ  
ЮГ



# ENERGISING THE LIFE

24

INTEGRATED  
ANNUAL REPORT



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ENERGISING THE LIFE

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**269** MW  
of capacity commissioned in 2024

**1,400** km  
of new PTLs built in 2024



# About the Report

GRI 2-1, 2-2

The purpose of the Annual Report of Public Joint Stock Company Rosseti South for 2024 (hereinafter referred to as the Report, the Annual Report) is to inform stakeholders about the crucial events, production & financial and sustainable development performance results of the Company, as well as its impact on the economy and the environment.

The 2024 Report has been prepared in accordance with international and Russian standards and regulatory requirements, including:

- ▶ Federal Law No. 39-FZ 'On Securities Market' dated 22 April 1996
- ▶ Federal Law No. 208 dated 26 December 1995 (hereinafter referred to as the Federal Law 'On Joint Stock Companies')
- ▶ Bank of Russia's Regulations No. 714-P dated 27 March 2020 'On Disclosure of Information by Issuers of Equity Securities'

- ▶ Recommendations on disclosure of non-financial information related to activities of public joint stock companies sent by Letter of the Bank of Russia No. IN-06-28/49 dated 12 July 2021
- ▶ Code of Corporate Governance approved by the Board of Directors of the Bank of Russia on 21 March 2014 and recommended for application by Letter of the Bank of Russia No. 06-52/2463 dated 10 April 2014 (hereinafter referred to as Code of Corporate Governance of the Bank of Russia)
- ▶ Standards on sustainable development reporting such as GRI, etc.

Public Joint Stock Company Rosseti South may also be referred to herein as PJSC IDGC of the South (the previous name until 14 February 2022), PJSC Rosseti South, Rosseti South or the Company.

## Theme of the Report – Energising the life

This Report focuses on the high degree of reliability that the Company maintains in supplying power to consumers, including through large-scale investments aimed at updating the power grid infrastructure and rolling out innovations.

Modern technology cannot advance without energy. The Company is driving this technology advancement, supplying energy to the region's industrial sector and the country's energy independence, while also introducing cutting-edge technologies into its internal processes.

Rosseti South plays a pivotal role in ensuring power supply to four southern regions of the Russian Federation. Despite all the difficulties and challenges of the reporting year, the Company demonstrates seamless operation, ensures reliable power

supply to consumers, puts new facilities into operation, connects hospitals, schools, kindergartens to its power grids, while taking care of the well-being of every resident of the regions where it operates. In this way, our Company contributes to the implementation of national and regional projects, participating in the common cause together with the entire country. We recognise that the expertise and experience of our staff — who are always learning new skills — along with the implementation of cutting-edge technologies and careful planning are the cornerstones for successfully completing the duties assigned by the government and society. We are convinced that only through our continuous efforts to improve people's quality of life and our responsibility to society we can maintain our leadership in the industry and ensure our success in the future.

## Boundaries of the Report

This Report also presents certain important events in the Company's activities that took place after the reporting date — in the period from 1 January 2025 to the preliminary approval of the Report by the Board of Directors.

This Annual Report has been prepared on the basis of information available to Rosseti South as of the date of the Report. The Annual Report provides an overview of the Company's results for 2024, as well as the historical changes in indicators for 2022–2024.

This Report contains information about the members of the Company's management and control bodies, members of the Committees of the Board of Directors and the Corporate Secretary, as well as the amount of their personal remuneration, in full compliance with the requirements of Russian legislation on personal data.

## Disclaimer

The Annual Report contains certain forward-looking statements regarding the Company's business operations, financial and economic performance, plans, projects and expected results. The Report may also include estimates of trends in service/product prices, production and consumption volumes, costs, projected expenditures, development prospects and similar factors, as well as industry and market forecasts, start and end dates of individual projects of the Company.

The Company makes no promises or guarantees regarding the realisation of the results expressed in the forward-looking statements. Rosseti South disclaims any liability for any losses incurred by individuals or entities that bank on any forward-looking statements. In each individual case, these forward-looking statements are simply one of many scenarios that could occur and shall not be taken as the most likely one.



# Message from the Chairman of the Board of Directors of PJSC Rosseti South

GRI 2-22



**Daniil Krainskiy**  
Chairman of the Board  
of Directors,  
PJSC Rosseti South

## Respected shareholders, investors and colleagues,

Thanks to the experience and expertise of its management team, Rosseti South managed to efficiently tackle the tasks at hand, continue commissioning and upgrading energy facilities, and roll out strategically important measures aimed at strengthening energy security in the southern regions of the country.

Rosseti South is the largest power grid organisation in the macroregion and a major contributor to the economic and social development of four southern regions of the Russian Federation: Astrakhan, Volgograd, Rostov Oblasts and the Republic of Kalmykia.

The key event of 2024 was Rosseti South being granted the status of a systemic territorial grid organisation, which will enable the Company to effectively pursue a unified technical policy in the regions where it operates and continue consolidation of its power grid assets.

## Strategic goals

Despite the difficulties caused by external challenges, Rosseti South demonstrated stable performance. Thanks to the high level of expertise and a team of responsible and experienced professionals, management was able to effectively address economic risks. The Company ensured that the reliability and quality of services provided met the required targets.

Considerable attention was paid to achieving strategic goals and addressing priority tasks such as technological and innovative development, ensuring comprehensive security, optimising the logistics system for material and technical support and centralising procurement activities, reducing electricity losses, developing human resources and increasing labour productivity.

## Key indicators

Under the direction of the Board of Directors, management conducted a systematic effort to boost efficiency, which helped Rosseti South enhance its production indicators and guarantee steady financial performance during the reporting year. Net profit for 2024 amounted to over RUB 7 billion.

The Company completed a number of projects that helped boost the economic potential of the regions. An investment of approximately RUB 6.6 billion was made in the development of the distribution grid infrastructure to improve the reliability and quality of power supply to consumers.

Considerable work went into expanding the range of additional paid services that help grow the Company's non-tariff service revenue. Plans to improve customer service and consumer care formats were brought to life.

## Effective management

As the enabler of the strategic development of Rosseti South, the Board of Directors focused its efforts on constructive cooperation between all the Company's shareholders and their representatives in the reporting period.

In 2024, the Board of Directors held 40 meetings, addressing approximately 200 issues. Among the momentous decisions were the approval of internal documents: Environmental Policy and Antimonopoly Compliance Policy, the update of the Programme for the Upgrade (Renovation) of Power Grid Facilities, and the Roadmap for the Development of Additional (Non-Tariff) Services. The revised versions of the Regulations on the Human Resources and Remuneration Committee, on the Reliability Committee of the Board of Directors, and the Regulations on corporate support for employees of Rosseti South's branches in improving their housing conditions, among others, were approved.

## Priorities

Stable financial and economic performance, solid technical capabilities, highly qualified management and advanced professional practices are all indicative of stable development. The Company seeks to build long-term, cooperative and trusting relationships with its stakeholders. The results of the past year lay a solid foundation for further successful work and realisation of strategic plans.

The priorities of Rosseti South remain unchanged, namely reliable and high-quality power supply to consumers, achievement of key performance indicators, information transparency, ensuring a high level of organisational, operational and investment efficiency, and promoting the development of the regions where it operates.



# Message from the Chairman of the Management Board, General Director of PJSC Rosseti South

GRI 2-22



**Alexey Rybin,**  
Chairman of the Management Board, General Director, PJSC Rosseti South

## Respected shareholders, partners and colleagues,

2024 was a prosperous and productive year for Rosseti South. Positive production results and consistent efficiency improvements, supported by the Board of Directors, enabled growth in key financial indicators. The Company realised the large-scale repair and investment programme, fulfilled its obligations to consumers in terms of grid connection, and maintained its course towards further sustainable development.

## Investments in reliability

As the largest power grid company in southern Russia, Rosseti South made a big difference in growing the economy and making regional power grids more reliable. The Company builds and upgrades energy facilities and creates new energy capacities. The investment programme funding for the reporting period amounted to RUB 6.6 billion. More than half of these funds were allocated for the development of infrastructure for subsidised grid connections. A total of 269 MVA of capacity was commissioned and 1,400 km of new power lines were built.

The unconditional priority for Rosseti South is the delivery of the maintenance and repair programme and timely preparation for peak load seasons. Almost RUB 3 billion was allocated for these purposes in the regions where the Company operates. The physical indicators of the repair programme were fulfilled by more than 100%. As a result, the number of process disruptions in the distribution grid dropped by 6% and in the 110 kV and higher grid by 9% year-on-year.

There was a special focus on cutting down on electricity losses. The economic effect of these initiatives means extra funds for upgrades and new construction. The Company achieved its planned target for losses, with significant savings of 28 million kWh.

## Regional development

Over the year, Rosseti South fulfilled 16,000 grid connection contracts and provided new consumers with over 480 MW of capacity. The Company provided power supply to social, healthcare, educational, cultural, sports, infrastructure,

agro-industrial and business facilities. Among the large enterprises connected to the power grid are Sady Pridonia in the Volgograd Oblast, the Krasinskaya solar power plant in Kalmykia, and the Kazachya wind power plant in the Rostov Oblast.

Rosseti South continued to participate in projects to develop charging station infrastructure for electric transport, street lighting systems, and connect facilities as part of national projects such as Education, Healthcare, Housing, and others.

As a systemic territorial grid organisation, Rosseti South remains committed to the systematic consolidation of its power grid assets. During the reporting period, 1,300 km of PTLs and 700 MVA of transformer capacity were put on the books.

## Social responsibility

The Company remained in close contact with consumers. During the reporting period, over 332,000 calls and messages were processed, most of which were related to grid connection and the provision of additional services.

As a socially responsible entity, Rosseti South carries out a range of projects dedicated to improving working conditions and providing a wide range of benefits and guarantees for its employees.

In line with its environmental policy, Rosseti South allocated over RUB 45 million to environmental protection measures.

## Sustainable development

Rosseti South remains focused on key priorities such as ensuring reliable, uninterrupted power supply to consumers, upgrade of the power grid, and economic efficiency. The Company carries on contributing to the development of the energy sector and economy of the southern regions of the country.

We are well equipped with all the necessary conditions and resources to consistently pursue our strategic objectives, while taking into account the needs of all stakeholders, including shareholders, partners and residents of southern Russia.



# 17 Years Together with the Country

## 2007–2010

The history of PJSC Rosseti South began in 2007, when OJSC IDGC of the South was established based on a decision by its sole founder, OJSC RAO UES of Russia.

Later, the Management Board of OJSC RAO UES of Russia, acting as an extraordinary General Meeting of Shareholders of the Company (as well as the General Meetings of Shareholders of five distribution grid companies (DGCs): OJSC Astrakhanenergo, OJSC Volgogradenergo, OJSC Kubanenergo, OJSC Rostovenergo, and OJSC Kalmenergo), decided to reorganise the companies by merging the DGCs into the Company. In March 2008, records were made in the Uniform State Register of Legal Entities on winding-up four out of five DGCs affiliated to the Company (OJSC Astrakhanenergo, OJSC Volgogradenergo, OJSC Rostovenergo, and OJSC Kalmenergo). Since then, the Company has been operating as a single operating company.

## 2010–2020

Until December 2010, the Company acted as the sole executive body of OJSC Kubanenergo.

From September 2014 to March 2019 (in conformity with the agreement on the transfer of powers of the sole executive body to the managing company), the Company acted as the sole executive body of JSC Donenergo.

In April 2018, the Company took over the management of the entire power grid system in Volgograd. Rosseti South acquired 100% of shares of PJSC VMES, a power grid company that supplied electric power to Volgograd's consumers. Today, JSC VMES is a subsidiary of PJSC Rosseti South, having significantly increased its share in the market for electricity transmission services in the Volgograd Oblast.

In November 2019, the shareholders of the Company decided to rename the Company to Public Joint Stock Company Rosseti South (PJSC Rosseti South). The renaming procedure was completed in February 2020.



## Present time

Currently, PJSC Rosseti South operates in the Astrakhan, Volgograd, and Rostov Oblasts, as well as the Republic of Kalmykia.

A more detailed history of the Company is available on the Company's official website at <https://rosseti-yug.ru/o-kompanii/>

# Company Today

## Core activities

GRI 2-6



Electricity  
transmission



Connection  
to distribution grids

**>337,000** km<sup>2</sup>  
total area of the regions where  
PJSC Rosseti South operates  
(1.96% of the territory of Russia)

**~8** million people  
population of the regions where  
PJSC Rosseti South operates  
(5.4% of the total population of Russia)

## Production assets

Description	2022		2023		2024	
	Quantity	Length by circuits, km	Quantity	Length by circuits, km	Quantity	Length by circuits, km
0.4 kV and above PTLs	69,754	163,756.4	70,034	164,300.4	71,129	165,287.177

## Number and capacity of the Company's substations

Description	2022		2023		2024	
	Quantity	MVA	Quantity	MVA	Quantity	MVA
35 kV and above substations	1,213	18,984.8	1,214	18,985.4	1,221	19,207
6–10/0.38 kV transformer substations, distribution substations	32,878	5,779.1	33,410	5,866.06	34,044	6,008.01
<b>Total</b>	<b>34,091</b>	<b>24,763.8</b>	<b>34,624</b>	<b>24,851.44</b>	<b>35,265</b>	<b>25,215.05</b>



# Geographic Reach of the Company

GRI 2-1, 2-6

PJSC Rosseti South unites the distribution grid complexes of the Southern Federal District of the Russian Federation: the Republic of Kalmykia, as well as the Astrakhan, Volgograd and Rostov Oblasts.

The executive office is located in Rostov-on-Don.



No changes were made to the organisational structure of PJSC Rosseti South in 2023. As of 31 December 2024, the organisational structure of PJSC Rosseti South, approved by the Company's Board of Directors on 14 February 2022 (Minutes No. 466/2022 dated 17 February 2022) is in effect.

## Culture of Russia federal target programme



### Construction of a 100-seat cultural centre in the village of Raznochinovka, Narimanovsky District, Astrakhan Oblast

The long-awaited cultural centre was built thanks to the national Culture project and the United Russia political party's programme. Along with a 100-seat auditorium, which will host various meetings, festivals, concerts and other events, the new House of Culture has a library, museum and hobby & club areas. Currently, the House of Culture is open not only to local residents but also to their neighbours from nearby settlements.

## Information on the regions of operation

### Astrakhan Oblast

📍 **49.024** ths km  
👤 **946,429**

Branch of PJSC Rosseti South — Astrakhanenergo  
19 Sovetskaya Militsiya St., Astrakhan, 414000

### Volgograd Oblast

📍 **112.877** ths km  
👤 **2,453,898**

Branch of PJSC Rosseti South — Volgogradenergo  
15 Lenin Ave., Volgograd, 400066

### Rostov Oblast

📍 **100.967** ths km  
👤 **4,152,518**

Branch of PJSC Rosseti South — Rostovenergo  
49/42 Bolshaya Sadovaya St., Rostov-on-Don, 344002

### Republic of Kalmykia

📍 **74.731** ths km  
👤 **266,770**

Branch of PJSC Rosseti South — Kalmenergo  
Northern industrial zone-1, Elista, Republic of Kalmykia, 358007

### Krasnodar Krai

Branch of PJSC Rosseti South — Kubanenergo  
12 Mira St., Kabardinka village, Gelendzhik, 353480



# Business Model

GRI 2-6

Rosseti South is part of the world's largest energy system — Rosseti Group of Companies

## STRATEGIC GOALS



To promote the reliability and quality of energy supply at the specified level



To increase total shareholder return



To ensure resilience to changes in the global and local electricity market

## CAPITAL

### PRODUCTION CAPITAL

Installed capacity  
**25,215.05 MVA:**

- 35-220 kV SSs – **19,207 MVA**
- 6-10(35)/0.4 kV SSs – **6,008.01 MVA**

Length of OTLs by circuit  
**165,287 km**

Length of cable lines  
**3,523 km**

### KNOWLEDGE-BASED CAPITAL

R&D results –  
**RUB 32,227 million**

### FINANCIAL CAPITAL

Shareholders' equity – **RUB 12,368.3 million**

Borrowed capital – **RUB 35,281.3 million**

Amount of financing of the investment programme  
**RUB 6,569 million**

### HUMAN CAPITAL

Average headcount  
**12,956 people**

Investments in staff development  
**RUB 110.7 million**

## ACTIVITIES

### ELECTRICITY TRANSMISSION

**148,510** consumers – legal entities

**970,773** consumers – individuals

**27,989** million kWh – delivery to the grid

**25,485** million kWh – delivery from the grid

### ELECTRICITY SALES

**4,282** consumers – legal entities

**51,580** consumers in the Households category

### GRID CONNECTION

**1,272 MW** capacity of existing contracts

**7,642** number of existing contracts

### OTHER ACTIVITIES

Additional (non-tariff) services

**18,000** number of applications for additional services

## FINACIAL RESULTS

### REVENUE



 **RUB 48,066 million excluding VAT**  
Electricity transmission

 **RUB 1,450 million**  
Electricity sales

 **RUB 1,002 million excluding VAT**  
Grid connection

### EBITDA

**RUB 8,240 million**

## VALUE CREATED FOR STAKEHOLDERS

### CONSUMERS

**115 MVA** of capacity commissioned  
**681 km** of power transmission lines built  
**16,340** contracts completed  
**481 MW** – capacity connected

### SOCIETY

**RUB 45.5 million** – environmental protection costs

### EMPLOYEES

**RUB 68,403** – average salary of employees  
**RUB 412.1 million** – occupation safety costs  
**RUB 28.1 million** allocated to provide material assistance to employees  
**6.1%** – active staff turnover

### SUPPLIERS AND CONTRACTORS

**929** purchases made  
**RUB 39.5 billion** – total amount of purchases

# Highlights of the Year

The Company maintains a reliable and uninterrupted power supply to consumers.

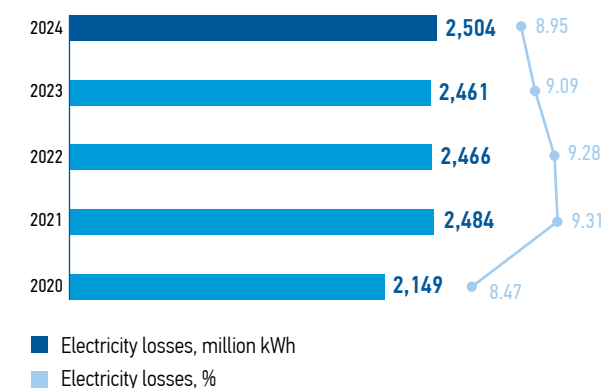


## Electricity transmission and losses

Indicators	2022	2023	2024
Delivery to the grid, million kWh	26,587	27,062	27,989
Delivery from the grid to consumers and TGOs, million kWh	24,121	24,601	25,485
Losses on the grids, %	9.28	9.09 <sup>1</sup>	8.95

PJSC Rosseti South was the first to initiate work on establishing court practice regarding the recovery of payments for unjust enrichment of electricity consumers who interfered with the operation of the Company's smart electricity meters installed at the boundary point.

### Changes in electricity losses in 2020–2024



## 8.95%

level of electricity losses in 2024  
(down 0.15 p.p. year-on-year)

According to the results of 2024, PJSC Rosseti South achieved an average electricity meter reading rate of 95.67%, which is the highest indicator among all PJSC Rosseti subsidiaries. These results were achieved thanks to an increase in the FTEs of metering engineers at Rosseti South's branches, as well as daily monitoring and analysis of meter reading levels, identification of possible reasons for missing readings, and prompt decisions on how to restore readings.

## 95.67%

average electricity meter reading rate in 2024

<sup>1</sup> Taking into account the rise in electricity losses due to the increase in the net power flow from the FGC grids to the Astrakhanenergo branch, as well as the growth in load losses of electrical energy at the Kalmenergo branch, caused by the transfer of electricity generated by renewable energy sources to neighbouring regions of the Russian Federation – the Rostov Oblast and the Stavropol Krai.



### General Education School (for 1,280 students) in Volgograd

The project is run under the regional Modern School project, which is part of the national Education project. The school varied-height building (two to four floors), was constructed in a promising development area on Kortoyeva Street. The brand-new school has 51 spacious classrooms, two gyms, an auditorium for 700 people, a theatre studio, language labs, a library, and other functional rooms. The surrounding area was well landscaped. The school is kitted out with state-of-the-art equipment. The building is designed to provide a comfortable learning environment for children with physical disabilities.

## Grid connection

The Company's revenue from grid connection services in 2024 totalled RUB 1,002 million, excluding VAT, against the plan of RUB 797 million, excluding VAT. The growth against the plan was 26%.

The variation in the figure is explained by the fact that revenue volumes in the 'up to 150 kW' grid connection categories exceeded the projected values.

## RUB 1,002 million, excluding VAT

the Company's revenue from grid connection services in 2024

### Changes in grid connection indicators

#### Number of contracts signed, contracts



#### Capacity, MW







The second phase of the project to provide electricity to the Bagaevsky hydroelectric complex, which is underway in the Rostov Oblast, involves Rosseti South reconstructing a 110 kV substation. Upon completion of the work, the power capacity of the energy facility will increase from 16.3 to 20 MVA. The Bagaevsky hydroelectric complex is one of the largest transport infrastructure projects being built in the Rostov Oblast as part of a state contract. The aim of the project is to improve transport accessibility and working conditions for the region's water management complex, as well as to ensure the reliability and safety of large-tonnage navigation on the Lower Don. The hydroelectric complex will be commissioned in several stages between 2025 and 2026.

## Preparedness to respond to potential process-related disruptions

Regardless of the time of year and weather conditions, Rosseti South's employees are prepared to respond to potential process failures: 670 teams (3,398 people, 1,671 units of equipment), including 44 mobile teams (263 people and 115 units of equipment), are prepared for emergency recovery work and large-scale outages, and can be sent out to help other subsidiaries and affiliates of PJSC Rosseti, if necessary. Moreover, 209 emergency repair crews of contractors can be involved in power supply restoration. There are 333 reserve power supply sources with a total capacity of 13.9 MW.

For the day-to-day management of personnel and resources, control centres were set up in the executive office, in the branches of PJSC Rosseti South, and in the power grid regions. Administrative and reference documents were drafted and are kept up to date. Training in natural and man-made emergency prevention and response is arranged on an ongoing basis with the involvement of 100% of the management and other personnel of PJSC Rosseti South.

Eight joint exercises were held with the headquarters for ensuring the security of power supply in the constituent entities of the Russian Federation, territorial executive authorities and local governments, the Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters, and housing and utilities organisations to practice emergency response skills.

**670 teams**  
are prepared for emergency recovery work and large-scale outages

## Reduction in process-related disruptions

The number of accidents on the 0.4 kV and higher grid in 2024 dropped by 6% year-on-year (15,783 accidents in 2023 to 14,792 accidents in 2024).

The specific accident rate in 2024 fell by 7% year-on-year.

**7%**  
reduction in specific accident rate in 2024

### Production indicators in terms of reliability and fire safety

Indicators	UoM	Period			
		2022 actual	2023 actual	2024 actual	Δ 2024/2023, %
1	2	3	4	5	6
Reliability indicators for the power grid complex					
I <sub>saidi</sub>	h	3.251	3.418	3.388	−1
I <sub>saidi</sub>	-	2.123	2.289	2.146	−6
Number of disturbances (emergencies) in the 110 kV and above grid	-	840	1,001	908	−9
Fire safety					
Number of fires	-	2	1	12	12x growth



A branch of Rosseti South, Rostovenergo, provided electricity to a new school in the Tsimlyansky District of the Rostov Oblast, built under the regional state programme for the development of education. The maximum power capacity provided is almost 150 kW.

The 200-strong educational institution was commissioned in Krasnoyarskaya stanitsa in October 2024. To electrify the school, power engineers built two segments of 0.4 kV and 10 kV OTLs and installed a packaged transformer substation with a capacity of 400 kVA. The consumer terminals of a 90-place kindergarten, which is being built next to the school, will also be connected to this transformer substation.

## Key results in 2024

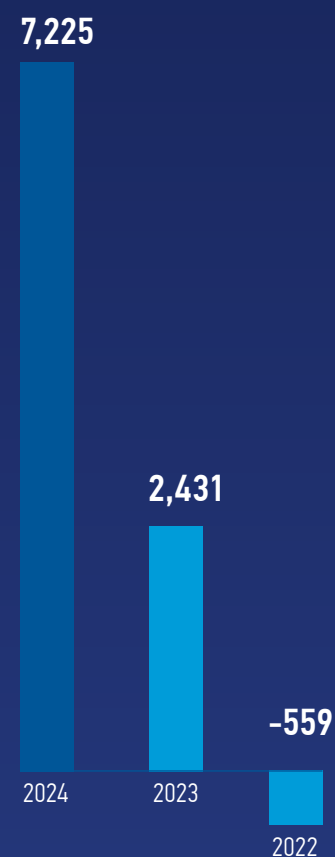
**RUB 6.6 billion**  
investment funds allocated by Rosseti South in 2024 for the development of the power grid complex in the regions where it operates

**+3.6%**  
year-on-year increase in the volume of net electricity delivery from the distribution grid in the regions where Rosseti South operates

**RUB 8.9 billion**  
transferred by Rosseti South to budgets and extrabudgetary funds in 2024 as a result of its financial and economic activities

up to **RUB 7,225 million**  
rise in profit in 2024 (compared to RUB 2,431 million in 2023)

Net profit, RUB million



**~6,700**  
bird diverters installed by Rosseti South in 2024 on overhead transmission lines in the regions where the Company operates, up 21% year-on-year

**~ RUB 3 billion**  
allocated by Rosseti South in 2024 to the maintenance and repair of the power grid system in the regions where it operates, up 16% year-on-year

## Events of the Year

### 15.01

Specialists from Rosseti South – Astrakhanenergo increased the power supply capacity from 250 to 400 kVA for a unique mineral extraction enterprise in the Chernoyarsky District of the Astrakhan Oblast. The work carried out will enable the plant to connect new energy-intensive equipment and ramp up production.

### 14.02

Rosseti South restored power to all power supply centres in areas of the Rostov Oblast affected by the ice storm. A total of 102 teams were involved in the work, including power engineers from neighbouring regions: 378 specialists and 138 units of specialised machinery.

### 3.05

Occupational safety specialists in the Astrakhan Oblast learned from their colleagues at Rosseti South. A meeting of the Astrakhan Oblast Occupational Safety Club, established with the support of the Federation of Independent Trade Unions of Russia, brought together 30 experts from 16 key enterprises in the region.

### 14.05

Specialists from the Rosseti South branch, Volgogradenergo, installed approximately 160 bird diverters on a 10 kV OTL running through the Tsimlyansk Sands Nature Park.

### 20.05

Rosseti South completed the first stage of the project to provide electricity to the Bagaevsky hydroelectric complex in the Rostov Oblast.

### 23.05

The results of the Open Spartakiad Games for Energy Workers of the South were announced in the village of Divnomorskoye, Krasnodar Krai, which was attended by teams from Rosseti South and Rosseti Kuban.

### 31.05

On 29–31 May, the XXVIIth All-Russian Scientific and Technical Conference was held in the village of Divnomorskoye, Krasnodar Krai, bringing together 150 participants, including energy specialists from Rosseti South and nearly 50 domestic manufacturing companies.





## 3.06

Specialists from the Rosseti South branch— Volgogradenergo completed the overhaul of the Surovikino-220 – Suvorovskaya 110 kV OTL, which is approximately 80 km long and supplies electricity to 40,000 residents of the Surovikinsky District.

## 5.06

Specialists from Rosseti South – Volgogradenergo connected a new school in the Dzerzhinsky District of Volgograd to the power grid. The facility was built under the National Education Project.

## 20.06

During the renovation of the Nachalovo 35 kV substation, specialists from the Rosseti South branch, Astrakhanenergo, installed a new 16 MVA transformer.

## 8.07

Energy specialists from the Rosseti South branch, Astrakhanenergo, provided the power supply for a hotel and tourist complex currently under construction in the Kamyzyaksky District of the Astrakhan Oblast, which is the largest in the region.

## 12.07

Specialists from Rosseti South – Volgogradenergo completed repairs at the 35 kV substation that supplies electricity to part of the industrial zone in Volzhsky, Volgograd Oblast.

The stable operation of the power facility is crucial for the reliable power supply of the shipbuilding and ship repair plant, as well as several large supermarkets in the satellite city.

## 18.07

The Rosseti South branch, Volgogradenergo, provided additional power to GRASS, one of Russia's largest manufacturers of automotive chemicals, car care products and detergents. The amount of power supplied to the enterprise was 2.5 MW. Additional power capacity will ensure uninterrupted operation of new bottling lines, a container production workshop, and an automated finished product warehouse.

## 30.07

Specialists from the Rosseti South branch, Astrakhanenergo, set up street lighting systems for crossings near schools and kindergartens in the Volodarsky District of the Astrakhan Oblast.

## 5.08

The Russian Ministry of Energy extended the status of PJSC Rosseti South as a guaranteeing electricity supplier in the Republic of Kalmykia, except for the city of Elista.



## 7.08

In January-June 2024, more than 1.7 billion kWh of renewable energy was supplied to the distribution grids of Rosseti South branches. In the total structure of delivery to the grid, the share of green energy was 12.6%.

## 30.09

Rosseti South, within its catchment area (Rostov, Volgograd, and Astrakhan Oblasts and the Republic of Kalmykia), is recognised by regional leaders as a systemic territorial grid organisation (STGO). This status will enable Rosseti South to effectively implement a unified technical and operational policy and synchronise the introduction of industry technologies and equipment in the regions where it operates.

## 3.10

Specialists from the Rosseti South branch, Volgogradenergo, installed over 180 bird diverters on 10 kV PTL poles passing through the Eltonsky and Shcherbakovsky nature parks.

## 18.10

Rosseti South ranked third among Russian power grid companies in terms of social responsibility. The data was published by the AK&M rating agency based on the results of 2023.

## 18.11

Rosseti South – Volgogradenergo jointly organised a discussion platform for the PROM-ENERGO-VOLGA'2024 interregional forum in Volgograd. The event focused on the introduction of a systemic territorial grid organisation in the region's energy sector.



Rosseti South and Green Energy Rus signed a deal to buy and sell green certificates for electricity. Thus, Rosseti South became the only grid company of the Rosseti Group to register with the national energy certification system, LLC Energy Certification Centre.

## 24.12

Specialists from the Rosseti South branch, Astrakhanenergo, completed the renovation of the Nachalovo substation in the Privolzhsky District of the Astrakhan Oblast ahead of schedule. This power centre supplies electricity to over 30,000 residents.

## 28.12

Alexey Rybin appointed General Director of PJSC Rosseti South following the decision of the Board of Directors of the Company.

## Events after the reporting date

### 10.01.2025

An internal audit of PJSC Rosseti South confirmed compliance with the International Professional Standards and Code of Ethics of the Institute of Internal Auditors.

### 28.01.2025

Rosseti South completed the grid connection of the Bogdinskaya solar power plant in the Astrakhan Oblast.

In the first quarter of 2024, the energy system of the Rosseti South branch, Kalmenergo, received approximately 218 million kWh of renewable energy from solar and wind power plants. This is approximately 89% of the republic's total energy consumption during this period.

This amount of green energy could nearly entirely satisfy the demand of the region.



ENERGISING THE LIFE

# TO ENVISION THE FUTURE

## STRATEGIC REPORT

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**7.1%**

operating profit margin  
in 2024 (target 5.6%)

**8.9%**

operating profit margin  
target for 2026





# Market Review

## Macroeconomic trends in the reporting year

### Factors that determine the state of the Russian economy as a whole and have an impact on the electric power industry

Electricity generation by the UES of Russia power plants in 2024 totalled 1,180.7 billion kWh, up 4.1% year-on-year. The volume of electricity consumption within the UES of Russia in 2024 was 1,174.1 billion kWh, up 4.7% year-on-year.

As of year-end 2024, the average annual consumer price index stood at 108.5%, compared to 105.9% as of year-end 2023. The overall inflation rate for 2024 reached 9.52%, compared to 7.42% in 2023. According to the regulator's projections, rate of price growth will stand at 7.0% in 2025.

Russia's GDP for 2024 amounted to RUB 200 trillion. The index of physical volume of GDP relative to 2023 is 104.1%. The GDP deflator index for 2024 against 2023 prices was 108.9%. The industrial production index in 2024 compared to 2023 was 104.6%.

Another factor determining the state of the Russian economy as a whole and affecting the electric power industry is the Bank of Russia's key rate, which rose by 5 points in 2024.

### Forecast for ensuring sustainable development of the economy and the electric power industry in 2025

The forecast for social and economic development for 2025–2027 by the Russian Ministry of Economic Development takes into account the following trends:

- ▶ Higher global oil prices compared to the level projected in spring 2024
- ▶ Weakening of the rouble against foreign currencies
- ▶ Competition for personnel in the labour market and the associated growth in wages and cash income of the population
- ▶ Sustained investment activity
- ▶ Outpacing growth in manufacturing output, mainly driven by sectors focused on domestic demand (both consumer and investment ones)

As a result, growth estimates for GDP and a number of its components for the forecast period were improved. At the same time, estimates of cumulative GDP growth for 2024–2027 rose to 12.5% (10.3% under the scenario conditions).

The primary driver of economic growth will be domestic demand, both consumer and investment, which will be satisfied through the development of the supply-side economy and the consistent achievement of the targets set out in Decree of the President of the Russian Federation No. 309 dated 7 May 2024 'On the National Development Goals of the Russian Federation until 2030 and Beyond to 2036. For the 2025–2027 period, fixed capital investment is projected to grow by an average of 2.1–3.3% per year after a high baseline in 2021–2024. Investment activity will boost the supply of domestic goods and enable growing consumer demand to be met in the medium term.

## Company's position in the industry

### GRI 2-6

The Company was included in the register of subjects of natural monopolies in the fuel and energy complex, which are subject to state regulation and control through setting tariffs for electricity transmission services and services for connection consumers to the electric power grids of the Company.

Since January 2025, PJSC Rosseti South has been operating as a systemic territorial grid organisation (hereinafter referred to as STGO). Since 2025, PJSC Rosseti South has been performing the function of STSO in four regions within its catchment area (in Astrakhanenergo, Volgogradenergo, Kalmenergo and Rostovenergo branches) for the period from 2025 to 2029.

The STGO status means that, starting from 1 January 2025, PJSC Rosseti South becomes the single centre responsible for ensuring reliable and uninterrupted power supply to consumers. Whereby, payment for electricity transmission services by consumers of services shall be made exclusively to the STGO.

The Company's services are mainly consumed by electricity retailers, entities of the wholesale and retail electricity markets, and local grid operators.

Most of the electricity supplied to consumers within the service area of PJSC Rosseti South passes through the electric power grids of the Company.

In 2024, the total revenue of PJSC Rosseti South amounted to RUB 51,265 million, including 93.8% from electricity transmission, 1.9% from grid connection, 2.8% from electricity sales services, and 1.5% from other activities.

### Data used:



[Russian Statistics Agency website, Consumer Price Index](#)



[Russian Statistics Agency website, About the Consumer Price Index in December 2024](#)



[Website of the Russian Ministry of Economic Development, Forecasts of Socio-Economic Development of the Russian Federation for 2024 and the Planning Period of 2025 and 2026](#)



[Website of the Bank of Russia, Macroeconomic Survey of the Bank of Russia](#)



[Website of the Bank of Russia, Key rate of the Bank of Russia](#)



[Website of the Bank of Russia, Inflation expectations and consumer sentiment](#)

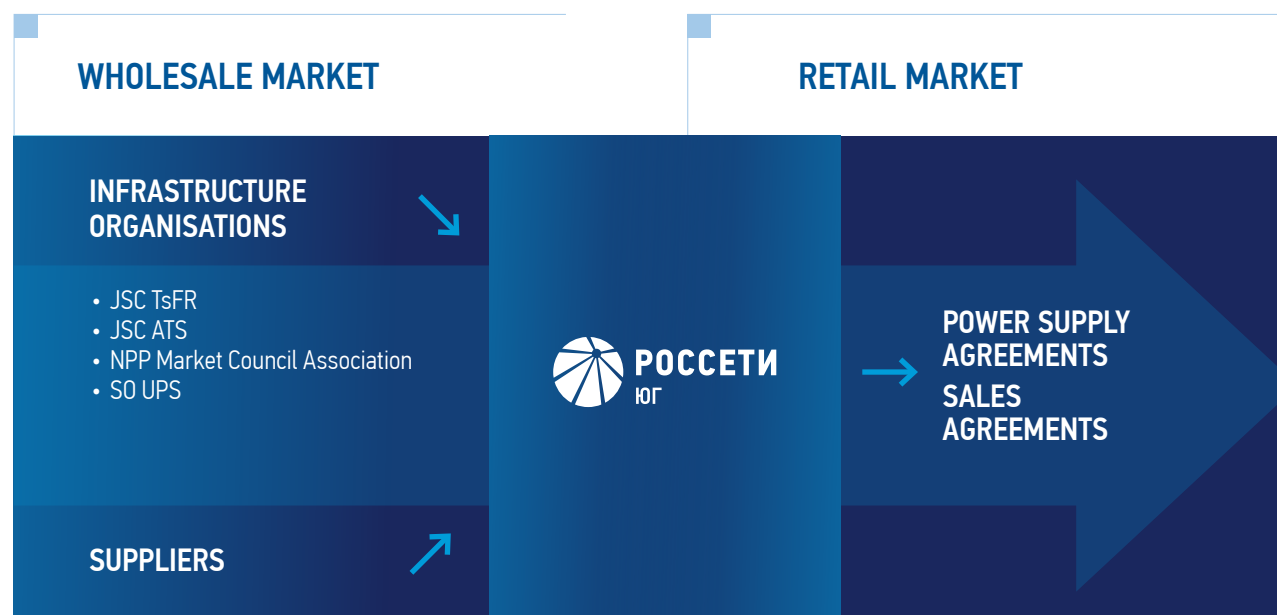


[Website of JSC System Operator of the Unified Energy System](#)

## Structure of revenue and profit by business lines and region

Branch	Total revenue, RUB million	Share in the total revenue, %	Grid-wide services (electricity transmission)	Share in the total value across Rosseti South, %	Grid-wide services (grid connection)	Total share across Rosseti South, %	Electricity and capacity resale	Total share across Rosseti South, %	Other services	Total share across Rosseti South, %
Astrakhanenergo	7,605	14.8	7,229	15.0	302	30.2	–	0	73	9.8
Volgogradenergo	13,099	25.6	12,671	26.4	164	16.4	–	0	264	35.3
Kalmenergo	3,323	6.5	1,804	3.8	49	4.9	1,421	98.0	48	6.5
Rostovenergo	27,147	53.0	26,361	54.8	487	48.6	–	0	299	40.1
Kubanenergo	61	0.1	0	0.0	0	0.0	–	0	61	8.1
Executive Office	31	0.1	0	0.0	0	0.0	29	2.0	2	0.3
<b>TOTAL</b>	<b>51,265</b>	<b>100.0</b>	<b>48,066</b>	<b>100.0</b>	<b>1,002</b>	<b>100.0</b>	<b>1,450</b>	<b>100.0</b>	<b>747</b>	<b>100.0</b>

## Liaison mechanism of PJSC Rosseti South acting as a guaranteeing supplier with entities of the wholesale and retail electricity (capacity) markets



## Impact of external sanctions on the adjustment of the Company's strategy

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.

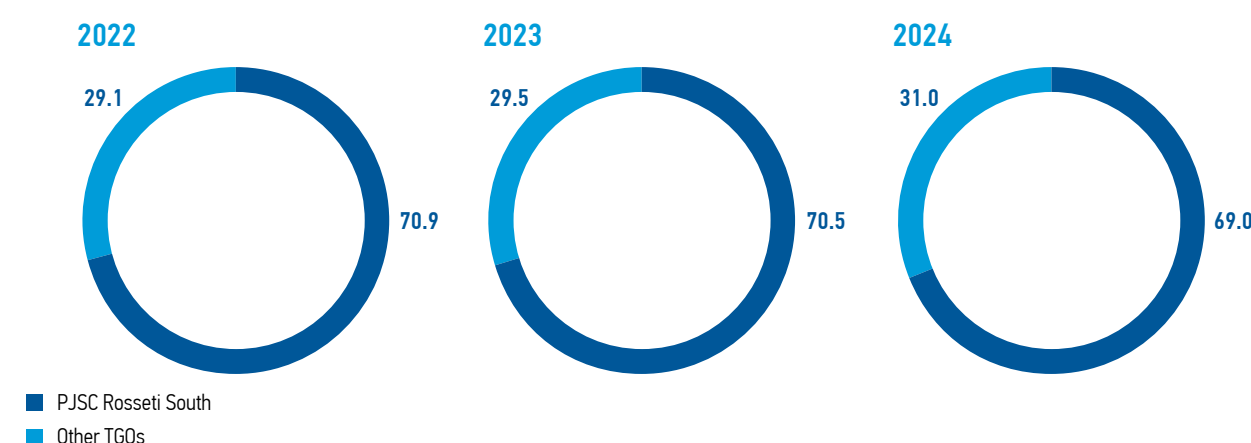
## Main competitors of the Company

The Company's competitors are relatively small TGOs within its catchment area. It is important to note that smaller competitors are at the local level, are tied to certain municipal districts, and have a little impact on the issuer's business. The likely major competitors are JSC Donenergo in the Rostov Oblast, MUE Astrakhan Gorelektroset in the Astrakhan Oblast, CJSC Volgogradoblectro in the Volgograd Oblast due to their coverage area and a single rate of grid connection tariffs. However, due to the existing division of territorial responsibility

of TGOs in terms of providing services, including grid connection of consumers, the above-mentioned companies have extremely limited market power.

In addition, to measure the attractiveness of investing in shares of PJSC Rosseti South in the stock market, the Company is usually compared with other interregional distribution grid companies, although the legal entities are not competitors and, moreover, are subsidiaries of PJSC Rosseti.

## PJSC Rosseti South's market share in the regions of presence<sup>1</sup>, %



The year-on-year decline in the share of PJSC Rosseti South is mainly driven by higher RGR on existing TGOs due to an increase in the number of conventional units of equipment. The lower share of PJSC Rosseti South in 2024 compared to 2023 was also a result of changes to the Guidelines on the use of actual CPI approved by Order of the Federal Tariff Service No. 98-e dated 17 February 2012.

In 2024, there were 45 TGOs operating in the regions serviced by PJSC Rosseti South. In 2025, following the entry into force of Federal Law No. 185-FZ dated 13 April 2024 and Resolution of the Government of the Russian Federation No. 184 dated 28 February 2015 'On the classification of owners of power grid facilities as territorial grid organisations', 24 companies retained their TGO status.

The market share of PJSC Rosseti South in 2025 in the regions where it operates was 75.5%.

<sup>1</sup> Market share is calculated from tariff and balance solutions on setting unified (common pot) tariffs for the constituent entity of the Russian Federation (in terms of RGR for grid maintenance).



# Mission and Strategic Priorities

GRI 2-23, 2-24

The mission of PJSC Rosseti South is to ensure reliable and high-quality electricity supply for the growing needs of the economy and the social sector at economically justified charges for services provided to consumers.

The Company seeks to increase its investment attractiveness through efficient and effective operations, improve information transparency and maximise the market value of its securities.

The development plans of the Company are based on the Development Strategy for the Power Grid Complex of the Russian Federation, approved by Order of the Government of the Russian Federation No. 511-r dated 3 April 2013.

## Development prospects in the regions of operations

In order to achieve the Company's strategic goals in 2024, efforts were made in the following areas:

- ▶ Customer-oriented policy and higher availability of the power grid infrastructure
- ▶ Coordination of the procedure for concluding and following-up agreements between the administrations of constituent entities of the Russian Federation within the area of responsibility of the Company and PJSC Rosseti

- ▶ Assessment of grids expansion topology and forecasting of the power and electricity demand
- ▶ Efficient planning of the power grid expansion through the lens of the socio-economic trending and alternations in land use planning of regions
- ▶ Renovation and retrofitting of the power industry facilities
- ▶ New construction of power grid facilities
- ▶ Energy efficiency and energy saving



Opened in the Chernyshkovsky District of the Volgograd Oblast, a new paramedic and midwifery station was connected to the power grid of Rosseti South.

Under the National Health Care Project, a new paramedic and midwifery station was built in the Sizov khutor, home to 750 people, to replace the existing one, which had become obsolete. Now, residents of the khutor can receive qualified primary medical care without having to travel 30 km to the district centre.

# Key Performance Indicators (KPIs) and Functional Key Performance Indicators (FKPIs)

The system of key performance indicators and functional key performance indicators (henceforth referred to as KPI and FKPI, respectively) used inside the Company are used to evaluate the attainment of the Company's priority development goals.

Since 2023, the KPI system of Rosseti Group has been shaped in line with Order of the Government of the Russian Federation No. 3579-r dated 28 December 2020 (hereinafter referred to as Order No. 3579-r).

In accordance with Order No. 3579-r, the system of key performance indicators is divided into two groups: key performance indicators (hereinafter referred to as KPIs) and functional key performance indicators (hereinafter referred to as FKPIs). Herewith, KPIs are indicators linked to the Company's strategic documents, which are used to assess the performance

of the Company's entire management team (head, deputy heads, chief accountant), while FKPIs are individual indicators set for the Company's officials personally, with due regard to the specifics of the Company's business lines supervised by them.

The KPI and FKPI system applied in the Company is interrelated with the size of the variable part of management remuneration (50% of incentive payments for KPI achievement, 50% of incentive payments for FKPI achievement): each of the indicators has a specific weight in the volume of bonuses paid, annual bonuses are paid subject to accomplishment of the respective indicators.

**Rosseti South began renovation of the 35 kV substation in Rostov-on-Don. This power supply centre provides electricity to residents of the central and western parts of the Don capital city, large enterprises, including concrete products manufacturing for the construction industry.**

The renovations involved installing two new transformers with a total capacity of 8,000 kVA to replace the existing 2,000 kVA transformers and replacing the switchgear. As a result, the substation's capacity will quadruple. Built in 1982, the energy facility is used by another grid operator to transport electricity and has already reached the end of its service life. The upgrading of the power supply centre is scheduled for completion in 2025. The project, once done, will make the power supply more reliable and of better quality, and open up more options for connecting new users in Rostov-on-Don.

Indicator	Method of calculation	Weight in the remuneration system/bonus reduction percentage for 2024, %	UoM	Target/threshold value for 2024	Value achieved in 2024¹	Assessment of achievement in 2024 (% achieved/not achieved)²	Reasons for underachievement	Target for 2025	Target for 2026³	
FINANCIAL AND ECONOMIC KEY PERFORMANCE INDICATORS										
Return on invested capital (ROIC)	Ratio of operating profit adjusted for impairment/(reversal of impairment) of fixed assets, revenue from grid connection services, and accrual/(reversal of) provision for expected credit losses to the sum of average equity and long-term loans and borrowings	10	%	12.7	15.7	120 achieved	–	13.9	17.5	
Operating profit margin	Ratio of operating profit adjusted for impairment/(reversal of impairment) of fixed assets and revenue from grid connection services to revenue, minus revenue from grid connection services	20	%	5.6	7.1	120 achieved	–	7.0	8.9	
Net profit without impairment and grid connection	Net profit without impairment and grid connection profit/(loss) adjusted for impairment/(reversal of impairment) of fixed assets and revenues from grid connection services (including relevant income tax)	20	RUB '000	–1,370,185	–72,971	120 achieved	–	222,038	1,646,588	
INDUSTRY-SPECIFIC KEY PERFORMANCE INDICATORS										
Level of electricity losses	Ratio of the volume of electricity losses in the Company's grids (calculated as the difference between electricity delivered to the grid and electricity delivered from the grid and domestic consumption) increased by the amount of differences for previous periods, settled against the Company, to the electricity delivered to the grid for the reporting period	15	%	9.59	9.24	104 achieved	–	9.57	9.55	
Readiness for heating season	Indicator that estimates the readiness of the Company to work during the heating season, based on monthly monitoring by the Ministry of Energy of Russia	20	-	1	1	100 achieved	–	1	1	
Compliance with commissioning schedule	Ratio of the total actual volume of commissioning of fixed assets in the reporting year derived from the progress report on the Company's investment programme (in monetary terms, on the basis of the date when the construction completion certificate is signed off by the acceptance commission) to the planned one in accordance with the approved investment programme and implementation schedule	15	%	93.5	104.7	112 achieved	–	95.0	95.0	
BONUS REDUCTION INDICATORS										
Maximum amount of differences in the amount of losses at the end of the reporting period (year)	Bonus reduction indicator, the size of which is calculated as the share of differences at the end of the reporting period (year) (not settled as of the end of the second month of the year following the reporting period) not covered by actional work, relative to the volume of electricity losses in the Company's grids	–10	%	3.50	0.0	achieved	–	3.50	3.50	
Violation of the transactions procedure	The indicator assessing the absence of violations in the execution of major transactions, as well as related-party transactions and transactions requiring approval under the Company's Articles of Association	–10	number	0	0	achieved	–	0	0	
Timely execution of corrective action plans (CAPs)	The indicator assessing whether the Company fulfilled its CAPs in the reporting period, with the CAPs being developed and approved by the Company based on the results of control measures taken in relation to the Company and audits conducted by auditing commissions	–10	%	90	100	achieved	–	90	90	
INDICATIVE INDICATORS										
Achievement of the Efficiency of Grid Connection Procedures of the National Investment Climate Rating	The indicator is determined on the basis of the achievement of benchmarks for the Efficiency of Grid Connection Procedures of the National Investment Climate Rating in the constituent entities of the Russian Federation within the Company's operational responsibility area	Indicative indicator		%	100.0	100.0	achieved	–	100.0	100.0

<sup>1</sup> For 2024, shows the expected achievement of KPIs and FKPs, taking into account the timing and preparation procedure of reports that provide initial data for calculations. The final actual values are to be approved by the Board of Directors of PJSC Rosseti South.

<sup>2</sup> If the KPI achievement rate exceeds 120%, the percentage equal to 120% is specified; if the achievement rate is under 80%, the percentage of achievement equal to 0% is specified.

<sup>3</sup> The scope and target values of the indicators were approved by the decision of the Board of Directors of PJSC Rosseti South dated 23 December 2024 (Minutes No. 598/2024 dated 23 December 2024) and are subject to revision (if necessary) by decision of the Board of Directors of the Company, taking into account the requirements of the Standard Procedure for Calculating KPIs and FKPs for the management of subsidiaries of PJSC Rosseti approved by Order of PJSC Rosseti No. 171 dated 3 April 2025.



# Key Risks

## Risk assessment methodology

Risk assessment shall comply with the Company's Risk Assessment and Monitoring Policy (Order No. 15 dated 15 January 2024).

The impact of risks on the Company's activities is assessed at three levels of materiality, which provide a summary assessment of the probability and consequences of the risk materialising.

- M Moderate** risk does not have any material negative impact on financial and economic performance, but requires continuous monitoring for timely identification of possible increase in risk materiality.
- S Significant** risk, once realised, may lead to significant deviations in key performance indicators, short-term suspension of operations, downgrade of independent ratings, negative publicity of operations.
- C Critical** risk, once realised, may lead to failure to achieve the goals set by the governance bodies, long-term business interruptions, negative publicity of the Company's activities and a decrease in the market quotation of the Company's shares.

Risk ID	Risk	Risk materiality		Risk management
		(beginning of period) 2024	(as of year-end) 2024	
CP 1	Failure to achieve power supply reliability targets	S	S	<ol style="list-style-type: none"> <li>Repairs of facilities based on their technical condition, taking into account risks and shutdown data. Implementation of measures on taking control readings of electricity meters with the involvement of additional personnel.</li> <li>Continuous professional development of personnel and practical training in safe working practices and methods, including the development of safe behaviour in the workplace and the prevention of hazardous situations.</li> <li>Development and updating of provisions on technological interaction with related electric power engineering entities.</li> <li>Public awareness campaigns via the media about the dangers of approaching and being in electrical installations, the inadmissibility of violating electrical safety regulations, conducting electrical safety lessons in children's institutions, and installing the necessary safety signs and placards.</li> <li>Organisation of selective follow-up of measures taken based on the results of investigations into process disruptions (accidents).</li> </ol>
CP 2	Deterioration of macroeconomic conditions affecting the Company's operations	S	S	Where there is an actual decrease of over 30% in the volume of electricity transmission services provided compared to the approved parameters of the business plan for the current reporting period (year) due to objective geopolitical, macroeconomic, man-made, natural and other factors, it shall initiate a change in the approved parameters of the Company's business plan for the current year in terms of reducing the volume of electricity transmission services provided.
CP 4	Failure to achieve the Digital Transformation Strategy targets	S	S	<ol style="list-style-type: none"> <li>Monitoring of information resources, regular interaction with leading manufacturers of domestic software platforms and solutions in order to assess compliance with the necessary requirements for specific classes of software used in the Company. Working with leading domestic platform and solution providers to create test sites to determine the readiness of their solutions for the Company's needs.</li> <li>Preparation of a business plan for PJSC Rosseti South for the new financial year, making sure to meet the required share of spending on Russian software and related work (services) in the total spending on software and related work (services).</li> </ol>
OP 2	Occurrence of a work-related accident	C	C	<ol style="list-style-type: none"> <li>Working with staff in accordance with the requirements of regulatory legal acts in the field of occupational safety.</li> <li>Provision of personal protective equipment and washing agents that have been certified in accordance with the procedure established by the legislation of the Russian Federation, in accordance with occupational health and safety requirements and established standards for employees engaged in work with harmful and/or hazardous working conditions, as well as work carried out in special temperature conditions or involving contamination.</li> <li>Checking that safe working conditions are in place, that employees follow health and safety rules, and that they use personal and collective protective equipment properly.</li> <li>Implementation of measures under the Comprehensive Programme to Reduce Personnel Injury Risks at PJSC Rosseti South.</li> </ol>

Risk ID	Risk	Risk materiality		Risk management
		(beginning of period) 2024	(as of year-end) 2024	
OP 5	Overrun of the established target value for electricity losses (%)	(C)	(C)	<ol style="list-style-type: none"> <li>Implementation of programmes to reduce electricity losses and programmes to develop smart electricity metering.</li> <li>Scheduling of loss-prevention measures at feeders/transformer substations that are hot spots for electricity losses.</li> </ol>
OP 6	Failure to comply with the deadlines for grid connection	(S)	(S)	<ol style="list-style-type: none"> <li>Making sure the Company meets its obligations under previously signed grid connection contracts.</li> <li>Organisation of control over the timely execution of grid connection contracts (at each stage: development of technical specifications, calculation of grid connection costs, conduct of procurement procedure, conclusion and execution of contracts, execution of grid connection contracts by in-house resources) including automation of grid connection activities.</li> <li>Claims and litigation work to monitor the applicant's compliance with the deadlines for implementing grid connection measures.</li> <li>Timely preparation and submission of materials for approval of the investment programme in accordance with applicable law.</li> <li>Monitoring and conduct of scheduled inspections of grid connection activities.</li> </ol>
OP 7	Failure to comply with the commissioning schedule	(S)	(S)	<ol style="list-style-type: none"> <li>Control over the timing of procurement procedures, conclusion of contracts for the preparation of preliminary permissions, design and survey work, and construction and installation work.</li> <li>Supervision of the fulfilment of contractual obligations by contractors.</li> <li>Control over the implementation of investment project schedules.</li> <li>Checking that the Company's branches carry out commissioning activities in accordance with the Procedure for the commissioning of completed construction projects of PJSC Rosseti South, approved by the Company's Order No. 10 dated 9 January 2020.</li> </ol>
OP 9	Disruption and/or cessation of the functioning of critical information infrastructure facilities as a result of computer attacks	(S)	(S)	<ol style="list-style-type: none"> <li>Administration of information security systems.</li> <li>Timely purchase and renewal of licences for specialised software.</li> <li>Timely maintenance of the Information Security System.</li> <li>Funding for licence purchases and manufacturer's support.</li> </ol>
OP 10	Unauthorised access to confidential information	(S)	(S)	<ol style="list-style-type: none"> <li>Briefing of for newly hired employees.</li> <li>Regulation of processes in the field of confidential information protection.</li> <li>Official investigations into breaches of confidentiality.</li> </ol>
OP 12	Failure to achieve the required staffing levels	(M)	(S)	<ol style="list-style-type: none"> <li>Organisation of staff recruitment (from the external labour market, talent pool).</li> <li>Organisation of staff training.</li> </ol>
OP 1	Failure to achieve the planned level of revenue from electricity transmission services	(S)	(S)	<ol style="list-style-type: none"> <li>Monitoring and forecasting of electricity consumption broken down by voltage levels, by which the price (tariff) for electricity transmission services is differentiated, and by consumer categories, as well as monitoring of physical parameters of the balance of electricity and capacity.</li> <li>Implementation of measures on taking control readings of electricity meters with the involvement of additional personnel.</li> </ol>

Risk ID	Risk	Risk materiality		Risk management
		(beginning of period) 2024	(as of year-end) 2024	
OP 2	Failure to achieve the planned level of revenue from grid connection services	(S)	(S)	<ol style="list-style-type: none"> <li>Regular updating of demand for grid connection under previously concluded contracts.</li> <li>Recognition of applicants' obligations to pay grid connection fees (including advance payments under the payment schedules specified in the grid connection contract).</li> <li>Timely preparation and submission of materials for approval of the investment programme in accordance with applicable law.</li> <li>Monitoring and conduct of scheduled inspections of grid connection activities.</li> </ol>
OP 3	Failure to achieve the planned level of revenue from additional (non-tariff) services	(S)	(S)	<ol style="list-style-type: none"> <li>Execution of activities under the roadmap for the development of additional (non-tariff) services.</li> <li>Development of detailed sales plans for competitive services, work to achieve Rosseti's target indicators for FOCL placement on the Company's power grid facilities. A set of auxiliary solutions was put in place to optimise internal business processes and hit the targets set out in the business plan.</li> </ol>
OP 4	Overrun of uncontrolled operating expenses <ul style="list-style-type: none"> <li>for the purchase of electricity to compensate for losses,</li> <li>for the payment of services for the electricity transmission via TGO, UNPG grids</li> </ul>	(S)	(S)	<ol style="list-style-type: none"> <li>Working with TGOs and FGCs to agree on planned service volumes for the next regulatory period, including declared capacity, for subsequent planning and submission to state tariff regulators.</li> <li>Contacting the executive authorities of the constituent entities of the Russian Federation in the field of state regulation of tariffs in relation to the tariff balance solutions adopted for the current accounting period.</li> </ol>
OP 5	Overrun of other operating (controllable and uncontrollable) expenses	(S)	(S)	<ol style="list-style-type: none"> <li>Verification of contracts being concluded at the stage of their approval for the presence of planned income (expenses) under the contract in the approved income and expense budget of the relevant financial responsibility centre of the Company.</li> <li>Analysis of factors affecting deviations of actual operating expenses from planned targets and taking measures to compensate for the negative impact of external and internal factors on the Company's operating expenses.</li> </ol>
OP 6	Overrun of interest expenses	(S)	(S)	<ol style="list-style-type: none"> <li>Negotiations with representatives of banking organisations on reducing (not increasing) interest rates.</li> <li>Auctioning to attract credit resources, with the total amount of auctions broken down into several lots, establishment of basic lending parameters based on existing conditions in current loan agreements and monitoring of indicative lending rates of banks to attract more participants to the procurement procedures.</li> <li>Quarterly monitoring of compliance with covenant restrictions under loan agreements.</li> </ol>

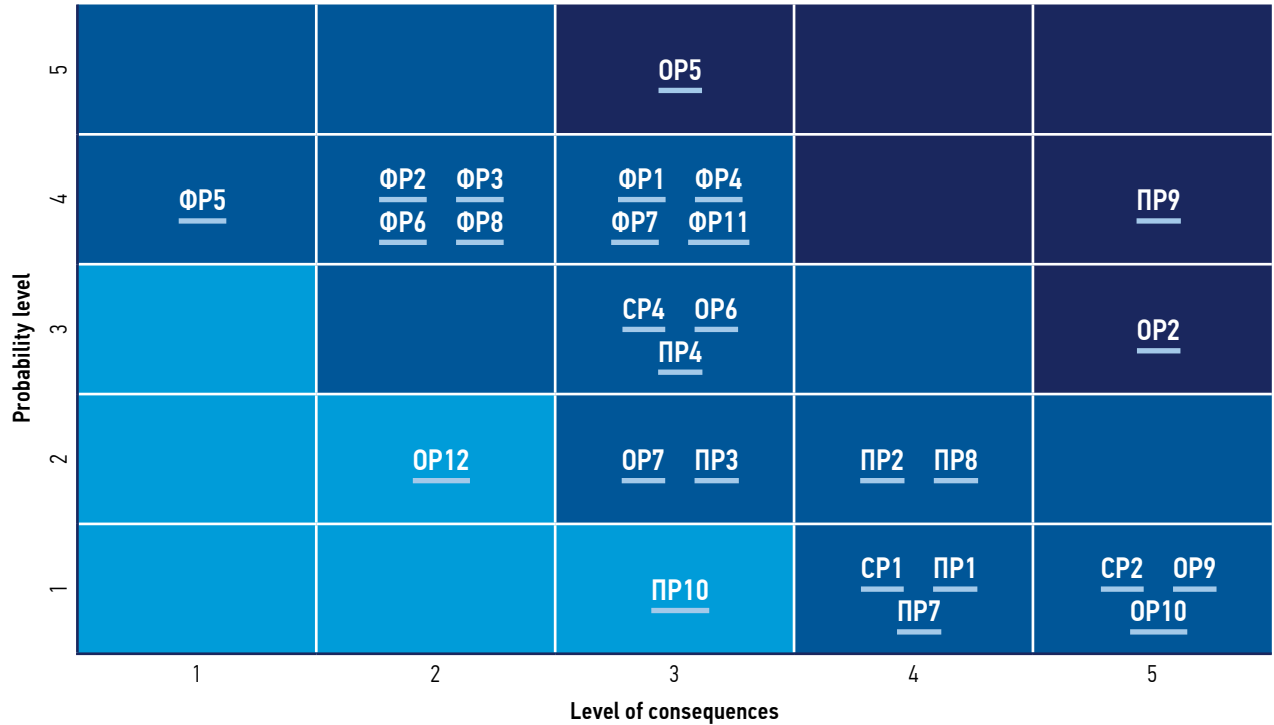


Risk ID	Risk	Risk materiality		Risk management
		(beginning of period) 2024	(as of year-end) 2024	
ФП 7	Overrun of overdue accounts receivable for electricity transmission services	Ⓢ	Ⓒ	<ol style="list-style-type: none"> <li>Imposition of penalties (forfeitures) on counterparties that have violated payment deadlines, as provided for by Federal Law No. 307-FZ dated 30 December 2008 'On Auditing Activities'.</li> <li>Monitoring of payments and coordination of monthly payment schedules with guaranteeing suppliers.</li> <li>Restriction of the consumption regime in respect of counterparties that violate the terms and conditions of concluded agreements on payment for electricity transmission services rendered.</li> <li>Interaction with the Federal Bailiff Service of the Russian Federation in aid of execution, signing of cooperation agreements with the Federal Bailiff Service of the Russian Federation, control over debt repayment within the framework of enforcement proceedings on received court decisions on collection of overdue debts.</li> <li>Initiation of bankruptcy proceedings against debtor companies. Protection of interests in bankruptcy proceedings of debtors.</li> </ol>
ФП 8	Overrun of debt burden level	Ⓢ	Ⓢ	<ol style="list-style-type: none"> <li>Achievement of economically sound tariff balance solutions, taking into account the need to ensure that tariffs are not below the level approved in the business plan.</li> <li>Formulation and implementation of a programme to improve operational efficiency and reduce costs.</li> <li>Implementation of measures to reduce overdue receivables for electricity transmission services and settlement of disagreements, control over achievement of the planned level of electricity payment collection.</li> </ol>
ФП 11	Failure to achieve planned financial results from electricity sales	Ⓢ	Ⓢ	Monitoring and forecasting of electricity consumption broken down by voltage levels, according to which the price (tariff) for the electricity supplied is differentiated, and by consumer categories.
ПП 1	Violation of antitrust legislation	Ⓢ	Ⓢ	<ol style="list-style-type: none"> <li>Monitoring of legislation in the field of the Company's activities and changes in court practice in antitrust cases (issues).</li> <li>Appealing against court decisions that are not in favour of the Company.</li> <li>Inclusion of all grid connection facilities in the investment programme for the purpose of executing subsidised grid connection contracts, including consideration of the possibility of allocating additional sources of financing.</li> <li>Enforcement of the Company's obligations under previously concluded contracts for grid connection, the term of which has been violated by the Company.</li> <li>Monitoring of compliance with the Company's executive documents governing court proceedings.</li> </ol>
ПП 2	Violation of labour legislation	Ⓢ	Ⓢ	<ol style="list-style-type: none"> <li>Provision of the Company with qualified personnel who meet the job requirements for solving the current and future tasks of the Company.</li> <li>Timely and high-quality provision of the Company's needs for highly-qualified specialists to fill key positions and vacant positions of department heads.</li> <li>Provision of advanced training for the Company's employees, organisation of professional retraining of personnel, monitoring compliance with legislative requirements in the field of compulsory training, ensuring compliance with the mandatory requirements of external control/supervisory bodies.</li> <li>Ensuring compliance with labour legislation and the Company's by-laws and implementation of talent decisions.</li> <li>Determination of professionally important psychological and psychophysiological qualities of employees/job candidates.</li> </ol>

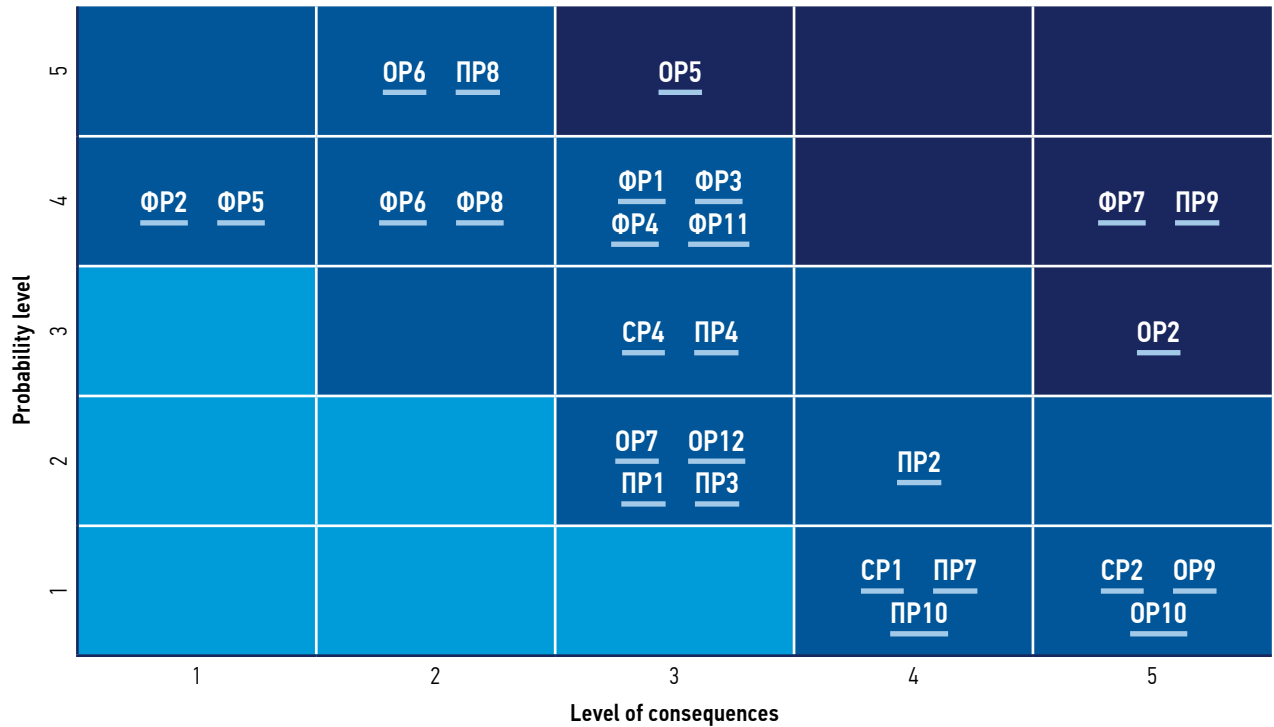
Risk ID	Risk	Risk materiality		Risk management
		(beginning of period) 2024	(as of year-end) 2024	
ПП 3	Violation of occupational health and safety legislation	Ⓢ	Ⓢ	<ol style="list-style-type: none"> <li>Ensuring that employees have the requisite competence and awareness in occupational safety matters.</li> <li>Planning of occupational health and safety measures, subject to changes in state regulatory requirements for occupational health and safety. Organisation and control of timely implementation of measures.</li> </ol>
ПП 4	Violation of industrial and fire safety legislation	Ⓢ	Ⓢ	<ol style="list-style-type: none"> <li>Planning and implementation of measures aimed at ensuring fire safety (maintenance and repair of automatic fire alarm systems, warning systems, smoke protection systems and other automatic fire protection systems; operation of fire water supply systems; inspection and recharging of fire extinguishers; fire protection treatment of building structures and cables; purchase of primary fire extinguishing and fire protection equipment; training and education of personnel in fire safety; purchase of personal protective equipment; purchase of placards, stands, training aids, evacuation plans, etc.).</li> <li>Planning and implementation of measures aimed at ensuring industrial safety (conducting industrial safety assessments, inspection and maintenance of lifting equipment, insurance of hazardous production facilities, obtaining licences for the operation of hazardous production facilities, pre-examination and pre-certification training of personnel, industrial safety training).</li> <li>Development and execution of a work plan for production control over compliance with industrial safety requirements.</li> <li>Monitoring of compliance with industrial and fire safety legislation during internal inspections of production activities.</li> <li>Control over the timely implementation of measures based on the results of industrial and fire safety inspections (including inspections by external supervisory bodies).</li> </ol>
ПП 7	Violation of legislation on joint stock companies and legislation on securities	Ⓢ	Ⓢ	<ol style="list-style-type: none"> <li>Control over compliance by the Company's employees with the current legislation of the Russian Federation on joint stock companies and securities.</li> <li>Monitoring of changes in Russian legislation on joint stock companies and securities, updating of the Company's local regulations as necessary.</li> <li>Timely posting of information and materials on information disclosure servers on the Internet.</li> <li>Compliance with the procedure and deadlines for preparing and holding general meetings of shareholders.</li> </ol>
ПП 8	Violation of tax and accounting legislation	Ⓢ	Ⓢ	<ol style="list-style-type: none"> <li>Staff training and development.</li> <li>Current analysis of tax accounting registers, verification of the accuracy and completeness of tax payments.</li> </ol>
ПП 9	Corruption-related offences by Company employees	Ⓒ	Ⓒ	<ol style="list-style-type: none"> <li>Organisation of the process of managing corruption risks and internal control within the Company.</li> <li>Prevention and management of conflicts of interest.</li> <li>Development and introduction of standards and procedures to ensure good practice.</li> <li>Formation of the foundations of law-abiding behaviour among employees and their legal education.</li> <li>Review and verification of information on possible facts of corruption.</li> <li>Cooperation with law enforcement agencies in combating corruption.</li> <li>Participation in collective initiatives to prevent and combat corruption.</li> </ol>

Risk ID	Risk	Risk materiality		Risk management
		(beginning of period) 2024	(as of year-end) 2024	
ПР10	Unlawful actions of legal entities and individuals, including employees of subsidiaries, causing economic damage and harm to business reputation	<div>Ⓜ</div>	<div>Ⓢ</div>	<div>1. Compensation for damage caused to the Company.</div> <div>2. Participation in disciplinary and/or material action against persons found guilty of realising the risk.</div> <div>3. Development of risk prevention measures (issuing instructions, recommendations, briefing materials to branches on identified risk factors).</div> <div>4. Interaction with the Federal Bailiff Service of Russia in aid of execution in relation to the services rendered for the transmission of electrical energy, control over the repayment of debts under enforcement proceedings based on court decisions on the recovery of overdue debts in relation to the specified services.</div> <div>5. Random checks of compliance between the volume of work actually performed and that specified in the contracts.</div> <div>6. Checking that applications are processed on time, spotting any potential abuse, and setting up checks at branches.</div> <div>7. Participation in audits (internal investigations) to identify signs of unlawful actions by legal entities, individuals and Company employees.</div> <div>8. Timely protection of the Company's interests, involving law enforcement agencies and other authorities as necessary.</div>

Key risk map as of 1 January 2024



Key risk map as of 31 December 2024





# Risk realisation based on 2024 results

Information on the realisation of critical and significant risks is reviewed by the Company's management bodies as part of the report on the organisation, functioning and effectiveness of PJSC Rosseti South's risk management and internal control system (RM&ICS) for 2024.

## Information security risks and cyber threats

<p><b>1</b></p> <p><b>Risk associated with the materialisation of information threats, including those caused by deficiencies (vulnerability) of the applied information technologies</b></p> <p>This risk may be caused by the use of obsolete equipment, lack of technical support, use of equipment after the end of its service life. Realisation of this risk may lead to a decrease in the security of power grid facilities, temporary downtime in information and telecommunication systems. The Company assesses the risk as moderate with low level of consequences.</p> <p>In order to prevent the risk, the Company provides technical support for information protection means, conducts periodic performance tests of information protection means, conducts repair and (or) replacement of equipment, and controls that protection systems are provided with guaranteed and backup power supply.</p>	<p><b>2</b></p> <p><b>Risk of disruption and (or) cessation of operation of information infrastructure facilities and telecommunications systems of power grid facilities</b></p> <p>The main risk sources may be unlawful actions of third parties resulting from a computer attack, which may lead to material damage to the Company, damage to business reputation, as well as cut-off of electricity consumers. The Company assesses the risk as significant with a high level of consequences if realised.</p> <p>Inclusion of information security requirements in technical specifications for the design of information infrastructure facilities and telecommunications systems of power grid facilities.</p> <p>Implementation of information protection means at information infrastructure facilities as specified in the relevant technical design specifications.</p> <p>The Company oversees the actions of the Company's employees through information security systems, monitors and analyses external information security events, and applies certified information protection means.</p>
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## Risks pertaining to sustainable development

<p><b>1</b></p> <p><b>Environmental risk</b></p> <p>The probability of damage (compensation for damage) associated with the negative environmental impact of the Company's production and business activities is assessed as insignificant, since the Company does not operate production facilities that have a significant negative environmental impact. The Company operates in accordance with the requirements in the field of environmental protection and environmental safety.</p> <p>The Company assesses the risk as moderate with low level of consequences.</p> <div> </div>	<p>The regions where the Company operates are outside the regions with a permanent increased risk of natural disasters (earthquakes, floods, storms, epidemics). The Company assesses the risk as moderate with low level of consequences.</p>
<p><b>2</b></p> <p><b>Natural and climatic risk</b></p> <p>Risks related to climate change may have a certain impact on production activities and financial results.</p> <p>Climatic risks are associated with an increase in average annual air temperature. In addition, changes in conventional climatic conditions can cause natural emergencies.</p> <p>In particular, such natural phenomena caused by temperature changes as hurricane, flooding, heavy snowfall and freezing rain are capable of damaging the Company's assets, primarily power transmission lines, thus disrupting uninterrupted power supply to consumers.</p>	<p><b>3</b></p> <p><b>Risks related to non-compliance with social rights and guarantees of employees</b></p> <p>Social rights extend to just and favourable conditions of work, protection against unemployment, fair and satisfactory remuneration, equal pay for equal work, the opportunity to maintain the health and well-being of the people and their family, and education.</p> <p>The Company works to ensure that the social rights of its employees are respected, to protect them from unemployment, to pay fair remuneration, to reimburse the costs of sports activities and to raise the level of education of the Company's employees.</p> <p>Given the Company's high level of responsibility in the context of its social commitments, this risk is assessed as moderate with a low level of consequences if realised.</p>



ENERGISING THE LIFE

# TO MOVE FORWARD

## OVERVIEW OF RESULTS

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**27,989** million kWh  
delivery to the grid in 2024

**8.95%**  
electricity losses in 2024



# Operational Performance

## Electricity transmission and losses

GRI 2-6

Across the Company in 2024:

**27,989** million kWh  
delivery to the grid

**25,485** million kWh  
delivery from the grid

**8.95%**  
electricity losses

### Electricity balance indicators for 2024

Branch	Delivery to the grid, million kWh	Delivery from the grid, million kWh	Electricity losses	
			million kWh	%
Astrakhanenergo	3,361.4	2,845.7	515.7	15.34
Volgogradenergo	8,923.8	8,327.1	596.8	6.69
Kalmenergo	884.3	677.4	206.9	23.40
Rostovenergo	14,819.5	13,635.0	1,184.5	7.99
PJSC Rosseti South	27,989.0	25,485.2	2,503.9	8.95

In 2024, the volume of electricity supplied from the grid to consumers and related TGOs within the balance and operational responsibility boundaries amounted to 25,485 million kWh, which is 884 million kWh or 3.59% higher than in 2023 (24,601 million kWh).

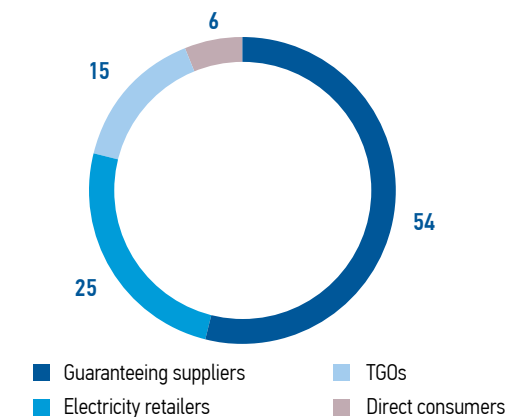
### Volumes of electricity transmission services provided by PJSC Rosseti South

Branch	Volume of electricity transmission services provided including internal electricity sales						
	2023		2024		Δ		
	million kWh	RUB million	million kWh	RUB million			
Astrakhanenergo	2,761.1	6,685.5	<b>2,823.9</b>	<b>7,229.4</b>	62.85	543.77	2.28
Volgogradenergo	8,000.9	12,286.5	<b>8,266.8</b>	<b>12,671.3</b>	265.85	384.77	3.32
Kalmenergo	663.3	1,949.4	<b>675.9</b>	<b>2,083.64</b>	12.58	134.20	1.90
Rostovenergo	12,995.1	25,041.4	<b>13,548.9</b>	<b>26,695.9</b>	553.75	1,654.44	4.26
PJSC Rosseti South	24,420.4	45,962.9	<b>25,315.5</b>	<b>48,680.1</b>	895.02	2,717.19	3.67

As of year-end 2024, the volume of electricity transmission services provided by PJSC Rosseti South, including internal turnover, amounted to 25,315.5 million kWh, which is 895.02 million kWh or 3.67% higher than in the same period of 2023 (24,420.4 million kWh).

Revenue from electricity transmission services provided by PJSC Rosseti South, including internal turnover, increased by RUB 2,717.19 million, or by 5.91% year-on-year. The rise in revenue was driven by higher common-pot net delivery (up RUB 1,684.56 million) and a 2.17% increase in the average electricity transmission tariff, or RUB 40.79/MWh (up RUB 1,032.63 million).

### Revenue structure for electricity transmission services in 2024, %



### Major consumers and TGOs

#### Changes in the volume of services provided to the largest industrial consumers, million kWh

Description	2020	2021	2022	2023	2024
LLC Gazprom dobycha Astrakhan (JSC Gazpromenergosbyt)	451.9	450.7	444.0	445.4	<b>388.4</b>
JSC Volzhsky Trubny Zavod	342.3	329.8	348.8	336.6	<b>276.1</b>
JSC Sebyakovtsement	285.7	297.4	285.8	285.9	<b>303.3</b>
JSC KTK-R (LLC Transneftenergo)	221.9	273.0	268.1	306.6	<b>291.8</b>
JSC Volzhsky OrgSintez	121.3	110.1	109.9	105.9	<b>105.6</b>
JSC RZD (LLC Rusenergosbyt, Rostovenergo branch)	566.8	637.2	620.8	603.9	<b>575.5</b>

#### Changes in the volume of services provided to the largest TGOs, million kWh

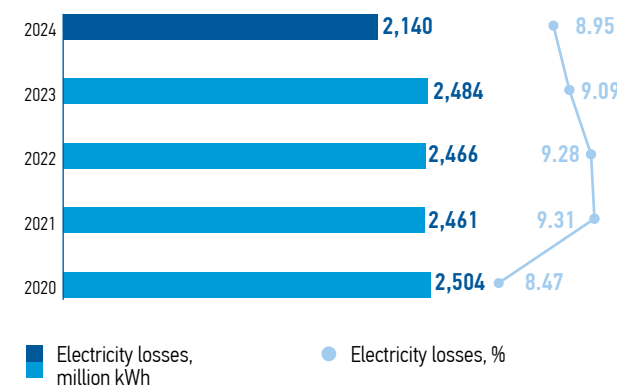
Description	2020	2021	2022, million kWh	2023	2024
JSC Donenergo	5,187.7	5,531.9	5,577.7	5,604.9	<b>5,925.4</b>
PJSC Volgogradoblenergo	1,636.7	1,648.5	1,604.1	1,664.6	<b>1,982.3</b>
JSC VMES	1,557.1	1,607.9	1,517.2	1,529.7	<b>1,581.8</b>

Based on the results of 2024, the volume of electricity supplied to the Company's grid increased by 927 million kWh year-on-year, and the volume of electricity supplied from the grid within the distribution grid company increased by 884 million kWh.

## Electricity losses

Under comparable conditions for electricity delivery to the grid, electricity losses in 2024 decreased by 28 million kWh, or 0.34%, year-on-year.

### Changes in electricity losses in 2020–2024



Branch	Electricity losses <sup>1</sup>					
	Actual 2023		Actual 2024		Δ <sup>2</sup>	
	million kWh	%	million kWh	%	million kWh	percentage points
Astrakhanenergo	512.6	15.55	515.7	15.34	−7.2	−0.21
Volgogradenergo	599.8	6.91	596.8	6.69	−19.7	−0.22
Kalmenergo	209.7	23.97	206.9	23.40	−5.0	−0.57
Rostovenergo	1,137.1	8.02	1,184.5	7.99	−3.5	−0.03
<b>PJSC Rosseti South</b>	<b>2,461.2</b>	<b>9.09</b>	<b>2,503.9</b>	<b>8.95</b>	<b>−41.6</b>	<b>−0.14</b>

## Grid connection<sup>3</sup>

GRI 2-6

Each region where the Company operates, in cooperation with regional executive authorities, rolls out the targeted model on grid connection to simplify business procedures and increase the investment attractiveness of the constituent entities of the Russian Federation.

The Company ensures that the following is carried out:

- ▶ Roadmap activities envisaged by the target model with the grid organisation as a responsible party, and submission of branches' quarterly reports to the regional executive bodies.
- ▶ Co-operation with regional executive authorities in order to take the necessary measures to deliver the roadmap indicators, with achievement of the target values being the responsibility of the relevant ministries and municipalities in the regions.



## Grid connection

Indicators	UoM	Period		
		2022	2023	2024
GC applications accepted for work	–	22,624	22,035	24,732
GC applications accepted for work	kW	1,789,549	1,770,906	2,325,282
GC contracts concluded	–	14,606	13,698	15,187
GC contracts concluded	kW	557,283	605,354	635,957
GC contracts executed	–	19,878	14,904	16,340
GC contracts executed	kW	445,588	457,865	480,553
Current GC contracts in force	–	11,509	9,340	7,642
Current GC contracts in force	kW	1,195,747	1,266,866	1,271,978
Structure of executed contracts by category of applicants				
Up to 15 kW inclusive	–	18,693	13,459	14,944
Over 15 kW to 150 kW inclusive	–	1,014	1,225	1,171
Over 150 kW and up to 670 kW	–	90	110	105
At least 670 kW	–	79	106	111
Generation	–	2	4	9
Up to 15 kW inclusive	kW	203,804	131,100	143,332
Over 15 kW to 150 kW inclusive	kW	71,786	96,905	89,091
Over 150 kW and up to 670 kW	kW	25,617	34,966	30,239
At least 670 kW	kW	111,763	181,501	140,953
Generation	kW	32,619	13,393	76,938

In 2024, 24,732 applications for grid connection with a total capacity of 2,325 MW were accepted for work, and 15,187 grid connection contracts were concluded for a capacity of 636 MW.

The year-on-year variation in the number of applications and total capacity requested by applicants to PJSC Rosseti South was 12% and 31%, respectively.

Changes in the number of grid connection contracts signed and capacity compared to 2023 amounted to 11% and 5%, respectively.

The year-on-year growth in the number of executed grid connection contracts and the volume of contracted capacity stood at 10% and 5%, respectively.

In 2024,

**16,340** contracts  
for grid connection with a total capacity  
of 481 MW were executed

**481** MW  
capacity connected

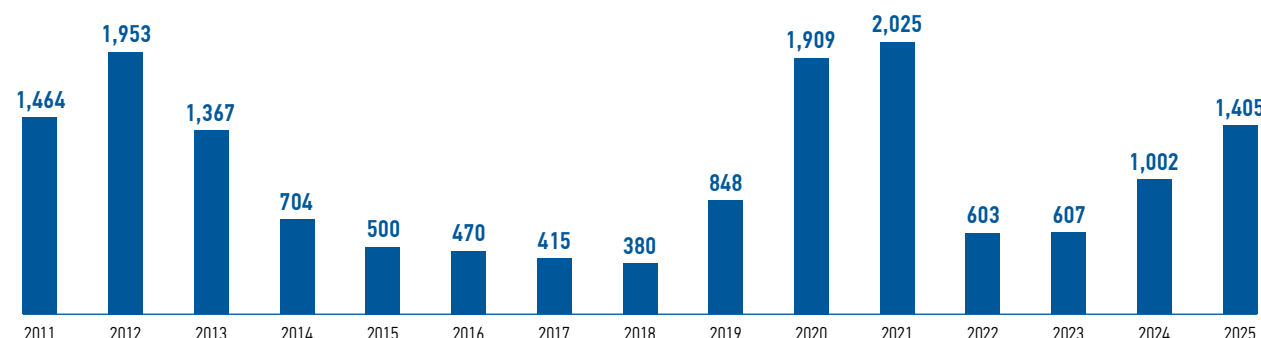
<sup>1</sup> The electricity loss rate specified for the conditions comparable with operation conditions of Rosseti South's branch in 2024 considering the structure of consumers, the structure and operation mode of power grids being serviced.

<sup>2</sup> Variation of the relative electricity losses in percentage points is calculated as a difference between the loss rates in 2024 and 2023, concerning changes in the structure of consumers, the structure and operation mode of power grids being serviced; variation of the absolute electricity losses is calculated as the multiplication of the relative electricity losses variation by the volume of electricity delivered to the grid in 2024.

<sup>3</sup> A full list of normative documents regulating the grid connection works are publicly available on the Company's website at: <https://rosseti-yug.ru/potrebitelyam/tekhnologicheskoe-prisoedinenie/>.

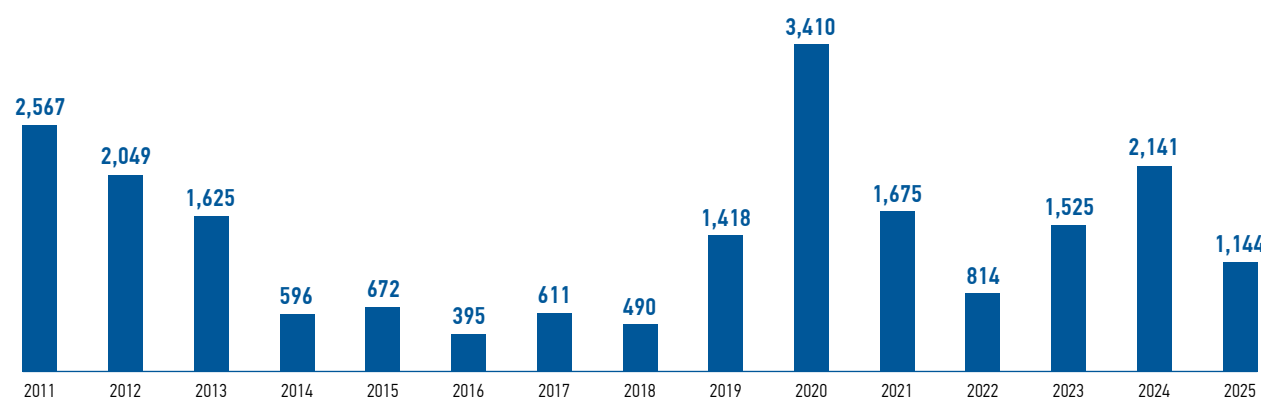


## Changes in revenue from grid connection services, RUB million, excl. VAT



Planned revenue from grid connection services for 2025 is RUB 1,405 million excluding VAT, which is RUB 403 million excluding VAT or 40% more than the actual figures for 2024, mainly due to the existence of relatively high-value grid connection contracts scheduled for 2025.

## Changes in proceeds from grid connection services, RUB million, incl. VAT



Planned proceeds from grid connection services for 2025 amount to RUB 1,144 million including VAT, which is RUB 997 million including VAT or 47% less than the actual figures for 2024. This is due to payments received in 2024 under relatively high-value grid connection contracts.



## Sale of additional (non-tariff) services

### Most requested additional (non-tariff) services

In addition to the main types of activities subject to state regulation, the Company engages in other activities as part of the provision of additional (non-tariff) services.

Revenue from the sale of additional services in 2024 amounted to RUB 747.3 million, compared to the target of RUB 922.3 million. The largest share of revenue from other activities comes from such services as:

- ▶ repair and maintenance of power grid facilities and outdoor lighting networks,
- ▶ placement of telecommunications equipment, including fibre-optic communication lines,
- ▶ construction and installation,
- ▶ admission of third-party organisations to the security zone of power grid facilities.

### Vector of development of additional non-tariff activities

#### Development of priority areas

##### Repair and maintenance area

- ▶ Maintenance and repair of consumer power grid facilities, including external lighting systems

**Analysis of territories (consumer power grid facilities)**

**Segmentation of target audiences and targeted work with each one**

**Formulation of short-term sales plans**

##### Construction and installation area

- ▶ Turnkey transformer substation
- ▶ Designing

**Working with applicants at the stage of applying for grid connection**

##### Lease

- ▶ Placement of FOCL

**Inventory of consumer power grid facilities to identify unauthorised placement of FOCL, advertising, etc.**

#### Exchange of best practices

#### Project management

#### Cost control

#### Targets

2024 plan

**RUB 922 million**

2024 actual

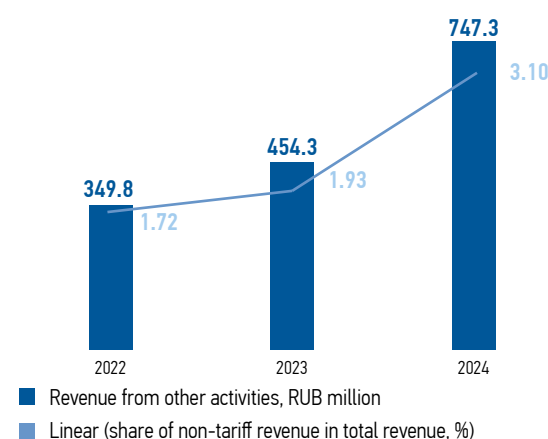
**RUB 747 million**

The Company renders services on a reimbursable basis to organise electricity metering, repair and operational maintenance of power grid facilities, joint use of poles, deployment of equipment, performance of construction and installation works, etc.

## Sale of additional (non-tariff) services

Indicators	UoM	Period		
		2022	2023	2024 growth 2024/2023, %
<b>Revenue from sale of additional (non-tariff) services related to other activities</b>	<b>RUB million</b>	<b>349.8</b>	<b>454.3</b>	<b>747.3</b> <b>64.4</b>
Leasing and placement services	RUB million	127.8	161.5	261.5 61.9
Repair and maintenance services	RUB million	75.8	101.3	134.9 33.1
Construction and installation	RUB million	29.6	48.7	213.4 338.2
Consulting, organisational and technical services	RUB million	47.0	48.1	42.1 -12.5
Agency services	RUB million	5.5	5.9	5.6 -5.2
Communication and information technology services	RUB million	0.9	0.9	0.5 -44.4
Other services of miscellaneous activity	RUB million	11.0	30.1	26.2 -12.9
Other services	RUB million	52.2	57.8	63.1 9.2
Volume of non-tariff revenue from miscellaneous activities	%	1.72	1.93	3.10

## Revenue from other activities for 2022–2024



As of the end of 2024, PJSC Rosseti South concluded 24 compensation agreements for the rearrangement of the Company's power grid facilities initiated by third parties.

The total amount of preliminary compensation under the signed agreements amounted to RUB 451.8 million. Counterparties are commercial enterprises, local authorities, municipal and budgetary institutions within the Company's footprint.

## Revenue from the rearrangement of power grid facilities totalled

**RUB 61.6 million for 2024**

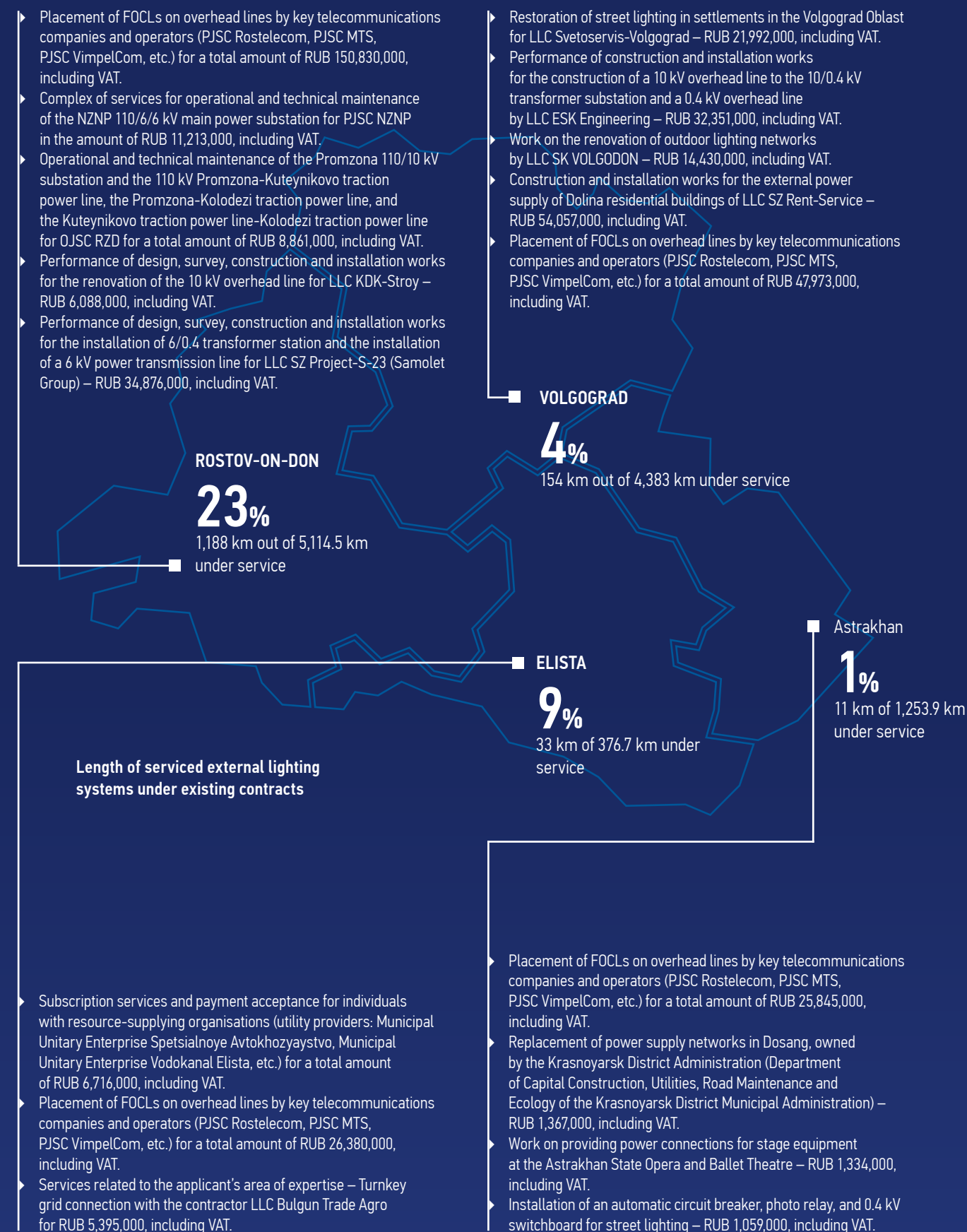
## Vector of development in the outdoor lighting service sector

**2023 1,119 km**

**2024 1,386 km**

Total length of lighted streets, driveways, and embankments – **11,129.1 km**

## Key projects for additional (non-tariff) services for 2024





## Plans for 2025

Currently, Rosseti South is tasked with efficient development and a significant increase in other (non-tariff) revenue. The set targets for the provision of non-tariff services can be achieved through a holistic approach to developing all key parameters in this area, with particular emphasis on expanding services in the field

of construction, installation, repair and maintenance work and the performance of work falling within the applicant's area of expertise – 'turnkey grid connection'. This will allow making a significant contribution not only to achievement of the targets but also to improvement of the financial and economic performance of the Company as a whole.

## Consumer relations

Indicators	UoM	Period			
		2022	2023	2024	Growth, %
Total number of communications	thousand	327.2	293.2	332.3	12.47
Share of communications via digital channels	%	35.05	18.95	21.5	–
Share of communications about inadequate quality of services	%	1.72	2.84	2.6	–

## Consumer relations

GRI 2-25, 2-26

The key principle of Rosseti South's customer-oriented policy is to build customer loyalty to the Company by providing high-quality services, comfortable customer experience, and effective interaction through corporate communication platforms.

Guiding principles for building consumer outreach:

- ▶ Awareness of consumers about the Company and its services
- ▶ Availability and efficiency of remote and interactive services of the Company
- ▶ Transparency of consumer service business processes and fair complaint investigation

The Company ensured that its face-to-face customer service system was transferred to an online environment. The majority of the Company's interactions with service consumers are conducted via remote services hosted on the Power Grid Services Portal.

### Data on consumer communications at PJSC Rosseti South, thousand



The Company put in place 'Quality Standards for Customer Service at PJSC Rosseti South' and also approved and posted on its official website a 'Declaration of Rights for Customers of PJSC Rosseti South.'

In 2024:

**332,300**  
consumer communications, including  
**51,200**  
requests  
for services and  
**201,000**  
calls  
to the hotline were handled

PJSC Rosseti South received 332,300 communications, of which 8,700 were complaints, representing 2.6% of the total number of communications.

At the end of 2024, the Company received 55,900 electronic submissions, which is 21.5% of the total number of submissions received.

**70,700**  
consultations  
were provided

## Distribution of communications by channel

Indicators	UoM	Period			
		2022	2023	2024	Growth, %
Service Offices	thousand	0.00	10.65	7.5	–3.15
Contact Centre	thousand	166.10	165.56	201	35.4
Mail	thousand	46.45	62.63	52.4	–10.23
Interactive tools	thousand	40.18	36.34	38.03	1.69
Social networks and messengers	thousand	0.00	0.33	1.242	0.912
Others	thousand	74.50	19.97	32.1	–12.13

## Remote customer service via telephone

In 2024, remote customer service via telephone will continue to operate in accordance with the requirements of the Regulations on the 'Light Line 220' Energy Hotline.

The Light Line 220 energy hotline is available 24/7, including weekends and holidays, and can be reached by dialling the single federal telephone number 8-800-220-0-220 or the short number 220.

Operators receive and register incoming calls, advise service consumers as required by the Service Consumer Service Quality Standards on issues of power supply disruption, provision of electricity transmission and metering services, grid connection, additional services and other issues of the Company's operations.

In 2024, the hotline received 255,447 calls regarding the Company's activities, up 25% year-on-year. The bulk of the calls received concerned power outages.

The unified contact centre of Rosseti Group helped address the tasks of minimising lost calls, unifying the format of operator communication, and maintaining a comfortable and convenient environment for customers.

## Remote interactive customer service via the Internet

Interactive customer service is available in the Customers section of the branch page on the corporate website of PJSC Rosseti South (<https://rosseti-yug.ru/en/>).

Feedback channels for consumers are available at a single access point hosted on the Power Grid Services Portal of PJSC Rosseti ([портал-тп.рф](https://portal-ti.ru/)).

Registered users of the Portal can submit applications and requests electronically to the selected grid organisation if they are looking for such services as:

- ▶ Grid connection of consumer terminals
- ▶ Installation/replacement of metering devices
- ▶ Redistribution of capacity, reissuance of grid connection documents
- ▶ Additional services

Additionally, there is a mobile app and the option to apply for a grid connection through the Gosuslugi Portal for the convenience of customers.

Furthermore, the following online platforms provide interactive customer care options:

- ▶ Booking for the Consumer Day (<https://dp.rosseti-yug.ru/>)
- ▶ Light Country feedback portal ([светлаястрана.рф](#))

Consumers can use the Light Country Portal to report any problems they encounter. The response time is eight working days from the date of submission. The problem will be resolved, or a specific deadline for its solution will be provided.

## Assessment of the customer satisfaction level

GRI 416-1

A questionnaire survey of service users is carried out on a regular basis to find out what they think about the quality of services they receive. In 2024, the survey covered 468 respondents.

The respondents assessed the degree of compliance of the offered services with their expectations, the overall quality of service, and the accessibility of the grid connection procedure.

The obtained statistic data prove that, in general, the consumers give a positive assessment of the customer service and are satisfied with the quality of services rendered in Rosseti South's branches.

### Improvements to customer care

- ▶ Requirements for handling complaints in the Company's corporate software complex were approved and put into effect, along with a business etiquette memo for employees of customer service offices and employees of customer-facing departments.
- ▶ The Consumer section of the official website of PJSC Rosseti South was updated.
- ▶ A training programme was approved and rolled out for employees involved in customer care, sales, and add-on services.
- ▶ Seminars and meetings were held with potential and existing customers in the regions where the Company operates to raise awareness of its services.
- ▶ Branches conducted a survey of consumers in order to assess their satisfaction with the quality of services provided.
- ▶ The Company has set up cooperation with the regional management centres of ANO Dialogue Regions in the areas where it operates.
- ▶ The Consumer Day project on the Company's official website was updated, and a web interface for consumer questionnaires was designed and deployed.
- ▶ The scenarios for handling incoming and outgoing calls via the Light Line 220 hotline of the Unified Contact Centre were revised.
- ▶ A contract was signed with JSC Rosseti Tsifra for the provision of the short number 220 for the Light Line 220 hotline in the Company's operational area, as well as the Smart Number 8-800 and call routing services.
- ▶ A contract for paid services was concluded with JSC Rosseti Tsifra for the provision of call processing services using digital robotic technologies (Neural Network Agent service), monitoring the quality of customer service of Light Line 220 hotline services, and conducting studies/surveys/questionnaires.

### Plans on improvement of customer care

- ▶ To introduce robotic technologies (neural network agent) to handle incoming calls
- ▶ To monitor quality indicators for consumers of hotline services
- ▶ To ensure that research, surveys and questionnaires of service consumers are made through the Light Line 220 hotline

# Investment Activities

GRI 203-1

Investment activities are one of the key areas of the general development strategy of the Company and is intended to ensure the growth of operating profit. Investment activities are aimed towards augmenting the reliability and enhancing the operation of the power grid complex, as well as reducing losses in power grids.

### Progress on the investment programme

Indicators	UoM	Period			
		2022, actual	2023, actual	2024, actual	Δ 2024/2023, %
Amount of funding	RUB million incl. VAT	4,813	5,417	<b>6,569</b>	121
Capital investment utilisation	RUB million excl. VAT	4,050	3,445	<b>5,214</b>	151
Commissioning as fixed assets	RUB million excl. VAT	3,417	3,523	<b>4,878</b>	138
Commissioning as a part of fixed assets of transformer capacities	MVA	325	115	<b>269</b>	234
Commissioning as part of fixed assets of power transmission lines	km	594	681	<b>1,391</b>	204

The volume of investments in 2024 is mainly directed to two types of activities, namely, to finance investment projects for grid connection – RUB 4,092 million including VAT, or 62% of the total volume of investments, and to finance investment projects for renovation, upgrade, retrofitting – RUB 1,395 million, including VAT, or 21% of the total volume of funding.

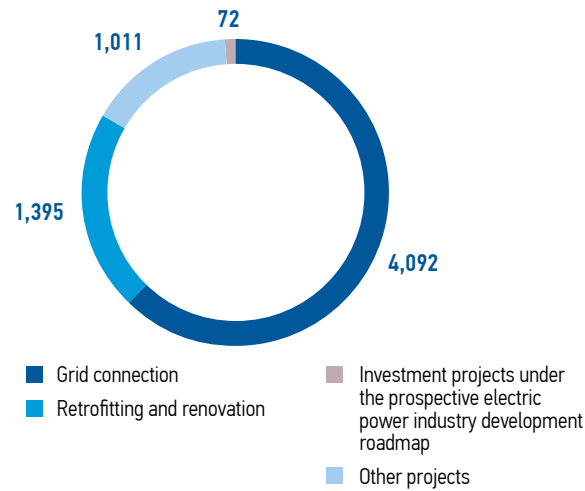
The majority of investments made within the area of grid connection operations went towards executing the agreements for the grid connection of a subsidised group of customers with

connected capacities of up to 150 kW. The amount of funding for these activities in 2024 totalled RUB 2,991.2 million, or 73% of the total funding for grid connection.

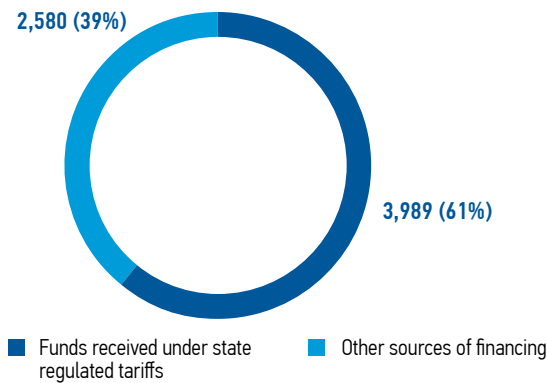
The main volume of investment activities related to renovation, upgrade and retrofitting included financing of measures for development and upgrade of electricity (capacity) metering, namely RUB 645 million, or 46% of the total retrofitting and renovation financing.



Structure of capital investment financing in 2024, RUB million, incl. VAT



Investment programme financing sources in 2024, RUB million, incl. VAT and in %



## Long-term investment programme

Investment Programme of PJSC Rosseti South for 2025–2028

Indicators	UoM	2025	2026	2027	2028
Amount of funding	RUB million	7,496	5,883	4,101	3,787
Capital investment utilisation	RUB million	6,646	5,094	3,138	2,601
Commissioning as fixed assets	RUB million	4,624	5,663	5,070	2,712
Commissioning as a part of fixed assets of transformer capacities, MVA	MVA	98	170	106	66
Commissioning as part of fixed assets of power transmission lines	km	526	472	478	355



Parameters of investment activities as envisaged in the long-term investment programme

Financing for the period of 2025 to 2028, RUB million, incl. VAT

	Astrakhanenergo	Volgogradenergo	Kalmenergo	Rostovenergo	Rosseti South
2025	3,046	1,240	190	3,021	7,496
2026	2,979	560	125	2,220	5,883
2027	921	731	125	2,324	4,101
2028	921	731	125	2,010	3,787

Changes in commissioning of power transmission lines for 2025–2028, km

	Astrakhanenergo	Volgogradenergo	Kalmenergo	Rostovenergo	Rosseti South
2025	145	112	52	216	526
2026	181	55	44	192	472
2027	189	90	44	156	478
2028	112	60	44	139	355

Changes in capacity commissioning for 2025–2028, MVA

	Astrakhanenergo	Volgogradenergo	Kalmenergo	Rostovenergo	Rosseti South
2025	49	9	1	38	98
2026	10	3	1	156	170
2027	82	3	1	20	106
2028	11	3	1	52	66

The long-term investment programme for 2025–2028 envisages capital investment of RUB 17,479 million (excluding VAT), financing – RUB 21,267 million (including VAT), commissioning of fixed assets – RUB 18,069 million. Between 2025 and 2028, it is planned to re-build and renovate 1,831 km and commission 440 MVA of transformer capacity.

# Innovations

The Company has an innovation development programme of PJSC Rosseti South for the period of 2020–2024 with an outlook until 2030 (Minutes No. 445/2021 dated 30 July 2021). By decision of the Board of Directors on 24 February 2025 (Minutes No. 607/2025 dated 24 February 2025), the programme was adjusted for the period 2024–2029 until 2035.



## Key areas of innovative development of PJSC Rosseti South

- Transition to digital substations with the highest voltage class of 35–220 kV
- Transition to smart grids with a distributed smart automation and control system
- Transition to integrated efficiency of business processes and automation of control systems
- Application of advanced technology solutions and materials in power engineering

## Implementation of major integrated innovation projects

### Transition to smart grids with a distributed smart automation and control system

Creation of highly automated electricity distribution grids and development of technical solutions for integration of data transfer from smart electricity meters into information systems, i.e., development of smart metering.

The technology provides automatic or automated monitoring and control of electricity flows to achieve maximum efficiency, as well as continuous monitoring of the quality of power supply and commercial services. In addition, the technology provides for the integration of information systems, information

and computing complexes, and software complexes of PJSC Rosseti South and its branches, guaranteeing suppliers, contractors, as well as other entities in the electric power industry and electricity consumers, and the transfer of information data to the upper level and to external information systems in a unified data model.

**RUB 187.68 million,**  
with a target amount of RUB 165.06 million,  
was the actual amount of material  
resources utilised in 2024

### Promotion of an innovative development management system and establishment of an innovative infrastructure

Application of the knowledge management system (hereinafter referred to as KMS) in the process model for managing technological and innovative development of PJSC Rosseti South.

The technology involves improving innovation development management systems by changing and upgrading the efficiency of Rosseti South's business processes and creating an electronic information knowledge base with its integration with the corporate electronic knowledge base of the Rosseti Group (FSBI Russian Energy Agency of the Ministry of Energy of the Russian Federation).

The implementation of the knowledge management system at PJSC Rosseti South made it possible:

- To increase labour productivity by reducing time spent on searching for and replicating information data, improving the quality of technical decisions made, and enhancing

the efficiency of knowledge exchange between various structural divisions of PJSC Rosseti South and third-party organisations

- To promote the practices of mentoring, self-training and internal training of Rosseti South employees, as well as to raise the efficiency of material expenditures on R&D
- To boost the rationalisation and inventive activity of PJSC Rosseti South, as well as the efficiency of material investments in the training and professional development of its employees
- To ensure the preservation and exchange of experience in the operation of various electrical equipment, as well as the implementation of pilot projects with an assessment of their effectiveness and prospects for rolling out
- To reduce the number of errors during the operation and maintenance of electrical equipment and, consequently, to enhance the reliability of power supply to electricity consumers and reduce accident and occupational injury rates

### Expenditure on key areas of innovative development

No.	Innovative development focus area	Target costs, RUB million, excl. VAT	Actual costs, RUB million, excl. VAT
1	Transition to smart 35–220 kV substations	39.99	13.17
2	Transition to smart grids with a distributed smart automation and control system	165.06	187.68
3	Transition to integrated efficiency of business processes and automation of control systems	5.04	5.04
4	Application of advanced technology solutions and materials in power engineering	0.00	0.00
5	Promotion of the system of development and introduction of innovative products and technologies, R&D activities	10.277	32.227
6	Introduction of organisational innovations	1.60	1.16



## Research and development

The implementation of the R&D Programme is one of the key innovative development areas for the power grid complex. This Programme covers measures to ensure reliable (uninterruptible) and high-quality power supply of electricity consumers, reduction of material expenses for repair and maintenance of overhead transmission lines with a minimum expenditure of money for repair and maintenance of the system equipment, and transition to digital signal transmission at all levels of control over substations.

The following R&D activities were performed in 2024.

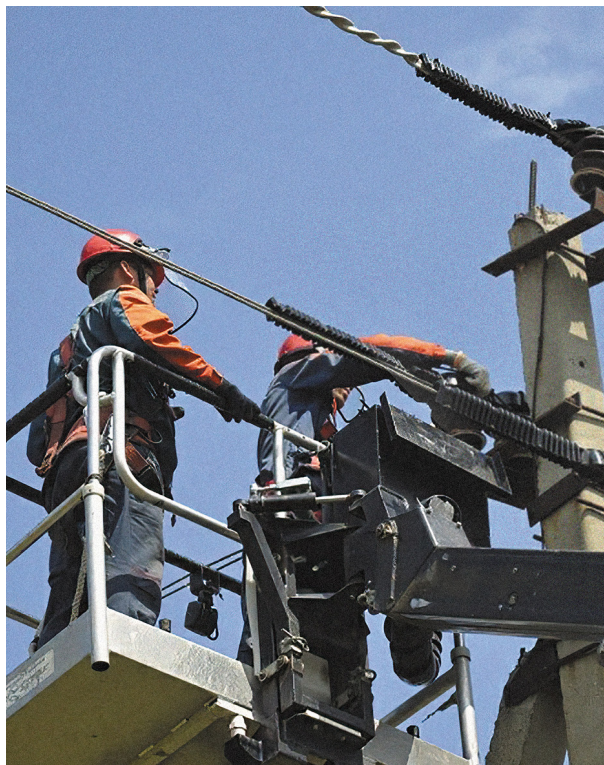
1. Research and development work (R&D) on the development of an automated digital X-ray complex for monitoring the condition of high-voltage equipment while in operation.

The planned effect is to create a mobile instrumentation and analytical complex on a self-propelled automotive chassis, enabling the following tasks to be performed:

- ▶ Operational radiographic control of the technical condition of high-voltage electrical equipment at the place of its installation without dismantling and opening
- ▶ Increased informativeness of diagnostics and automated transmission of survey results in electronic (digital) format to the level of information data collection and/or local management of PJSC Rosseti South

2. Research and development work (R&D) on the grid connection of consumers in isolated areas using an autonomous hybrid power plant (AHPP).

Planned effect of R&Ds: Ensuring energy supply to hard-to-reach (having a 'weak' connection to the Unified Energy System of the Russian Federation) and isolated areas, e.g., by means of the AHPP ('virtual' grid connection) with simulation of the technical and economic conditions for their participation in the circulation of electrical energy (capacity) on retail markets for electrical energy (capacity) and related services.



**In 2024, Rosseti South specialists installed 120 bird diverters at energy facilities in the Dubovaya Balka nature reserve in the Konstantinovsky District of the Rostov Oblast.**

The nature reserve is inhabited by rare and endangered bird species, including those listed in the Red Book, and lies on the migration routes and stopover sites of migratory birds. The power transmission line segment where the bird diverters are installed were chosen based on ornithologists' recommendations. Modern bird diverters are polymer covers made of high-tech dielectric materials. They enclose insulators where they are attached to the wires. The bird diverters are designed so to prevent short circuits when birds land on power lines. When installed, these arrangements also reduce the number of bird-related operational disruptions at energy facilities, thereby improving the reliability of power supply to consumers.

## Import Substitution and Cooperation with Equipment Manufacturers

PJSC Rosseti South approved a import substitution schedule. The goals and objectives of the import substitution plan are aimed at ensuring the technological security of the power grid sector of the Russian Federation and reducing dependence on foreign products, equipment, technical devices, and services/work of foreign companies and the use of foreign software.

### Import substitution targets

Import substitution targets are stipulated by the Energy Strategy of Russia until 2035, according to which the share of advanced technological equipment for the fuel and energy sector created or localised in the Russian Federation in the total amount of technological equipment specified in the list of technological equipment demanded by organisations of the fuel and energy complex, the creation (localisation) of production of which is necessary on the territory of the Russian Federation until 2035 should amount to at least 50–60% in 2024 and up to 70–80% by 2035.

Aiming to switch to Russian radio-electronic products, PJSC Rosseti South worked hard in 2024 to hit the target set for the transition to domestic products.

The actual share of expenditures on the purchase of Russian radio-electronic products in the total expenditures on the purchase of radio-electronic products in 2024 is 98%, with a target value of 77%.

Investments in Russian radio-electronic products totalled RUB 70.6 million.

**10.64%**  
actual share of foreign equipment  
in the total volume of equipment  
purchases by PJSC Rosseti South in 2024  
(including products manufactured  
by countries of the Eurasian Economic  
Union (Republic of Belarus))

**0.6%**  
(excluding products manufactured  
by countries of the Eurasian Economic  
Union (Republic of Belarus))

Localisation, import substitution and development of domestic solutions for the serial production of energy storage systems and the development of related technologies is a state objective for the advancement of the high-tech field of energy storage systems (ESS) for the period up to 2030. In order to achieve the import substitution target set by the ESS, PJSC Rosseti South organised research and development work (R&D) on the grid connection of consumers in isolated areas using autonomous hybrid power plants (AHPPs). The main goal lies in determining the possibility to supply power to hard-to-reach (having a 'weak' connection to the Unified Energy System of the Russian Federation) and isolated areas, e.g., by means of the AHPPs, ('virtual' grid connection) with simulation of the legal technical and economic conditions for their participation in the circulation of electrical energy (capacity) on retail markets for electrical energy (capacity) and related services. In 2024, this R&D programme involved selecting a pilot facility for the pre-commercial operation of Russian-made AHPPs.

# Financial Review

## Key financial and economic indicators

### Revenue analysis

Revenue from sales of products (services) at the end of 2024 was RUB 3,114 million (6.5%) higher than in 2023, including revenue from electricity transmission, which was RUB 3,075 million (6.8%) higher than in 2023. This was due to a 2.6% increase in the tariff for electricity transmission, as well as an increase in the volume of electricity transmission services by 1,000.6 million kWh, or 4.2%.

The increase in revenue from grid connection amounts to RUB 395 million, or 65.1%, due to the presence of grid connection contracts executed in 2024 with a relatively high value compared to the same period in 2023.

Revenue from electricity sales decreased by RUB 649 million, due to the transfer of the status of guaranteeing supplier in the GS-1 zone (Elista, Republic of Kalmykia) to JSC Chitaenergosbyt, effective 1 October 2023, in accordance with Order No. 713 of the Ministry of Energy of the Russian Federation dated 30 August 2023. Revenues from other activities grew by RUB 293 million due to the intensification of the Company's efforts to develop additional (non-tariff) activities and promote competitive services in construction and assembly, repair and maintenance, as well as the conclusion of agency agreements with resource supplying organisations (suppliers of public utilities) in the Republic of Kalmykia for subscription services and acceptance of payments from individuals.

### Cost analysis

The cost of sales is RUB 3,250 million (8.0%) higher than in 2023. This upward trend is mainly due to an RUB 717 million increase in expenses for purchased electricity to compensate for losses, which is related to a 5.9% increase in the tariff for purchased electricity to compensate for losses, a 1.7% increase in the volume of paid electricity losses, and expenses for services provided by PJSC Rosseti by RUB 1,024 million, or 11.3%, due to a 7.2% increase in the rate for maintenance of UNPG facilities, a 16.1% increase in the volume of standard losses, and a 4.2% increase in the rate for compensation for electricity losses in UNPG grids, expenses for the payment of TGO services by RUB 492 million, or 12.2%, which was due to an rise in the average tariff by 16.8%, personnel expenses by RUB 858 million in connection with the indexation of the Company's personnel salaries.

Other costs are higher by RUB 541 million mainly due to the need to implement the repair programme for priority activities, as well as the growth in other revenue.

Compared to the results for 2023, the financial result grew by RUB 4,795 million. This increase reflects changes in the carrying amount of the electricity grid assets of the Volgogradenergo branch in accordance with FAS 6/2020 'Fixed Assets', as well as an increase in the Company's revenue, mainly from electricity transmission.

### Analysis of key financial and economic performance indicators

Indicators		UoM	Period			
			2022 actual	2023 actual	2024 actual	Δ 2024/2023, %
Financial indicators						
1	Revenue from product (service) sales, including:	RUB million	42,113	48,151	51,265	6.5
1.1.	• From electricity transmission	RUB million	39,141	44,991	48,066	6.8
1.2.	• From grid connections	RUB million	603	607	1,002	65.1
1.3.	• From electricity sales	RUB million	2,020	2,099	1,450	−30.9
1.4.	• From other services	RUB million	350	454	747	64.5
2	Cost of products (services)	RUB million	36,644	40,802	44,053	8.0
3	Gross profit	RUB million	5,469	7,349	7,212	−1.9
4	Administrative expenses	RUB million	902	944	1,057	11.9
5	Selling and marketing expenses	RUB million	138	149	117	−21.6
6	Profit (loss) from sales	RUB million	4,428	6,255	6,038	−3.5
7	Interest receivable	RUB million	476	313	441	41.0
8	Interest payable	RUB million	2,350	2,278	3,636	59.6
9	Income from shareholdings	RUB million	7	12.0	101	739.2
10	Other income	RUB million	3,279	3,982	9,931	149.4
11	Other expenses	RUB million	6,144	5,006	2,991	−40.2
12	Profit (loss) before tax	RUB million	−305	3,279	9,884	201.4
13	Income tax and other charges	RUB million	254	848	2,659	213.4
14	Net profit (loss)	RUB million	−559	2,431	7,225	197.3
15	EBITDA <sup>1</sup>	RUB million	4,932	9,741	8,240	−15.4

<sup>1</sup> EBITDA was calculated as follows: Pre-tax profit before interest expense, depreciation, amortisation and net charge/(reversal of) impairment loss on fixed assets and rights-of-use assets.

### Financial indicators<sup>1</sup>

Indicators				Period
	2022	2023	2024	Abs.variation (2024/2023)
Net debt/EBITDA	3.56	2.25	2.75	0.51
Current liquidity ratio	0.66	0.67	0.57	−0.10
Share of long-term borrowings	0.69	0.66	0.55	−0.11
Net cash flow, RUB million	1,355.35	2,432.75	−2,936.32	−5,369.07

The increase in the net debt/EBITDA ratio by 0.51 was attributable to higher net debt and lower EBITDA.

The increase in the net cash flow in 2024 comes from reduced operating cash flow.

### Changes in the value of net assets and authorised capital

Indicator	31.12.2022	31.12.2023	31.12.2024
Net assets, RUB '000	2,811,149	5,236,841	12,436,536
Authorised capital, RUB '000	15,164,143	15,164,143	15,164,143

The Company's net assets as at 31 December 2024 were lower than the authorised capital by RUB 2,728 million.

Reasons for this ratio:

- ▶ An additional issue of shares, which increased the authorised capital of PJSC Rosseti South by RUB 6,960.2 million by placing 69,601,830,929 (Sixty-nine billion six hundred and one million eight hundred and thirty thousand nine hundred and twenty-nine) additional ordinary registered uncertificated shares with a par value of 10 (ten) kopecks each for a total par value of RUB 6,960,183,092 (Six billion nine hundred and sixty million one hundred and eighty-three thousand ninety-two) each 90 kopecks
- ▶ Recognition of impairment losses on power grid assets as at the date of transition to FAS 6/2020 (adjustment of indicators as at 31 December 2021)

Given the change in the economic situation in the country, the legislator stipulated that, in accordance with clause 1 of Art. 17 of Federal Law No. 46-FZ dated 8 August 2022 'On Amendments

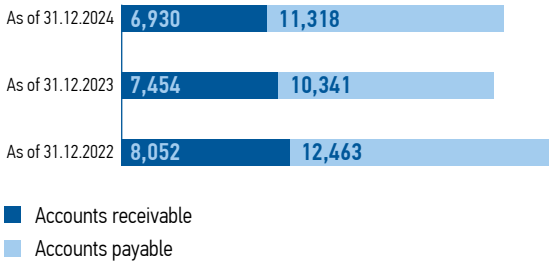
to Certain Legislative Acts of the Russian Federation,' – a decrease in the value of the net assets of a joint stock company below the amount of its authorised capital at the end of 2022–2023 shall not be taken into account for the purposes of applying clauses 4 and 6 of Art. 35 of Federal Law 'On Joint Stock Companies'.

In order to improve the financial and economic performance of PJSC Rosseti South, including bringing the value of net assets into line with the amount of authorised capital, management brought forward measures, such as challenging tariff balance solutions for electricity transmission through court proceedings.

With regard to the challenge of tariff balance solutions for the electricity transmission for 2024 concerning the Kalmenergo branch of PJSC Rosseti South, the Company's claims were satisfied in full.

## Liabilities

### Ratio of accounts receivable to accounts payable, RUB million



The results for 2024 show a decrease in accounts receivable and an increase in accounts payable.

Indicator	As of 31.12.2022	As of 31.12.2023	As of 31.12.2024
<b>Accounts receivable, including:</b>	<b>8,052</b>	<b>7,454</b>	<b>6,930</b>
Trade receivables	6,357	5,416	4,813
including by electricity transmission	5,949	5,220	4,612
Bills receivable	0	0	0
Advances paid	27	43	42
Other accounts receivable	1,668	1,995	2,075

The total amount of accounts receivable of PJSC Rosseti South at the end of the reporting period was RUB 6,930 million, and as of 31 December 2023 – RUB 7,454 million. The decrease totalled RUB 524 million and was caused by the trade receivables for electricity transmission services.

Trade receivables amounted to RUB 4,813 million, which is RUB 603 million (11.1%) below the level as at 31 December 2023 – RUB 5,416 million. The decline resulted from the fulfilment of obligations to pay for electricity transmission services and a reduction in the debt of PJSC TNS Energo by RUB 290 million, JSC VMES by RUB 272 million, LLC Nezavisimaya Energosbytovaya Kompaniya Yuga by RUB 69 million, LLC Energosistema by RUB 61 million, PJSC Astrakhanskaya Energosbytovaya Kompaniya by RUB 31 million, SUE URSV by RUB 27 million, LLC MIFPK-Bers by RUB 27 million, with an increase in the debt of PJSC Volgogradenergoby by RUB 66 million, LLC Novaya Energosbytovaya Kompaniya by RUB 33 million, LLC CHPEK by RUB 22 million, and LLC EES-Garant by RUB 17 million.

### Accounts receivable

#### Analysis of changes in accounts receivable, RUB million



The bulk (66.6%) of the Company's receivables comes from the settlements for the electricity transmission services rendered.

The total amount of receivables of PJSC Rosseti South for services rendered for the electricity transmission (before deduction of the allowance for doubtful debts) as at 31 December 2024 amounted to RUB 5,272 million, including restructured receivables of RUB 749.1 million and overdue receivables of RUB 771.8 million. Compared to the results of 2023, accounts receivable as of 31 December 2023 decreased by RUB 1,596.41 million. This reduction was achieved, among other things, through the repayment of restructured current debt, as well as through the enforcement of debt collection and penalties to encourage unscrupulous counterparties to fulfil their financial obligations in a timely manner.

<sup>1</sup> The calculation is based on IFRS consolidated financial statements.



Changes in accounts receivable, RUB million

Indicators	31.12.2022	31.12.2023	31.12.2024
Accounts receivable	8,508.72 (down by 1,176.18)	6,841.70 (down by 1,667.03)	5,272.29 (down by 1,596.41)
Overdue accounts receivable¹	3,161.45 (down by 659.29)	1,908.06 (down by 1,253.40)	771.844 (down by 1,136.21)
Restructured accounts receivable	1,493.35 (down by 1,293.04)	1,043.41 (down by 449.95)	749.14 (down by 294.27)

The bulk of overdue receivables is accounted for by energy supply companies (RUB 266.9 million, or 34.6%) and other direct consumers, mainly bankrupt entities (RUB 216.9 million, or 28%).

In 2024, the security unit collected overdue debts for electricity transmission services under 280 enforcement orders, totalling RUB 1,054.43 million.

Accounts payable

Analysis of changes in accounts payable, RUB million



Indicator	as of 31.12.2022	as of 31.12.2023	as of 31.12.2024
Accounts payable, including:	12,463	10,341	11,318
Suppliers and contractors	8,085	4,920	5,097
Bills payable	0	0	0
Advances received	1,437	2,207	2,971
Taxes and charges	759	895	705
Other accounts payable²	2,182	2,319	2,545

Accounts payable at the end of the reporting period were up by RUB 977 million (9.5%) compared to the beginning of the year and amounted to RUB 11,318 million as at 31 December 2024.

Bonds

Programme of exchange-traded bonds of 001P series (issue identification number and date of its assignment: 4-34956-E-001R-02E and 12.08.2016)

Type of security	Exchange-traded bonds
Authority that assigned an identification number to the issue	Public Joint Stock Company Moscow Exchange MICEX-RTS
Number of coupon periods, for which income on securities of the issue is paid:	Set by the terms of the issue
Volume of the issued securities – the value of all issues of exchange-traded bonds, under the programme, RUB	Up to and including RUB 25,000 million
Status of the issue	Placement not started yet

Maximum circulation term of the issue under the programme	No later than 10,920th day from the date of the placement of the issue of exchange-traded bonds under the programme
Programme duration	Perpetual
Issues under the Programme	Not placed
Debt as of 31.12.2024	None

No credit ratings were assigned to the Company in the reporting year.

Tariff policy

Guidelines for calculating tariffs for electricity transmission services and grid connection services are approved by the federal executive authority responsible for tariff regulation, the functions of which are exercised by the Federal Antimonopoly Service (FAS of Russia).

The maximum levels of tariffs for electricity transmission services are approved by the FAS of Russia.

In the regions where PJSC Rosseti South operates, uniform (common-pot) tariffs for electricity transmission services were approved for the period from 1 December 2024 to 31 December 2024, broken down by half-year. For 2024, electricity transmission tariffs for all regions where PJSC Rosseti South operates were approved within the minimum and maximum tariff limits established by the FAS of Russia.

- Primary consumers of the Company’s electricity transmission services are:
- ▶ Electricity retailers – entities of wholesale and retail markets that are selling electricity to end consumers connected to the power grids of the Company’s branches and grids of other grid organisations
  - ▶ End consumers of electricity
  - ▶ Territorial grid operators – entities of retail electricity market that transmit the electricity to the end consumers via their grids

Electricity transmission tariffs

In 2024, unified (common-pot) tariffs for electricity transmission services were in effect in all constituent entities of the Russian Federation within the catchment area of PJSC Rosseti South. The distinctive feature of this pricing scheme is that for all consumers of the same voltage class, electricity transmission is charged at a single tariff regardless of which organisation’s grids they are connected to.

¹ Overdue debt is shown net of restructured debt.  
² Metrics are aligned with financial statements of the Company for 2024, include the sum of the balance sheet items “Other liabilities” 1450 and “Accounts payable” 1520.

## Indicators on tariffs for electricity transmission services and grid connection fees

Indicators	UoM	Period			
		2022	2023	2024	Δ 2024/2023, %
RGR for electricity transmission approved under tariff balance solutions, including:	RUB million	40,208.83	46,091.96	48,414.47	5.04
Astrakhanenergo	RUB million	6,254.92	7,078.14	7,319.26	3.41
Volgogradenergo		10,798.42	12,410.43	12,906.33	4.00
Kalmenergo		2,633.45	2,980.19	2,392.95	−19.71
Rostovenergo		20,522.04	23,623.19	25,795.93	9.20
<b>own RGR</b>		<b>19,960.22</b>	<b>23,762.16</b>	<b>24,187.73</b>	<b>1.79</b>
Astrakhanenergo		3,459.67	3,837.45	3,817.19	−0.53
Volgogradenergo		4,701.13	5,804.64	6,017.63	3.67
Kalmenergo		1,926.99	2,225.43	1,581.33	−28.94
Rostovenergo		9,872.43	11,894.64	12,771.59	7.37
<b>UNPG services</b>		<b>7,658.16</b>	<b>8,816.41</b>	<b>9,764.10</b>	<b>10.75</b>
Astrakhanenergo		342.07	472.24	593.81	25.74
Volgogradenergo		2,662.23	3,052.18	3,233.60	5.94
Kalmenergo		299.19	310.39	327.45	5.50
Rostovenergo		4,354.68	4,981.60	5,609.25	12.60
<b>Expenses for purchase of electricity losses</b>	RUB million	<b>8,933.01</b>	<b>9,492.85</b>	<b>9,855.14</b>	<b>3.82</b>
Astrakhanenergo		2,036.29	2,325.93	2,416.19	3.88
Volgogradenergo		2,330.19	2,443.10	2,473.54	1.25
Kalmenergo		407.27	444.38	484.17	8.95
Rostovenergo		4,159.25	4,279.44	4,481.24	4.72
<b>Expenses for TGO services (according to the effective contractual scheme)</b>		<b>3,657.44</b>	<b>4,020.55</b>	<b>4,607.49</b>	<b>14.60</b>
Astrakhanenergo		416.89	442.53	492.08	11.20
Volgogradenergo		1,104.87	1,110.52	1,181.56	6.40
Kalmenergo		0.00	0.00	0.00	0.00
Rostovenergo		2,135.68	2,467.50	2,933.86	18.90
<b>Common-pot electricity net delivery</b>	million kWh	<b>23,821.22</b>	<b>24,169.60</b>	<b>24,579.63</b>	<b>1.70</b>
Astrakhanenergo		2,867.76	2,826.37	2,812.19	−0.50
Volgogradenergo		8,008.11	8,042.11	8,079.77	0.47
Kalmenergo		623.64	630.47	635.66	0.82
Rostovenergo		12,321.72	12,670.65	13,052.00	3.01
<b>Average tariff for electricity transmission services by branches</b>	RUB/kWh	<b>1.68794</b>	<b>1.90702</b>	<b>1.96970</b>	<b>3.29</b>
Astrakhanenergo		2.18112	2.50432	2.60269	3.93
Volgogradenergo		1.34844	1.54318	1.59736	3.51
Kalmenergo		4.22273	4.72692	3.76449	−20.36
Rostovenergo		1.66552	1.86440	1.97640	6.01

Indicators	UoM	Period			
		2022	2023	2024	Δ 2024/2023, %
<b>Standardised tariff rates for covering the costs of grid connection of consumer terminals, power grid facilities owned by grid operators and other persons, for measures specified in clause 16a of the Guidelines of the FAS of Russia</b>	RUB per connection	<b>4,083.22</b>	<b>5,029.58</b>	<b>5,985.37</b>	<b>19.00</b>
Astrakhanenergo		3,280.00	4,736.00	5,520.00	16.55
Volgogradenergo		4,169.09	5,530.01	7,224.42	30.64
Kalmenergo		4,334.50	4,461.42	4,834.54	8.36
Rostovenergo		4,549.27	5,390.89	6,362.51	18.02

The volume of required gross revenue (RGR) from electricity transmission activities of Rosseti South in 2024 is 5.04% higher than the RGR approved for 2023.

- The own RGR of branches of PJSC Rosseti South increased by 1.79%. The low growth rate of own RGR across the Company as a whole is caused by lower year-on-year own RGR in 2024 at the branches of PJSC Rosseti South: Astrakhanenergo – due to the faster growth rate of UNPG costs, and Kalmenergo – due to the decline in revenue to be transferred by the Rostovenergo branch of PJSC Rosseti South within the single tariff zone.
- The cost of electricity transmission services via the UNPG grids increased by 10.75% for the Company as a whole, with the highest growth rates observed in:
  - At the Astrakhanenergo branch, costs rose by 25.74%, due to changes in the declared capacity (by 15.57 MW, or 13.19%) and the volume of electricity losses in the UNPG grids, and growth in the rate for grid maintenance by 10.5% and the rate for payment of standard electricity losses in the UNPG by 9.3%.
  - For the Rostovenergo branch, costs increased by 12.60%, which was attributable to changes in the declared capacity (by 41.45 MW, or 3.09%) and the volume of electricity losses in the UNPG grids, and an increase in the grid maintenance rate by 10.5% and the rate for payment of standard electricity losses in the UNPG grid by 16.24%.
- The amount of expenditure on the purchase of electricity to compensate for losses increased by 3.82% for the Company as a whole. The largest increase was seen at the Kalmenergo branch of PJSC Rosseti South (by 8.95%), which is caused by an 8.09% increase in the purchase price of electricity to compensate for losses, including due to an increase in sales mark-ups by guaranteeing electricity suppliers.
- The total cost of TGO services for the Company increased by 14.60%:
  - At the Astrakhanenergo branch, costs rose by 11.20%, exceeding the growth rate of Astrakhanenergo's own RGR. The faster growth in the required gross revenue of other TGOs was mainly driven by an uptick in the number of TGO electrical grid equipment (Gorelektroset Astrakhan municipal unitary enterprise) and its inclusion in the mutual settlement scheme.
  - At the Volgogradenergo branch, the increase in costs amounted to 6.40%.
  - At the Rostovenergo branch, costs went up 18.90%, which is more than the growth rate of Rostovenergo's own RGR. The faster growth in the necessary gross revenue of other TGOs is primarily due to increased number of TGO electrical grid equipment.



5. The year-on-year increase in the average tariff for electricity transmission services for PJSC Rosseti South was as follows:
- At the Astrakhanenergo branch 3.93%,
  - At the Volgogradenergo branch 3.51%,
  - At the Kalmenergo branch 20.36%,
  - At the Rostovenergo branch 6.01%.

The negative growth in the average tariff for the Kalmenergo branch in 2024 is explained by reduced revenue to be transferred by the Rostovenergo branch of PJSC Rosseti South within the single tariff zone.

### Grid connection fee

Grid connection fee is calculated when newly commissioned and earlier connected consumer terminals with increased maximum capacity are connected and also if the power supply reliability

category, connection points, type of production activities of already connected consumer terminals are changed without revising the maximum capacity, but involving the change of the external power supply scheme of such terminals.

Should the category of reliability change, grid connection fee shall be calculated for the volume of maximum capacity of the applicant's consumer terminals with the changed category of reliability.

In cases of changes in the scheme of external power supply, which do not entail revision of the maximum capacity due to changes in connection points, types of production activities, grid connection fee shall be calculated for the amount of maximum capacity specified in the grid connection application.

The standardised tariff rates established in the territories where PJSC Rosseti South operates differentiate between voltage levels and the type of material used and/or the method statement, and are set out in the RTS tariff solutions for 2024 (available on the Company's official website in the [Consumers/Grid Connection/Grid Connection Tariffs section](#)).

## Consolidation of Power Grid Assets

The consolidation of the grid assets is based on the consideration of proposals for the transfer of power grid facilities under the Company's management and also on the identification of the power grid facilities that are potentially interesting for the consolidation, and subsequent collaboration with owners of such facilities for determining mutually beneficial conditions of the relevant transactions.

The activities of related territorial grid organisations (hereinafter referred to as TGOs) are monitored and analysed, and the structure of their ownership and key characteristics of the power grid assets owned by TGOs are reviewed. Tariff balance solutions for related TGOs are monitored to ensure compliance with regulatory requirements.

The total volume of consolidated power grid assets in 2024 amounted to 14,862.00 c.u., with power transmission lines totalling 1,300.00 km in length and transformer substations with a total capacity of 677.00 MVA. In 2025, PJSC Rosseti South plans to keep working on the consolidation of its power grid assets.

### Scope of consolidation of power grid assets

IDGC/DGC	2022			2023			2024		
	Power grid assets consolidated for the period			Power grid assets consolidated for the period			Power grid assets consolidated for the period		
	MVA	km	c.u.	MVA	km	c.u.	MVA	km	c.u.
1	2	3	4	5	6	7	8	9	10
PJSC Rosseti South	288.9	462.3	4,391.6	318	514	5,526	677	1,300	14,862
Grid facilities acquired	80.0	0.0	121.7	0	0	2	53	5	336
Grid facilities leased	128.8	82.5	1,919.2	260	308	4,431	333	283	4,666
Other (permanent rights of ownership and use)	5.3	104.6	230.4	12	88	300	11	74	265
Other (temporary rights of ownership and use)	74.8	275.2	2,120.2	46	118	792	279	939	9,596

## Information technologies

PJSC Rosseti South is a modern energy company that relies heavily on the use of information technologies and automation tools to operate efficiently. Currently, the power grid complex at PJSC Rosseti South focuses on upgrading the reliability and continuity of power supply, accessibility, efficiency and customer-oriented nature of the company, which relies on the introduction of digital technologies and digitalisation into the power grid complex.

The rollout of new projects, scaling up existing ones, and keeping up projects already running in the IT space is part of our ongoing efforts under the Digital Transformation Programme of PJSC Rosseti South for 2020–2030, which includes an action plan for PJSC Rosseti South to transition to the predominant use of domestic software.

Main focus areas:

- ▶ Ensuring cybersecurity, developing an information security system
- ▶ Switching to the predominant use of domestic software
- ▶ Introducing corporate information management systems for electricity metering and transmission and production assets
- ▶ Introducing and developing corporate centralised information systems

- ▶ Introducing and developing financial and business operations
- ▶ Optimising and developing the ITT-infrastructure
- ▶ Developing automatic process management systems
- ▶ Developing telecommunications
- ▶ Streamlining ITT business processes

In 2025, the main development area for information technologies is to ensure the Company's customer-oriented approach, introduce smart metering systems, develop the Production Asset Management System (hereinafter referred to as PAMS), implement measures to transition Rosseti South to the predominant use of domestic software for the period of 2022 to 2025, and create a single information space between Rosseti South and Rosseti.

## Corporate and process-related business applications

In 2024, the Company:

- ▶ Continued development of a unified corporate system based on 1C: Holding Management: automation of the grid connection, capital construction, procurement and maintenance, treasury, investment projects, and IFRS accounting subsystems.
- ▶ Put the system for planning the development of the below-35 kV power grid into commercial operation in the pilot zone of the Rostovenergo branch of PJSC Rosseti South.
- ▶ Put the federated message exchange subsystem of the EDMS into commercial operation.
- ▶ Continued development of external and internal electronic document management in a unified corporate system based on 1C: Holding Management.

- ▶ Put the single integration solution for the business processes of service provision and customer relations into commercial operation as part of the creation of the Unified Customer Relationship Platform of Rosseti Group of PJSC Rosseti South.
- ▶ Put into the software modules of the production asset management system were pilot operation.

### Results of 2024

In 2024, all measures to implement the Digital Transformation Programme and the Action Plan for the transition of PJSC Rosseti South to the predominant use of domestic software for the period of 2022–2024 were taken as scheduled.

As of 31 December 2024, the percentage of expenditure on Russian software purchases was 98.35%. The target value for 2024 is 97.78%, which indicates that the KPI set by the General Director of PJSC Rosseti South for IT activities has been achieved.

### Indicators of the Digital Transformation Programme

Indicators	UoM	Period <sup>1</sup>			Structural unit responsible for approving the annual report of subsidiaries
		2022 actual	2023 actual	2024 actual Δ 2024/2023, % <sup>2</sup>	
Funding for the Digital Transformation Programme of PJSC Rosseti's subsidiaries for the reporting year	RUB million	15.0	34.4	36.8	Deputy General Director for Digitalisation
Percentage of managers, specialists and non-manual workers trained in digital skills in accordance with accepted corporate standards or, if these are not available, in accordance with orders issued by the Russian Ministry of Economic Development as at the end of the reporting period	%	3.7	2.2	4.3	Department of Human Resources Management and Organisational Design

<sup>1</sup> If it is not necessary/possible to reflect the indicator for three years, specify for the reporting year 2024.

<sup>2</sup> If there is a significant deviation between the 2024 and 2023 indicators, the relevant section of the Annual Report should include a justification of the reasons for such deviation.

## Technical Policy

The Company follows the Regulations on the unified technical policy in the power grid complex of PJSC Rosseti.

### The main objectives of the unified technical policy

- ▶ To ensure and improve the readiness of power grids for transmission and distribution of electric power to ensure reliable supply of electric power to consumers, functioning of wholesale and retail electric power markets, parallel operation of the UES of Russia and electric power systems of foreign countries
- ▶ To ensure that the capacity of electricity generation facilities is delivered to the grid
- ▶ To create conditions for connecting wholesale and retail market participants to the power grid on the terms of non-discriminatory access to power grids
- ▶ To participate in improving the efficiency and development of UES of Russia's high-security and emergency control systems
- ▶ To develop and improve the structure of operational and process management of power grid facilities
- ▶ To develop and improve information and telecommunication infrastructure, increase the observability of the power grid and the quality of information exchange with other electric power industry entities
- ▶ To optimise and reduce capital investments and operating costs and expenses in power grid facilities by optimising technical and technological solutions in developing design documentation, using modern technologies and types of equipment, building structures and materials, and reducing the areas occupied by power grid facilities
- ▶ To improve the efficiency of power grid asset management
- ▶ To improve energy efficiency of applied technologies, equipment, materials, systems and reduce process-related losses of electric energy in power grids
- ▶ To tackle the ageing trend in the fixed assets of power grids and power grid equipment by upgrading them, optimising their renovation and retrofitting, and improving the efficiency of power grid asset management
- ▶ To promote automation of electric power transmission and distribution processes, introduction and development of modern systems for technical condition control, diagnostics and monitoring of process equipment, protection and automation systems, emergency control systems, communication systems, engineering systems, commercial and technical metering of electric power, creation and development of digital substations and power grids
- ▶ To improve technologies and increase the efficiency of operation, maintenance and repair of power grid facilities
- ▶ To ensure, improve and develop professional training of operating and maintenance personnel
- ▶ To minimise environmental impact during new construction, renovation, operation, repair and maintenance of power grid facilities
- ▶ To ensure safety in the operation of power grid facilities
- ▶ To stimulate the growth of production of modern equipment, building structures and materials in the Russian Federation, as well as the development of scientific, technical and design potential
- ▶ To create conditions allowing to ensure power supply to consumers without creating/renovating power grid assets



ENERGISING THE LIFE

# TO TAKE CARE OF WHAT MATTERS

## SUSTAINABLE DEVELOPMENT

- 78 Sustainability Management
- 79 HR Management
- 90 Occupational Health and Safety
- 97 Environmental Protection
- 105 Management Systems
- 106 Procurement Activities
- 110 Anti-Corruption Policy and Security of Economic Activities
- 115 Information Disclosure

RUB **412.1** million  
occupational safety  
costs in 2024

RUB **45.5** million  
environmental protection  
costs in 2024



# Sustainability Management

The United Nations Organisation (UN) defines sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The Company is committed to the UN sustainable development goals adopted on 25 September 2015.

## Stakeholder relations

GRI 2-29

The quality of stakeholder relations is the key to sustainable development of Rosseti South. The Company strives to establish a responsible and open dialogue with all stakeholders with due consideration of their interests in decision-making process.

In identifying stakeholder groups, we relied on the following basic principles:

- ▶ Their common interests and expectations from Rosseti Group's companies
- ▶ Their influence on the achievement of strategic goals by Rosseti Group's companies
- ▶ Stakeholder engagement tools we use

The Company's stakeholders are organisations of the Rosseti Group, S&As, members of the Board of Directors and the Management Board, and other legal entities and individuals.

# HR Management

## The key objectives of the Company's HR and social policy

To plan workforce requirements

To recruit necessary skills when needed

To improve the performance and increase labour efficiency

The following policies were approved and put into effect in 2024 in order to uphold the high degree of social protection for PJSC Rosseti South employees and to give them benefits and guarantees:

- ▶ Regulations on the organisation of sanatorium and resort treatment for employees of production departments and power grid regions of branches of PJSC Rosseti South were put into effect.

- ▶ Regulations on the procedure for compensating expenses for the rental (sublease) of residential premises to employees of the power grid regions of branches of PJSC Rosseti South are in effect.
- ▶ One-time payments were made to mobilised workers (called up for military service during partial mobilisation) and families of deceased mobilised workers on Defender of the Fatherland Day, Victory Day, and Energy Workers' Day.
- ▶ One-time financial aid was provided to the Company's employees and veterans.

## Headcount and personnel breakdown

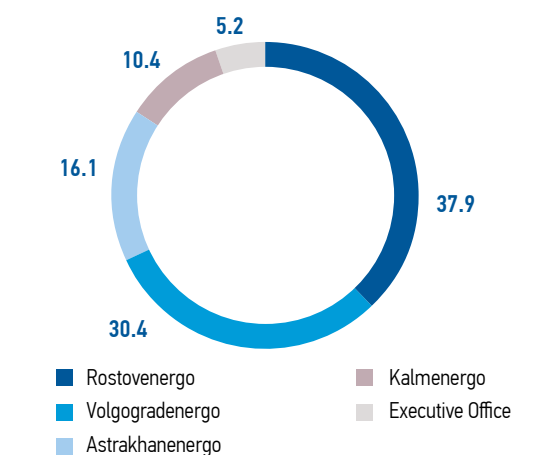
GRI 2-7, 401-1, 405-1

The headcount of employees of PJSC Rosseti South in 2024 totalled 12,956 people, down 4.5% year-on-year. The decrease resulted from natural staff outflow and refusal to extend the status of the guaranteeing supplier in the area of Elista (Kalmenergo, a branch of PJSC Rosseti South).

Average headcount of PJSC Rosseti South for 2022-2024, people



Breakdown of average headcount of PJSC Rosseti South by branches in 2024, %

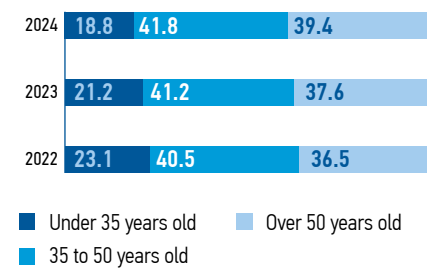


# 88.0%

staffing level at PJSC Rosseti South  
for 2024

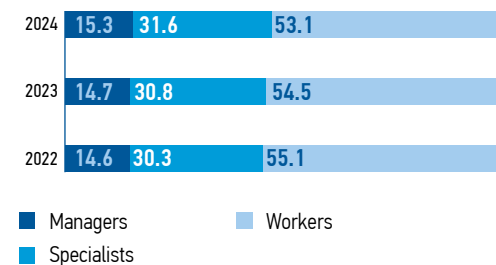
The majority (60.6%) are employees of the Company who are in the most economically and socially active age group under 50 years old. Thus, PJSC Rosseti South achieves an optimal combination of young, proactive employees and experienced, highly qualified staff, ensuring the continuity of professional knowledge and skills. Average age of the Company's employees in 2024 was 45.4 years (45.2 years in 2023).

## Structure of personnel of PJSC Rosseti South by age for 2022–2024, %



The Company's personnel structure by category is typical for companies in the power grid sector: the Company's workforce consists mainly of workers (53.1%), managers (15.3%) and specialists (31.6%).

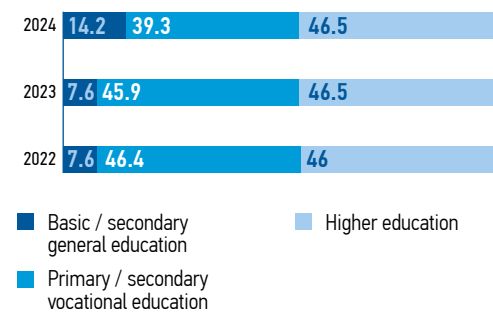
## Personnel structure by category for 2022–2024, %



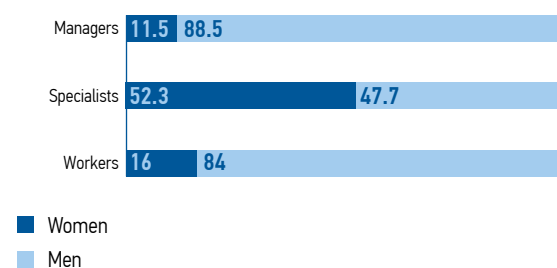
# 87.7%

staffing level of production personnel  
at PJSC Rosseti South for 2024

## Structure of personnel of PJSC Rosseti South by education level for 2022–2024, %



## Structure of personnel of PJSC Rosseti South by gender in 2024, %



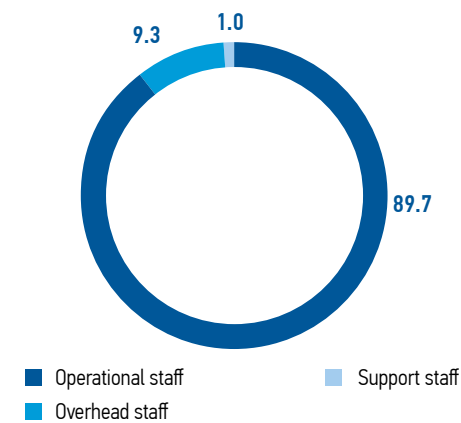
## Staff training and development

GRI 404-2, 404-3

Training is one of the priority areas of the Company's personnel policy and is regulated by the Regulations on Professional Training, Retraining and Advanced Training of Personnel of PJSC Rosseti South, as well as the Rules for Working with Personnel in Electric Power Organisations of the Russian Federation.

The ratio of organised man-courses to the average headcount is 101.2% (13,114 man-courses) (in 2023 – 61.5% (8,337 man-courses)).

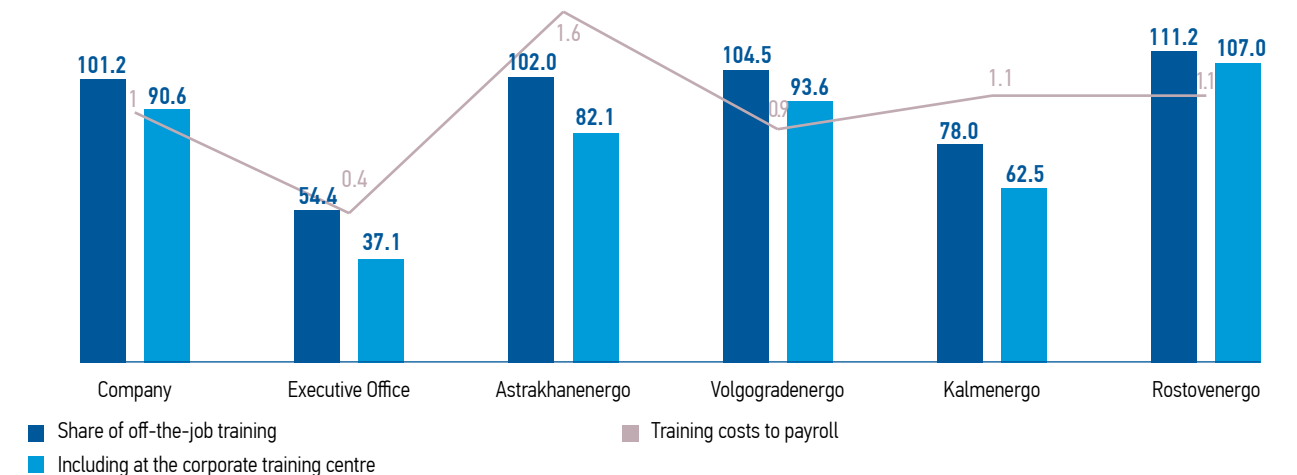
## Structure of personnel who participated in off-the-job training by category, %



The key personnel training needs of the Company are satisfied by the corporate training centre of the Interregional Energy Institute of the South, which in 2024 delivered 11,743 person-courses under vocational training, additional vocational education and additional education programmes, accounting for 89.5% of the total. In 2023, 7,077 people received training at the corporate training centre (84.9% of the total number of training courses).

The majority of training activities at the corporate training centre are attended by production personnel – 92.5% (10,867 man-courses).

## Percentage of off-the-job training provided to employees and ratio of training costs to total payroll in the reporting year, %



## Information about the training centre

The Company's additional training partners also include educational organisations licensed to provide training in fields relevant to the Company's needs.

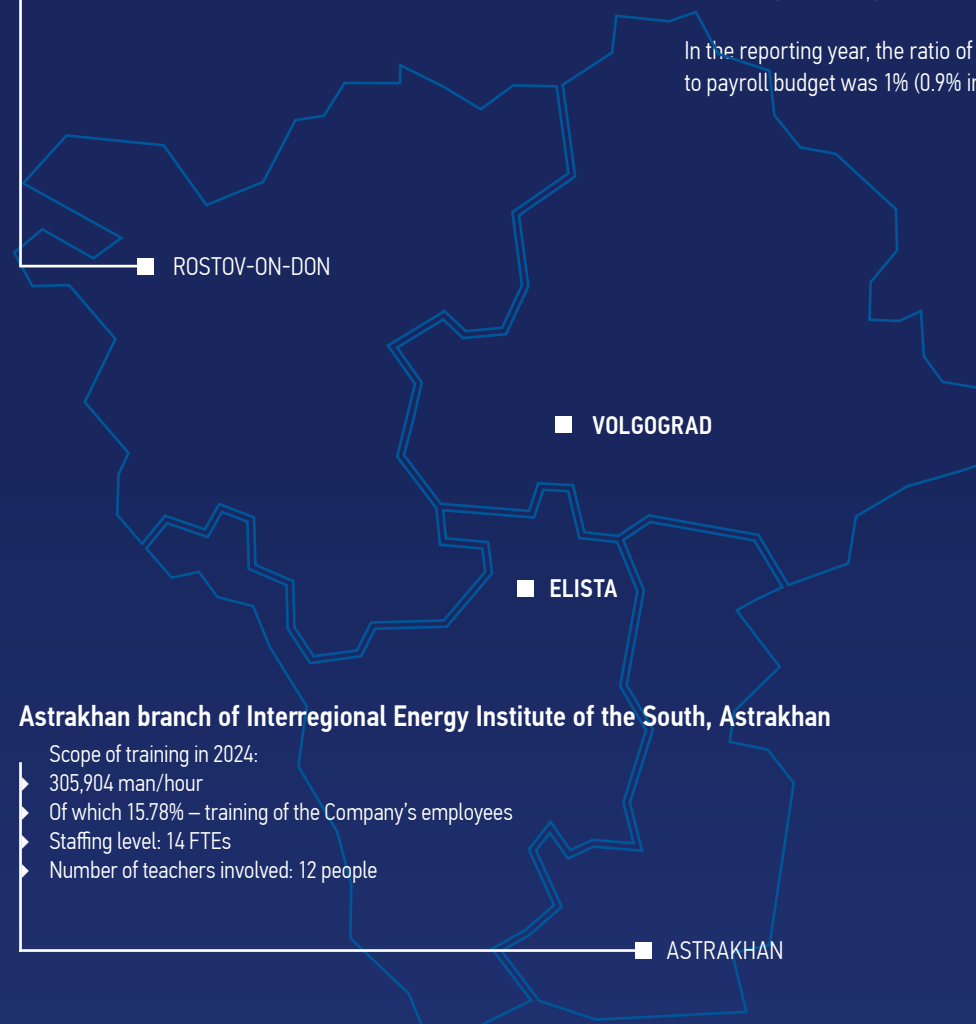
In 2024, the training activities implemented ensured that the Company fulfilled its mandatory training plans.

Actual personnel training costs amounted to RUB 110,716,210, of which RUB 93,714,480 (84.7%) were personnel training costs at the corporate training centre. In 2023, RUB 86,730,490 was allocated for staff training, including RUB 65,662,390 (75.7%) for training at the corporate training centre.

In the reporting year, the ratio of actual personnel training costs to payroll budget was 1% (0.9% in 2023).

### Interregional Energy Institute of the South, Rostov-on-Don

- Scope of training in 2024:
  - 484,246 man/hour
  - Of which 80.8% – training of the Company's employees
- Staffing level: 58 FTEs
- Number of teachers involved: 89 people



### Astrakhan branch of Interregional Energy Institute of the South, Astrakhan

- Scope of training in 2024:
  - 305,904 man/hour
  - Of which 15.78% – training of the Company's employees
- Staffing level: 14 FTEs
- Number of teachers involved: 12 people

## Working with the Company's talent pools

To meet the Company demand for qualified and efficient staff wherever needed and create conditions for the best fulfilment of its staff potential, PJSC Rosseti South constantly updates and improves its management talent pool.

In 2024, the revised Regulations on the formation and development of talent pools at PJSC Rosseti South (hereinafter referred to as the Regulations) were reviewed and approved.

Under the new Regulations, the Company set up two levels of management talent pool: the management talent pool of PJSC Rosseti South and the management talent pool of PJSC Rosseti South's branches.

The Company's work on building up its talent pool enables it to quickly and efficiently meet its needs for employees who are ready to take on leadership roles.

In 2024, the management talent pool of the Company included 816 most promising employees. As of the end of the reporting period, 103.2% of existing managerial jobs were covered by the available talent pool.

The number of young specialists in the Company's talent pool at the end of the reporting period was 264, or 32% of the total number of talent pool members.

The membership of the talent pool is updated annually, with additional recruitment among the Company's specialists to replace those assigned to higher-level target positions and those who have left the talent pool. Members of management talent pools are approved by the Personnel and Remuneration Committee of the Board of Directors of PJSC Rosseti South once every two years.

Employees who are part of the Company's management talent pool regularly participate in training programmes and industry-wide national and regional conferences, which allow them to learn about the best practices of power grid companies, study new technologies, and master more efficient working methods. In 2024, thematic training courses and programmes were organised for members of the Company's management talent pool on the following topics:

- ▶ Risk-based thinking in the field of the occupational health and safety management system (OHSMS)
- ▶ Managers and specialists of organisations, heat energy consumers (service organisations)
- ▶ Successful leader: management tools
- ▶ Framework for behavioural auditing in inspections of working teams (behavioural auditing)
- ▶ Effective selling
- ▶ Project management

Employees from the youth talent pool represented the Company at the International Forum for Young Professionals Forsage-2024 and Russian Energy Week-2024.

In 2024, employees of PJSC Rosseti South, including representatives of the talent pools, took part in the annual Best in Profession competition and showcased their research work in 27 categories. Based on the results of the 2024 competition, 10 representatives of the management talent pool were selected as winners, including three representatives of the Company's youth talent pool.

### 2024 figures across the Company and its branches:

**6.4%**  
turnover rate of pool members

**87.8%**  
replacement of vacant management positions by pool members

**55.3%**  
promotion rate for pool members



# Youth policy of the Company

The Company's youth policy aims to provide vocational guidance to schoolchildren, raise the prestige of energy industry professions and identify potential talent, and is focused on consistent work with schoolchildren, students and young specialists.

## Working with schoolchildren

The aim of early career guidance is to introduce schoolchildren to the profession of energy engineer, encourage them to pursue relevant education and work at PJSC Rosseti South, and identify well-prepared, motivated schoolchildren for referral to targeted training at relevant educational institutions.

Since 2018, we have been involved in organising and holding regional stages of the All-Russian Schoolchildren Olympiad of Rosseti Group. In 2024, 475 schoolchildren representing the regions where the Company operates took part in the Olympiad.

In 2024, the first career guidance project for schoolchildren, Energy Clubs of PJSC Rosseti South, was rolled out: seven energy clubs (involving 150 people) were set up in the regions where the company operates.

Every year, in order to popularise technical occupations among young people, PJSC Rosseti South holds Open Doors Days for schoolchildren and students. This event allows participants to learn about the history of the industry and the region's energy system, the specifics of various departments' activities, and visit the Company's energy facilities.

As part of the Ticket to the Future project in 2024, electrical safety lessons and visits to the facilities of Volgogradenergo, a branch of PJSC Rosseti South, were held for schoolchildren in 7–11 grades.

Throughout the year, Rosseti South's specialists hold vocational guidance lessons for middle and high school students at partner schools, children's camps and quantoriums.

Representatives of PJSC Rosseti South took part in the International Exhibition and Forum Russia (VDNKh, Moscow) as part of the industry's Energy Day.

## Working with college students

Working with students in relevant fields of study is aimed at providing the Company with qualified specialists who are motivated to work in the energy sector.

### Key focus areas in the student engagement in 2024:

1. Organisation of workshop and pre-graduation internships of students of industry-specific schools in the Company  
In 2024, 898 students completed workshop and pre-graduation internships at the Company's divisions.
2. Organisation of targeted training for specialists in fields relevant to the Company with a view to their subsequent employment by the Company. A total of 171 people are studying at partner universities under the targeted programme of PJSC Rosseti South, including 35 students who got enrolled under targeted agreements in 2024. Support measures are offered for employer-sponsored students such as corporate scholarship in case of good academic performance.
3. Student brigades at the Company's facilities. In the reporting year, during the summer labour season, 119 students from nine partner universities worked at Rosseti South's facilities.
4. Young Worker Project. Under the project, the Company employs third- and fourth-year students from universities and vocational colleges who are enrolled in full-time programmes with individual study schedules. Such employees are paid a subsistence scholarship of RUB 3,000 per month. In 2024, the Company hired 70 people.

## Working with young specialists

Recruiting, onboarding and developing young talents are the integral parts of the youth policy of the Company. Young specialists participate in various forums, conferences and competitions. In order to involve young people in the Company's activities, the Company engages with the youth talent pool, established the Council of Young Professionals, which includes 100 employees, and runs targeted development and social support programmes for young people of the Company.

Rosseti South's specialists act as experts at events held for students and schoolchildren, including the qualification stage of the International Engineering Case Solving Championship among university students and the regional stage of the Big Challenges All-Russian Competition of Scientific and Technological Projects.

Young specialists from PJSC Rosseti South took part in the interregional forum for working youth in the South organised by the interregional public organisation Working Youth of the South and the Committee on Youth Policy of the Rostov Oblast.

Young specialists from the executive office and the Astrakhanenergo branch of PJSC Rosseti South took part in Youth Day.

Young specialists from PJSC Rosseti South got involved in the city forum for working youth in the South, called 'City of Professionals.'

Young specialists of the Volgogradenergo branch of PJSC Rosseti South took part in the All-Russian Energy Saving and Environmental Festival #VmesteYarche – 2024.

As part of the opening ceremony of the large-scale youth festival #TriChetyre, young specialists from the Volgogradenergo branch, together with their partner vocational school, Volgograd Energy College, organised a career guidance platform for festival participants, including school leavers, students and young professionals.

# Key highlights in HR management

GRI 2-7, 401-1, 404-1, 405-1

### Changes in HR management indicators

Indicators	UoM	Period		
		2022 actual	2023 actual	2024 actual
Average headcount	people	13,669	13,567	12,956
Distribution of headcount by branches in the reporting year <sup>1</sup>	%	X	X	X
Staffing level	%	95.7	93.4	88.0
Production staffing level	%	95.7	93.2	87.7
Active staff turnover rate	%	6.3	6.4	6.1
Gender composition	%	Male FTE: 74.7	Male FTE: 74.2	Male FTE: 73.2
		Female FTE: 5.3	Female FTE: 25.8	Female FTE: 26.8
Gender composition of managers	%	Male FTE: 88.2	Male FTE: 88.2	Male FTE: 88.5
		Female FTE: 11.8	Female FTE: 11.8	Female FTE: 11.5
Gender composition of specialists	%	Male FTE: 48.7	Male FTE: 48.5	Male FTE: 47.7
		Female FTE: 51.3	Female FTE: 51.5	Female FTE: 52.3
Gender composition of workers	%	Male FTE: 85.4	Male FTE: 84.9	Male FTE: 84
		Female FTE: 14.6	Female FTE: 15.1	Female FTE: 16
Average age of employees	years	43.8	45.2	45.5

<sup>1</sup> The information is shown in a diagram.

Indicators	UoM	Period		
		2022 actual	2023 actual	2024 actual
Age structure of personnel by group: under 35 years old, 35 yto 50 years old and over 50 years old	%, %, %	Under 35 years old – 23.1	Under 35 years old – 21.2	<b>Under 35 years old – 18.8</b>
		35 to 50 years old – 40.4	35 to 50 years old – 41.2	<b>35 to 50 years old – 41.8</b>
		Over 50 years old – 36.5	Over 50 years old – 37.6	<b>Over 50 years old – 39.4</b>
Personnel structure by education: basic / secondary general, primary / secondary vocational, higher education	%, %, %	basic / secondary general – 7.6	basic / secondary general – 7.6	<b>basic / secondary general – 14.2</b>
		primary / secondary vocational education – 46.4	primary / secondary vocational education – 45.9	<b>primary / secondary vocational education – 39.3</b>
		higher education – 46.0	higher education – 46.5	<b>higher education – 46.5</b>
Number of employees with academic degrees	people	17	15	<b>12</b>
Total number of new hires during the reporting period	thousand people	1.9	1.8	<b>1.8</b>
<b>11. Social policy indicators</b>				
Number of employees honoured with state awards	people	0	2	0
Number of employees honoured with awards of the President of the Russian Federation and awards of the Government of the Russian Federation	people	1	0	0
Number of employees honoured with departmental awards by the Russian Ministry of Energy	people	67	61	66
Number of employees honoured with industry awards	people	90	63	73
Number of employees honoured with corporate awards	people	946	702	1125
<b>12. Staff training and development</b>				
Number of employees who participated in off-the-job training programmes / ratio to average headcount	man-course, %	10,565	8,337	<b>13,114</b>
		77.3	61.5	<b>101.2</b>
including occupational health and safety / ratio to average headcount	man-course, %	4,446	2,510	<b>9,026</b>
		32.5	18.5	<b>69.7</b>
including employees trained at in-house training centres / ratio to the total number of employees who received off-the-job training	man-course, %	8889	7077	<b>11743</b>
		84.1	84.9	<b>89.5</b>
Number of production personnel who received off-the-job training, including at in-house training centres	man-course/person	9,564	7,731	<b>11,891</b>
		8,217	6,764	<b>10,867</b>
Distribution of the employees who took part in off-the-job training programmes by category (manager, specialists, workers)	%	Managers: 44.4	Managers: 21.5	<b>Managers: 32.7</b>
		Specialists: 16.8	Specialists: 17.5	<b>Specialists: 19.5</b>
		Workers: 38.8	Workers: 61.0	<b>Workers: 47.8</b>
Number of employees who take part in distance learning programmes	man-course	6,280	3,021	<b>7,516</b>
Average number of training hours per employee by gender	h	45.6	40.5	<b>42.4</b>
		Male FTE: 53	Male FTE: 49.6	<b>Male FTE: 49.9</b>
		Female FTE: 22.2	Female FTE: 21.2	<b>Female FTE: 19.9</b>
Number of personnel who underwent appraisal procedures / ratio to average headcount, including as part of	people, %	2,235	2,239	<b>1441<sup>1</sup></b>
		16.3%	16.5%	<b>11.1%</b>

Indicators	UoM	Period		
		2022 actual	2023 actual	2024 actual
• assessment of competences (corporate and managerial), including recruitment, transfer to a new position, selection to the talent pool, etc.		1,432	1,395	<b>703</b>
• independent qualifications assessment (on the basis of the Customer Service Centres)		803	844	<b>738</b>
Headcount of talent pools	people	765	1,185	<b>816</b>
Share of managerial positions covered by the talent pool	%	82.7	91.42	<b>103.2</b>
Share of managerial positions filled by internal candidates, including from the talent pools	%	77.8	75.4	<b>73.8</b>
<b>13. Youth policy indicators</b>				
Number of schoolchildren participating in career guidance projects of Rosseti Group	people	280	286	<b>415</b>
Number of partner universities/colleges in the regions where the Company operates	–	18	19	<b>19</b>
Number of university/college students trained under company-sponsored training contracts	people	121	169	<b>171</b>
Number of university/college students who completed internships with the Company	people	724	823	<b>898</b>
Number of university/college graduates employed by the Company in the reporting year	people	111	171	<b>89</b>
Number of young professionals who participated in corporate, regional or federal level competitions, forums, conferences	people	34	35	<b>35</b>

<sup>1</sup> Due to changes in the recommended methods and frequency of personnel appraisal at PJSC Rosseti, all appraisal procedures were postponed to 2025–2026 (Order No. 240 dated 31 May 2024 'On the approval of the Regulations on the formation of the management talent pool of Rosseti Group'; Order No. 539 dated 20 November 2024 'On the approval of the Regulations on the assessment of personnel of Rosseti Group').

## Social policy

GRI 2-23, 2-24, 2-30, 403-7

PJSC Rosseti South sees the efficient social policy as key to success. Caring for the health of employees and veterans, organising recreation and health promotion for employees’ children, developing physical culture and sports, and providing social benefits are the main areas of social responsibility.

The Company’s social policy in 2024 was based on the Industry Tariff Agreement in the Electric Power Industry of the Russian Federation for 2022–2024, the Collective Bargaining Agreement of PJSC Rosseti South, internal regulations, orders, and other local regulations of PJSC Rosseti and PJSC Rosseti South.

The Collective Bargaining Agreement of PJSC Rosseti South is the result of effective cooperation between the parties to the social partnership to recognise the social and economic rights and guarantees of the Company’s employees.

In order to retain personnel and ensure social protection of the Company’s employees and their family members, social benefits and guarantees are provided to the employees of PJSC Rosseti South in accordance with the Collective Bargaining Agreement of PJSC Rosseti South for 2023–2025.

### Amount of funds allocated for providing financial assistance to employees, RUB ‘000

Branch	2024
Astrakhanenergo	7,104.01
Volgogradenergo	8,016.52
Kalmenergo	2,692.73
Rostovenergo	8,728.05
Executive Office	1,553.00
<b>TOTAL for PJSC Rosseti South</b>	<b>28,094.32</b>

In 2024, following collective bargaining, the restriction of over 90 days for getting financial assistance when retiring, for the first time after awarding an old-age pension was removed from the Collective Bargaining Agreement. The employee continues to work, and the right to financial assistance for employees is retained.

### Taking care of health

PJSC Rosseti South has Regulations on the organisation of recreation and health promotion for employees, veterans of PJSC Rosseti South and their family members, pursuant to which a health-improving rest was organised for 1,269 employees and their family members at JSC Energetik Recreation Centre and the Energetik Health Resort and for 984 children of employees at children’s health camps. In 2024, 100 employees engaged

in work with harmful and (or) hazardous production factors and pre-retirees spent their holidays in sanatoriums in the Krasnodar Krai and Caucasian Mineral Waters.

In October 2024, the Regulations on the organisation of sanatorium and resort treatment for employees of production departments and power grid regions of branches of PJSC Rosseti South were put into effect, under which employees are provided with discounted vouchers to sanatorium and resort facilities. In 2024, a total of 126 employees of the Company enjoyed a holiday at the Frunze Sanatorium in Sochi.

## Housing improvement

In order to attract and retain highly qualified specialists, the Company put in place the Regulations on corporate support for employees of branches of PJSC Rosseti South. The right to receive such corporate support for improving housing conditions is given to employees of power grid regions and production departments with key electrical engineering specialities, young professionals aged under and including 45 years. Electric fitters, electricians, foremen, and dispatchers of the branch’s production departments received compensation for interest expenses under loan (mortgage) agreements. In total, over 300 employees of the Company took advantage of this benefit, amounting to a total of RUB 29,890,000.

Since October 2024, PJSC Rosseti South has the Regulations on the procedure for compensating employees of power grid regions of PJSC Rosseti South’s branches for the costs of leasing (subleasing) residential premises. (The Regulations apply to newly hired/transferred employees of power grid regions who do not own housing at their place of work.) A total of 10 people claimed this compensation in 2024.

The priority areas are stable social and labour relations of co-workers facilitated by effective cooperation with trade union organisations. Complying with the interests of the parties to social partnership, ensuring and maintaining social stability contribute to improving labour productivity and competitiveness of the Company.

## Development of corporate culture and sports

In accordance with the Collective Bargaining Agreement, the Company finances the costs of cultural, mass and physical culture and recreational activities, which are carried out jointly with primary trade union organisations. For 2024, 0.3% of payroll budget amounting to over RUB 50 million was transferred to fund these activities. All activities were aligned with approved action plans for working with primary trade union organisations for 2024.

### Help for veterans

PJSC Rosseti South devotes special attention to veterans of the Company’s electric power industry. The Company has 3,128 power engineering veterans and 31 veterans of the Great Patriotic War. The Coordination Council of Veterans of the Company maintains the work of veterans’ organisations on a scheduled basis in close cooperation with the HR Department of PJSC Rosseti South, the Council of Young Specialists of the Company, the Coordination Council of Veterans under the Rostov Oblast Government, the Rostov Oblast Youth Policy Committee, the Rostov Oblast State Autonomous Institution “Centre for Patriotic Education of Youth”, veterans’ organisations of cities and regions, search groups, and the command of the Southern Military District.

In 2024, financial support provided to veterans totalled

RUB 8.7 million



# Occupational Health and Safety

GRI 2-23, 2-24, 403-1, 403-2, 403-7

Occupational safety and production culture are our number one priorities!

PJSC Rosseti South places a high priority on occupational safety because its employees are the most valuable resource and the secret to its success.

The Company's main goal in occupational health and safety is to ensure workplace safety and protect the health of employees by preventing work-related accidents and occupational diseases, as well as to improve the level of safety culture.

The Company's management recognises the unconditional priority of preserving the life and health of employees over the results of production activities and takes comprehensive measures to implement the Company's occupational health and safety policy, in particular by ensuring high efficiency of professional activities and maintaining the working capacity and health of personnel. The occupational health and safety work carried out by the Company's management at various levels is considered one of the things that shows how good the managers are and how well they can do their jobs.

## Health and safety management system

The establishment and operation of the occupational health and safety management system (hereinafter referred to as the OHSMS) at PJSC Rosseti South takes into account state regulatory requirements for occupational health and safety, the commitments made on occupational health and safety, as well as international, interstate and national standards.

In accordance with the requirements of the Labour Code of the Russian Federation, with the aim of ensuring continuous improvement of occupational safety activities and the preservation of the life and health of employees, the Regulations on the occupational safety management system at PJSC Rosseti South (hereinafter referred to as the Regulations) were approved and put into effect.

The Regulations apply to the activities of all structural divisions of PJSC Rosseti South, as well as to the activities of contractors and suppliers performing work at the Company's power grid facilities.

In 2024, unscheduled inspections were conducted by the State Labour Inspectorate in connection with accidents. The inspections did not reveal any systemic or significant violations of occupational health and safety requirements. However, they identified isolated cases of documentation violations, shortcomings in the conduct of psychiatric examinations and occupational health and safety training.

The following health and safety violations led to accidents:

- ▶ Safety requirements during equipment inspection,
- ▶ Unauthorised expansion of the scope of the task assigned,
- ▶ Failure to implement organisational and technical measures to ensure the safe performance of work in electrical installations,
- ▶ Failure to use electrical safety equipment and PPE,
- ▶ Lack of mutual control within crews.

## Assessment and management of risks

Occupational risk assessment is an important tool to identify hazards and risks in a timely and systematic manner and to take preventive measures.

The procedure for identifying (detecting) hazards and assessing occupational risk levels includes the following measures:

- ▶ Identification of workplace hazards in structural units with control measures in place
- ▶ Assessment of the levels of occupational risks from each identified hazard
- ▶ Assessment of the acceptability (admissibility) of the assessed levels of occupational risks
- ▶ Analysis and assessment of the adequacy of existing measures to manage and control occupational risk levels

The results of hazard identification and assessment of risk levels at workplaces are communicated to employees in the following ways:

- ▶ By including in workplace health and safety briefings
- ▶ By posting summary data on the risk assessment results in publicly accessible places (information stands, occupational safety and health desks, etc.)

Information on detected (identified) hazards and occupational risk levels is used at all levels of occupational health and safety management.

A high professional level of training for the Company's employees is one of the requirements for the OHSMS to operate effectively.

The professional competence requirements for employees to perform their work are established by regulatory legal acts, professional standards, local regulations and other internal documents of the Company.

## Staff training and preparation

Employees of the Company shall be sufficiently competent in the field of occupational health and safety, possess the knowledge and skills to identify hazards (risks) and manage/control occupational risks associated with the work performed.

Occupational health and safety training activities include the organisation and implementation of the following:

- ▶ Occupational safety briefings upon entry to and in the course of employment
- ▶ On-the-job training (for certain categories of personnel)
- ▶ Training and knowledge testing in occupational safety, safe job methods and techniques
- ▶ Training in how to rescue victims of electric shock and provide first aid (for certain categories of workers)
- ▶ Training in the use and application of personal protective equipment (for certain categories of workers)

Knowledge and practical skills acquired by workers are analysed with due account of the results of on-the-job training, shadowing, emergency and fire drills, as well as the results of periodic observations (various types of control) of how the employee performs the functions and tasks assigned to them.

In order to make occupational safety training of workers more effective, structural subdivisions ensure the availability of occupational safety rules and instructions, as well as other materials necessary for safe performance of work.

## Investigation and recording of accidents

Work-related accidents, occupational diseases, micro-injuries (micro-damage) at the Company's workplaces are investigated and recorded.

The purpose of investigating the causes of accidents, occupational diseases and other injuries is to prevent the deterioration of worker health and safety and to identify deficiencies in how the OHSMS functions.

Measures to investigate and record accidents and occupational diseases include:

- ▶ Organising the reporting of accidents and occupational diseases to the competent authorities and organisations
- ▶ Organising and ensuring a proper and timely investigation of an accident and ill health, drawing up investigation materials in accordance with legal requirements

The Company identifies and prevents hazards in the course of the following activities:

- ▶ Assessment and management of occupational risks, with special attention paid to high-risk jobs
- ▶ Special assessment of work environment
- ▶ Implementation of an operational risk assessment procedure immediately at the workplace before work begins
- ▶ In-process control of labour conditions
- ▶ Prevention of accidents and elimination of their consequences
- ▶ Special-purpose, comprehensive and operational inspections
- ▶ Use of instruments, devices, equipment and (or) complexes (systems) of instruments, equipment (if available and feasible) that provide remote video, audio or other recording of work processes, and storage of the obtained information

## Operation of hazardous facilities

In 2024, PJSC Rosseti South operated 127 hazardous production facilities of hazard classes III and IV (hereinafter referred to as HPFs), all of which are registered in the Unified State Register of Hazardous Production Facilities.

A total of 458 pieces of technical machinery (mobile cranes, crane manipulators, towers, hoists, stationary cranes) are operated at hazardous production facilities of PJSC Rosseti South.

In order to prevent accidents at the hazardous production facilities of Rosseti South, technical machinery is to be operated in accordance with the requirements of regulatory legal acts in the field of industrial safety by trained and certified employees of the Company.

## 2024 results

In 2024, the following measures were put in place to promote industrial safety:

- ▶ Technical inspections and industrial safety assessments of technical units used at hazardous production facilities (473 technical inspections and 321 assessments).
- ▶ Insurance against civil liability of owners of hazardous facilities for damage caused by accidents at hazardous facilities was effected under a contract with a specialised organisation.
- ▶ A total of 565 people received additional professional education (advanced training) and pre-certification training in the field of industrial safety.
- ▶ As part of in-process control to ensure compliance with industrial safety requirements, 538 inspections were carried out and 946 corrective measures were devised to remedy the identified violations. The measures were completed within the set timelines.
- ▶ In order to ensure readiness for action to contain and mitigate the consequences of accidents at Class III hazardous production facilities (gas consumption networks), emergency response

plans were drawn up and approved, and agreements were concluded with emergency rescue services for the operational servicing of hazardous production facilities

- ▶ Actions to be taken by managers and specialists in the event of emergencies and incidents at hazardous production facilities were defined. Actions related to technical investigation and documentation, recording and analysis of accidents and incidents are approved within the framework of the Regulations on industrial safety control at hazardous production facilities of the Company and the Procedure for technical investigation, recording and analysis of causes of incidents at hazardous production facilities of PJSC Rosseti South.

In 2024, no accidents or incidents were recorded at hazardous production facilities of PJSC Rosseti South.

## Work-related injuries and ill-health

The Company adheres to the occupational health and safety policy of Rosseti Group. The policy is communicated to all persons, contractors working on behalf of the Company and visitors to the Company during the induction briefing.

To implement the policy, as well as the obligations stated therein, and to achieve the objectives in occupational health and safety, the Company plans, develops and integrates measures to implement OHSMS procedures.

## Assessment of working conditions

A special assessment of working conditions is a unified set of consecutive measures aimed at identifying harmful and/or hazardous factors in the working environment and work processes and assessing their impact on employees, taking into account any deviations from the standards (hygiene standards) for working conditions established by the federal executive authority authorised by the Government of the Russian Federation and the use of individual and collective protective equipment for workers.

The main reasons for workplaces not meeting health and safety requirements include the following harmful (hazardous) factors: noise, general vibration, local vibration, chemical factors, stress and heavy workloads (workplaces: overhead line repair electricians, distribution grid maintenance electricians, switchgear repair electricians, electric and gas welders, vehicle drivers).

Additional requirements are imposed on the performance of hazardous work in accordance with regulatory legal acts containing state regulatory requirements for occupational safety, such as:

- ▶ Approval of the list of hazardous operations
- ▶ Training of employees in accordance with regulatory requirements
- ▶ Preliminary and periodic medical examinations
- ▶ Performance of work under a work permit with the appointment of persons responsible for the performance of work
- ▶ Provision of up-to-date personal protective equipment (including for work at height)

Information about hazardous work, risks associated with this type of work, and measures to reduce hazards is provided during occupational safety training and briefings.

Employees who perform their duties at workplaces that do not meet state regulatory requirements for occupational health and safety are paid compensation for work in hazardous working conditions, are granted additional paid leave, increased wages, and are provided with milk or other equivalent products (monetary compensation).

For protection against harmful and (or) hazardous factors of the production environment and (or) pollution, as well as at work performed in special temperature conditions, employees are provided free of charge with personal protective equipment and washing agents that received confirmation of conformity in accordance with the procedure established by the legislation of the Russian Federation on technical regulation.

The Company's personnel are provided with personal protective equipment to the full extent. The cost of providing employees with protective equipment and accessories (including fall arresting devices) amounted to RUB 360.740 million.

## Monitoring of employees' health

In order to monitor, control and evaluate the OHSMS performance, the health of employees is monitored, including preliminary and periodic medical check-ups (examinations) and psychiatric examinations.

In accordance with legal requirements, the Company organises medical check-ups: once every two years for employees whose workplaces are found to have harmful and/or hazardous production factors and for vehicle drivers, and every year for persons authorised to work at heights. In 2024, the cost of conducting periodic medical check-ups for 7,434 employees (including 4,309 employed in hazardous working conditions) amounted to RUB 21.289 million.

## Injury rates

GRI 403-9, 403-10

In 2024, occupational health and safety measures required by law were fully completed at the Company. In addition, a number of measures were put in place to improve the staff relations, develop a culture of safety, identify risks of ineffective occupational health and safety management systems, and take timely response actions.

Despite the work carried out in 2024, five accidents occurred at PJSC Rosseti South, resulting in:

- ▶ Three employees suffered serious injuries (Rostovenergo, Astrakhanenergo, executive office of the Company)
- ▶ Two employees died (branches of PJSC Rosseti South, Astrakhanenergo, Volgogradenergo)

Breakdown of casualty by type of incident:

- ▶ exposure to electric current (3 injured),
- ▶ exposure to moving, flying, rotating items and parts (1 injured),
- ▶ road traffic accident (1 injured).

The main causes of accidents:

- ▶ unauthorised expansion of the scope of the task assigned,
- ▶ failure to implement organisational and technical measures to ensure safe working practices,
- ▶ failure by affected persons to use the protective equipment provided to them,
- ▶ violation of traffic rules.

No cases of work-related ill-health among the personnel of PJSC Rosseti South were registered in 2022–2024.



Occupational health and safety management indicators

Indicators	Period <sup>1</sup>			
	2022 actual	2023 actual	2024 actual	Δ 2024/2023, % <sup>2</sup>
Workplace accidents				
For employees:				
Number of work-related fatalities, number of work-related fatalities, person/accident	0	0	2/2	–
Number of people injured in work-related accidents with severe injuries, number of work-related accidents with severe injuries, person/accident	1/1	1/1	3/3	300
For persons who are not employees, but whose work and (or) workplace is controlled by the Company:				
Number of work-related fatalities, number of work-related fatalities, person/accident	0	0	0	0
Number of people injured in work-related accidents with severe injuries, number of work-related accidents with severe injuries, person/accident	0	0	0	0
Ill health diseases and high-risk jobs				
For employees:				
Number of work-related ill health that result-ed in the death of an employee in the report-ing year	0	0	0	0
Number of employees recognised as disabled as a result of work-related ill health in the reporting year, people	0	0	0	0
Number of persons diagnosed with work-related ill-health during the reporting period, people	0	0	0	0

Occupational health and safety costs incurred by PJSC Rosseti South, RUB million



<sup>1</sup> If it is not necessary/possible to reflect the indicator for three years, specify for the reporting year 2024.  
<sup>2</sup> If there is a significant deviation between the 2024 and 2023 indicators, the relevant section of the Annual Report should include a justification of the reasons for such deviation.

Environmental Protection

GRI 2-23, 2-24

The fundamental principles of the Company are to prioritise environmental protection, create safe working conditions, preserve the life and health of employees, improve efficiency, and apply the best available innovative and digital technologies that ensure sustainable development and eliminate negative impacts on the surrounding ecosystem and human health.

Environmental protection management

The Company’s main objectives in the field of environmental protection and environmental management are pursued in accordance with the following documents:

- ▶ Climate change policy of PJSC Rosseti, which establishes climate risks relevant to Rosseti Group, risk management mechanisms and climate change adaptation measures. The purpose of the Policy is to streamline approaches to climate change in the course of the Company’s activities.
- ▶ PJSC Rosseti’s sustainable development policy, which sets out Rosseti’s sustainable development agenda, particularly in the areas of environmental protection and rational use of natural resources.

Environmental Policy approved by the decision of the Company’s Board of Directors on 16 April 2024 (Minutes No. 568/2024 dated 16 April 2024).

Principles of the environmental policy:

- ▶ Priority of environmental safety in production activities
- ▶ Decision-making that takes into account the needs and expectations of interested parties and the scope of the environmental management system
- ▶ Openness and accessibility of information on environmental actions
- ▶ Improvement of activities and continuous refinement of core production processes

The environmental policy implementation programme at PJSC Rosseti South sets out objectives for ensuring compliance with the environmental legislation of the Russian Federation and identifies tasks for reducing negative environmental impact. Environmental safety measures are aimed at protecting the air, water and land resources, and wildlife.



NATIONAL PROJECT: ECOLOGY

Rosseti South built a power supply infrastructure for an eco-technopark in the Rostov Oblast. Power engineers erected a 4-km long 110 kV power transmission line and stretched over 12 km of wires. The total capacity of the connection will be over 5 MW.

In 2024, the following measures were put in place by PJSC Rosseti South:

- ▶ Analysis of compliance of the Company's production activities with mandatory environmental requirements for 2023, with target process performance indicators set for 2024.
- ▶ In November 2024, a certification audit was conducted at the Volgogradenergo branch of PJSC Rosseti South to verify compliance with the requirements of GOST R ISO 14001.

## Results of environmental protection efforts

GRI 2-27

Pursuant to the Federal Law on protection of environment, all production sites of Rosseti South having a negative environmental impact are on the records of government agencies.

A total of 141 facilities were registered:

Category III – 115 units, IV – 26 units.

In 2024, the Company held 15 licences for the right to use subsoil resources for groundwater extraction: four licences at the Volgogradenergo branch and 11 licences at the Rostovenergo branch. In order to protect and rationally use water resources under licence agreements, groundwater quality assessment was carried out in 2024 (observation of groundwater level and temperature, recording of water consumption, sampling for bacteriological and chemical analysis, determination of physical properties of water).

In order to protect and rationally use land, the Company organised regular control over separate accumulation of municipal and industrial waste (waste tyres, transformers, batteries, mercury-containing lamps, oils, metal waste, etc.), their timely transfer to specialised organisations for treatment and disposal. In 2024, 529 condensers containing polychlorinated biphenyls (PCB) – waste equipment containing extremely hazardous pollutants – were transferred for treatment and 1,118 – decommissioned.

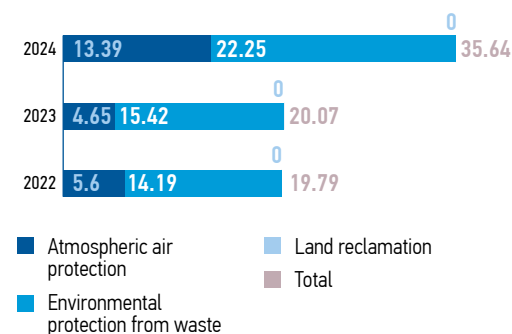
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achievement of the business process indicators  
on Environmental Management, Delivery of the  
Environmental Policy Implementation Programme in 2024

In 2024, all production sites of Rosseti South branches got the permits, licenses, approvals needed, and new ones are sorted out as the old ones expire. The Company engaged accredited laboratories to control the volume of air emissions in 2024. The test results did not show any above-limit values.

For the purpose of retraining and advanced training of employees, 65 people were trained in 2024 under advanced training programmes for managers and specialists in environmental protection & safety and the environmental management system.

### Environmental expenses, RUB million



### Change in payments for adverse environmental effects, RUB '000

	2022	2023	2024
<b>Total, including</b>	<b>46.96</b>	<b>28.23</b>	<b>68.36</b>
• permissible volume	46.96	28.23	68.36
• above-limit volume	–	–	–
Discharges into water bodies, including			
• permissible volume	–	–	–
• above-limit volume	–	–	–
Emissions to the atmosphere, including			
• permissible volume	2.55	4.36	4.42
• above-limit volume	–	–	–
Waste emplacement, including			
• permissible volume	44.41	23.87	63.36
• above-limit volume	–	–	–

### Fines and non-financial sanctions imposed on the Company for non-compliance with the requirements of environmental legislation

There were no inspections of the Company's activities and its subdivisions for compliance with environmental and sanitary-epidemiological legislation in 2024.

### Application of promising technologies and solutions

In order to improve the level of environmental safety, the following activities were undertaken in 2024:

- ▶ Replacement of oil circuit breakers with vacuum circuit breakers (86)
- ▶ Replacement of oil-filled bushings with solid-insulated bushings (28)
- ▶ Installation of bird diverters on 0.4 kV and above overhead power lines (6,690)



### Use of new technologies for environmental protection

Indicators	2022	2023	2024
35 kV vacuum circuit breakers	138	139	–
3–20 kV vacuum circuit breakers	5,977	6,061	6,147
Self-supporting insulated wires on overhead transmission lines, km	455	327.5	0.195

## Climate

GRI 305-1

Volume of CO<sub>2</sub> greenhouse gas emissions generated by the production processes of PJSC Rosseti South for 2023–2024

Production process (support)	Volume for 2023	Volume for 2024	Emissions in 2023 (CO <sub>2</sub> ), thousand tonnes	Emissions in 2024 (CO <sub>2</sub> ), thousand tonnes
<b>motor vehicles</b>				
AI-92 petrol, l	5,149,589.50	<b>5,592,590.00</b>	11.47	12.46
diesel fuel (summer time), l	2,608,961.55	<b>2,770,420.00</b>	7.07	7.51
natural gas (including liquified), l	532,600.00	<b>476,800.00</b>	0.6556	0.59
<b>heating</b>				
natural gas, million m <sup>3</sup>	0.741	<b>0.607</b>	1.36	1.11
<b>Total for PJSC Rosseti South</b>			<b>20.55</b>	<b>21.66</b>

### Supply of renewable energy to Rosseti South's grids

In 2024 (preliminary), wind power generation amounted to over 2 billion kWh, hydro power generation – to over 600 million kWh, and solar power generation – to around 300 million kWh.

In 2024, PJSC Rosseti South concluded a deal for the purchase and sale of green certificates worth 1.5 million kWh issued under the national low-carbon electricity certification system (generated by solar power plants).

### Forming an eco-friendly culture

In 2024, employees of the Company's branches took part in autumn and spring clean-up days to clear rubbish from the surrounding area and plant trees and shrubs; in the run-up to Victory Day, the Volgogradenergo branch run a campaign to plant trees on the grounds of the Mamayev Kurgan, a monument to the Heroes of the Battle of Stalingrad, and employees of the Rostovenergo branch joined an environmental drive to plant trees in city parks to mark the 275th anniversary of Rostov-on-Don.

In order to foster an environmental culture and raise environmental awareness within the Company, 31 staff members participated in the Ecology Dictation.

### Key environmental indicators

GRI 303-5, 305-7, 306-3, 306-5

Indicators	2022 actual	2023 actual	2024 actual	Δ 2024/2023, %
Gross air emission, total, tonne	50.06	50.06	<b>50.56</b>	0
Volume of water consumption, m <sup>3</sup>	222.60	110.78	<b>118.47</b>	6.94
Volume of generated waste, tonne	7,172.023	6,826.87	<b>7,035.24</b>	3.05
Volume of waste transferred for disposal and treatment, tonne	4,625.968	4,625.97	<b>3,085.82</b>	–33.29
Installation of bird diverters at power grid facilities	5,704	5,527	<b>6,690</b>	21.04
Greenhouse gas emissions (amount of CO <sub>2</sub> equivalent emissions), thousand tonnes	21.3	20.55	<b>21.66</b>	5.4

## Protection of atmospheric air, soil and land, preservation of ecosystems and biodiversity

### Measures under the environmental programme for 2024

#### Atmospheric air protection

- ▶ Laboratory and instrumental control of air emissions at sources under contracts with accredited laboratories. The control results did not show any above-limit values
- ▶ Development of industrial environmental control programmes
- ▶ Development of measures to reduce emissions of harmful (polluting) substances into the atmospheric air during periods of unfavourable meteorological conditions
- ▶ Development of sanitary protection zone projects for production sites, measures on observation programme at the boundaries of sanitary protection zones
- ▶ Monitoring of carbon monoxide content in vehicle exhaust gases and timely repair of vehicles
- ▶ Improvement of operational activities and repair production technology (by the enterprise)
- ▶ Use of certified fuels
- ▶ Compilation of statistical data on atmospheric air protection and reports on industrial environmental control programmes at the production sites of branches

According to the results of 2024, the volume of gross air emissions remained flat with 2023 indicators because of inventory of air emission sources and establishment of standards for maximum permissible air emissions.

#### Protection and rational use of water resources

- ▶ Groundwater monitoring in accordance with the programmes developed and registered with the subsoil assets manager for Volgogradenergo and Rostovenergo branches
- ▶ Well abandonment and issuance of a new licence in the Rostov Oblast

#### Waste management

At all production sites, waste is accumulated in places arranged in accordance with the requirements of environmental protection legislation and legislation on ensuring the sanitary and epidemiological well-being of the population, with a view to its further transfer to specialised organisations.

The following measures were implemented in 2024 to achieve the waste management objectives of the Environmental Policy:

#### Ecosystem and biological diversity conservation

GRI 403-2

- ▶ Ensuring the required level of ornithological safety at power grid facilities and, consequently, the required level of power supply reliability, which is achieved through the use of various types of bird diverters

**A total of 6,690 bird diverters were installed on 10 kV overhead transmission lines by branches of PJSC Rosseti South in 2024.**

**85** units in Astrakhanenergo

**1,379** units in Volgogradenergo,

**4,959** units in Kalmenergo

**267** units in Rostovenergo



## Main environmental safety objectives of the Company for 2025

- ▶ To ensure and control safe levels of air emissions from stationary sources; to conduct sanitary and hygienic inspections at the boundaries of sanitary protection zones
- ▶ To improve the competence of employees in environmental safety

- ▶ To install bird diverters on power transmission poles situated in habitation and migration areas
- ▶ To eliminate waste accumulation periods at production sites, ensure timely removal of waste from production sites, fulfil the decommissioning and destruction schedule for PCB-containing equipment for 2023–2024
- ▶ To ensure the compliance with subsoil license agreements

## Energy consumption and energy saving

GRI 302-1

The energy saving and energy efficiency improvement at PJSC Rosseti South in 2024 was aligned with the updated Energy Saving and Energy Efficiency Improvement Programme of PJSC Rosseti South for the period of 2022 to 2026.

The following targets were adopted under the Programme:

- ▶ Reduction of electricity losses in transmission and distribution
- ▶ Consumption of energy resources for housekeeping needs
- ▶ Number of LED-based lighting devices

### Planned and actual values of target indicators

Indicator	UoM	2024	
		Plan	Actual
Electricity losses	million kWh	2,531.85	<b>2,504.85</b>
	% of delivery to the grid	9.28	<b>8.46</b>
Consumption for own needs of substations	million kWh	40.52	<b>33.94</b>
	% of electricity losses	1.62	<b>1.66</b>
Total consumption of energy re-sources for housekeeping needs of administrative and industrial buildings	RUB million, excl. VAT	340.44	<b>320.69</b>
	TFOE	8.67	<b>7.99</b>
Total consumption of natural resources for housekeeping needs of administrative and industrial buildings (water supply)	RUB million, excl. VAT	12.15	<b>3.42</b>
	thousand m³	153.69	<b>142.58</b>
Motor fuel consumption by mo-tor vehicles and special-purpose machinery	thousand litres	7,861.49	<b>8,363.09</b>
	TFOE	9.74	<b>10.3</b>
	RUB million, excl. VAT	315.15	<b>371.00</b>
Use of energy-efficient LED-based lighting facilities	%	93.4775	<b>94.12</b>

In 2024, Rosseti South allocated nearly RUB 3 billion for the repair and maintenance of energy facilities in the regions where it operates, up 16% year-on-year.

## Energy saving and energy efficiency improvement measures

According to the results of 2024, the technological saving of measures with ‘direct’ effects on reducing electricity losses amounted to 16.875 million kWh, with an economic saving of RUB 63.128 million.

Measure		Saving	Expenses
	specified size	RUB million	RUB million
targeted organisational measures to reduce electricity losses, million kWh			
Disconnection of transformers at seasonal load substations	1.21	4.82	0.00
Disconnection of transformers in low load modes	1.66	7.44	0.00
Load balancing in 0.4 kV distribution grids	0.71	2.958	0.00
targeted technical measures to reduce electricity losses, million kWh			
Replacement of branches in residential buildings with self-supporting insulated wires	0.01	0.03	0.00
Replacement of insulators on damaged 110 kV and higher overhead lines	0.25	0.85	15.63
Revision of the magnetic circuit of 35-110 kV power transformers	0.30	0.88	0.00
measures aimed at reducing electricity consumption for substations' own needs, million kWh			
Optimisation of heating, air conditioning, ventilation and lighting systems in substations	1.358	6.534	0.00
Sealing of doorways and window frames in production premises of substations, equipment cabinets	0.181	0.667	0.00
measures with a 'related' effect, million kWh			
Programme for the development of electricity metering and control devices	21.72	87.03	77.33
Retrofitting and renovation, and new construction	0.00	0.00	0.00

According to the results of 2024, the effect of the targeted measures to reduce resource consumption for household needs across the Company as a whole amounted to 222,930 TFOE, worth RUB 7.017 million, against a target of 229,750 TFOE, worth RUB 7.23 million.

At the same time, technical measures accounted for 68% (saving RUB 6.67 million or 131.94 TFOE), with the main effect coming from the installation of LED lighting.

According to the results of 2024, the Programme’s effect in terms of reduction of motor fuel consumption amounted to RUB 2.406 million, or 67,110 litres.

## Development of the energy management system (EnMS)

The Energy Management System (EnMS) is a part of the Company’s overall management system, which has a well-defined organisational structure and focuses on fulfilling the provisions stated in the Energy Policy through implementing the programmes on energy saving and enhancing the energy efficiency.

Since 2015, PJSC Rosseti South has the EnMS certified to ISO 50001 international standard.

In 2024, 22 internal audits of the Energy Management System were conducted in line with the approved schedule and Standard ISM 80380011-IA/F-5300 049-2020 Internal Audit of the EnMS. From 25 November 2024 to 2 December 2024, JSC SGS Vostok Limited conducted a supervisory audit of the energy management system at the executive office and branches of PJSC Rosseti South to ensure compliance with the requirements

of the international standard ISO 50001:2018. The audit results confirmed the compliance of Rosseti South’s Energy Management System with ISO 50001:2018 international standard (the certificate of conformity RU24/00000146). The audit team concluded that the organisation has established and maintained a management system in accordance with the requirements of the standard and has demonstrated the ability of the EnMS to systematically achieve agreed objectives in accordance with the organisation’s policies.

Effects of the energy management system being rolled out at PJSC Rosseti South:

- ▶ Uniform standards offering a systematic, comprehensive approach to energy conservation issues are in use
- ▶ Financial performance through saving and rational use of all types of energy resources at the Executive Office – branch – subdivision – power grid region level was improved

- Costs were cut, and non-production expenses were found and removed
- Organisation’s reputation and image appeal are being improved
- Each employee is involved in the achievement of energy efficiency and energy saving goals

Consumption of fuel and energy resources for household needs of administrative and production buildings

Indicators	UoM	2022	2023	2024	Δ 2024/2023, %
Consumption of fuel and energy resources for household needs of administrative and production buildings	thousand TFOE	8.40	8.75	7.99	−12.5
	RUB million	277.56	322.98	320.69	−0.6

Volume of energy resources used in 2024

Types of resources <sup>1</sup>	UoM	2025 plan	Actual 2024	Variation in %
thermal energy	Gcal	13,460.04	12,570.94	−6.61
	RUB million	14.84	11.47	−22.71
electric energy	million kWh	47.99	45.84	−4.48
	RUB million	298.15	285.20	−4.34
motor petrol	thousand litres	5,426.63	5,592.59	3.06 <sup>2</sup>
	RUB million	216.95	242.36	11.71
diesel fuel	thousand litres	2,434.87	2,770.42	13.784
	RUB million	99.78	131.19	31.48
natural gas	thousand m³	858.07	607.29	−29.23
	RUB million	7.78	5.02	−35.48

<sup>1</sup> Unused resources: nuclear energy, electromagnetic energy, oil, fuel oil, coal, oil shale, peat.

<sup>2</sup> Increase in motor fuel consumption (compared to planned figures) – due to increased mileage of motor vehicles and special machinery during accident response (natural disaster response) in winter and additional (unplanned) repair work on overhead transmission lines and substations in summer.

Management Systems

The Company currently has the following management systems in place.

Quality Management System

The **Quality Management System** (QMS) is a part of the Company’s general management system, which is designed to ensure high quality of services provided in accordance with the requirements of regulatory documents, customer needs and expectations and to satisfy all stakeholders, including workers, shareholders, investors and partners of the Company.

In 2024, based on the results of a recertification audit, the Company’s QMS was recognised as fully compliant with the requirements of GOST R ISO 9001-2015. The certificate issued following the independent audit is valid until 4 November 2027.

Environmental Management System

The **Environmental Management System** (EMS) is a part of the Company’s overall management system with its own organisational structure, mechanisms, procedures, and resources necessary for management of the environmental aspects of activities through developing and achieving the environmental policy goals.

In 2024, based on the results of a recertification audit, the Company’s EMS was recognised as fully compliant with the requirements of GOST R ISO 14001-2016. The certificate issued following the independent audit is valid until 4 November 2027.

Energy Management System

The **Energy Management System** (EnMS) is a part of the Company’s overall management system, which has a well-defined organisational structure and focuses on fulfilling the provisions stated in the Energy Policy through implementing the programmes on energy saving and enhancing the energy efficiency.

In 2024, following a recertification audit, the Company’s EnMS was recognised as fully compliant with the requirements of ISO 50001:2018. The certificate issued following the independent audit is valid until 18 January 2028.

Occupational Health and Safety Management System

The **Occupational Health and Safety Management System** (OHSMS) is part of the Company’s overall management system, which enables the management of operational and behavioural risks and the improvement of performance in the field of occupational health and safety.

In 2024, based on the results of a recertification audit, the Company’s OHSMS was recognised as fully compliant with the requirements of GOST R ISO 45001-2020. The certificate issued following the independent audit is valid until 1 November 2027.

The Company’s management systems comply with the requirements of GOST R ISO 9001, GOST R ISO 14001, GOST R ISO 45001 standards and are combined into an integrated management system (IMS).

The energy management system complies with the requirements of ISO 50001 and is not currently included in the IMS.

Information on the availability of certificates

Description	Management system/certificate validity <sup>3</sup>				Certification authority
	GOST R ISO 9001	ISO 50001	GOST R ISO 14001	GOST R ISO 45001	
PJSC Rosseti South	04.11.2027		04.11.2027	04.11.2027	LLC Promstandart
		18.01.2028			JSC SGS Vostok Limited

<sup>3</sup> GOST R ISO 9001-2015 – Quality Management System, GOST R ISO 14001-2016 – Environmental Management System, ISO 50001-2018 – Energy Management System, GOST R ISO 45001-2020 – Occupational Health and Safety Management System.

# Procurement Activities

GRI 2-25, 2-26

## Regulatory framework

Procurement activities at the Company are governed by the following documents:

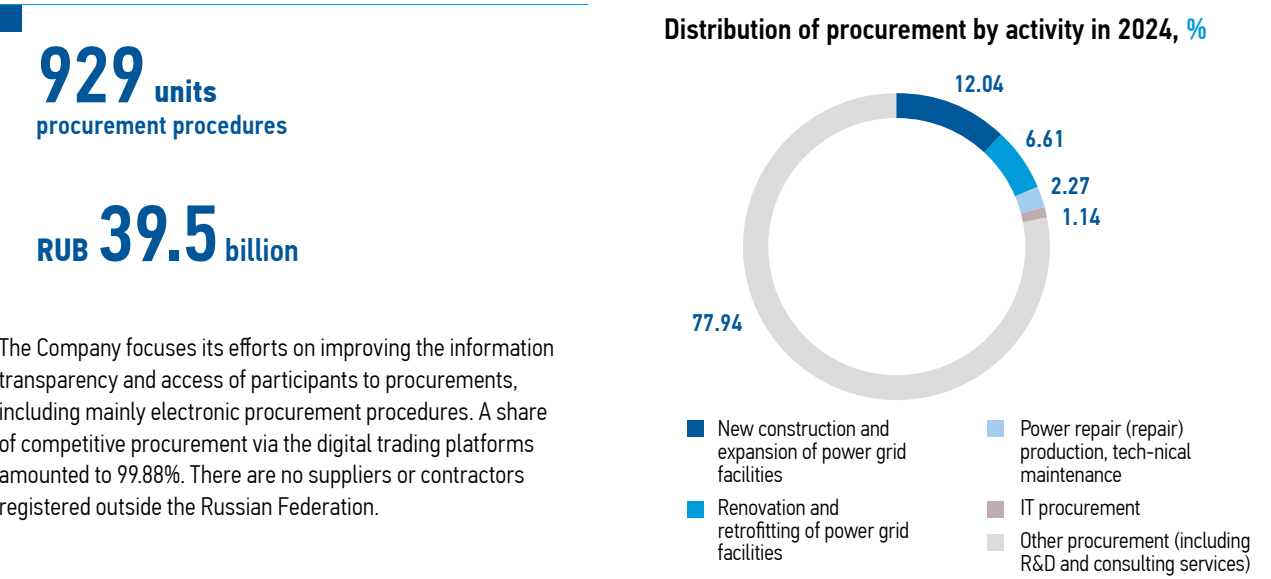
- ▶ Unified Procurement Standard of PJSC Rosseti (Regulations on Procurement)
- ▶ Liaison Protocol of PJSC Rosseti South's business units during scheduled procurement of goods, works and services of the Company
- ▶ Regulations on the Work of the Central Tender Commission of PJSC Rosseti South
- ▶ Regulations on the Work of the Standing Procurement Commission of PJSC Rosseti South

## Methods of procurement procedures

Tender	A tender is the primary procurement method for any product. The winning bidder will be selected based on a combination of criteria (at least two) specified in the procurement documentation
Auction	Auction can only have one stage, with or without prequalification (unless otherwise provided by the legislation, including special tenders). The auction does not provide for post-qualification or the right to submit alternative bids. An auction is held for the procurement of products for which there is a competitive market of manufacturers and for which the initiator of the procurement formulated detailed requirements in the form of technical specifications. There is only one criterion – the contract price
Request for proposals	A request for proposals is conducted for the procurement of any product, subject to the following conditions: <ul style="list-style-type: none"> <li>the initial (maximum) contract price does not exceed RUB 15 (Fifteen) million including VAT (or excluding VAT if the purchase of products is not subject to VAT or VAT is equal to 0)</li> <li>The winning bidder will be selected based on a combination of criteria (at least two) specified in the procurement documentation</li> </ul>
Request for quotation	A request for quotation is held for the procurement of products for which there is a competitive market of manufacturers and for which the initiator of the procurement formulated detailed requirements in the form of technical specifications, subject to the following conditions: <ul style="list-style-type: none"> <li>the initial (maximum) contract price does not exceed RUB 7 (Seven) million including VAT (or excluding VAT if the purchase of products is not subject to VAT or VAT is equal to 0)</li> <li>the winner will be selected on only one criterion – contract price</li> </ul>
Competitive procedure	Competitive procedure with conclusion of agreements with several winners is applied in cases when at the time of procurement the Customer cannot determine the specific volumes and (or) terms of product delivery (performance of works/services). Based on the results of competitive procurement among the winners of such procedures, requests for quotations are made in order to meet the demand for products arising during the term of the agreements. Competitive procedure has no restrictions on the amount of the initial (maximum) price of the contract
Request for prices based on the results of competitive procedure	Request for prices based on the results of competitive procedure is made only among the winners of competitive procedure without restrictions on the amount of the initial (maximum) price of the contract (lot)
Prequalification	Prequalification, according to the results of which agreements with several winners are concluded, is applied in cases when at the time of procurement the Customer can not determine the specific volumes and (or) terms of delivery of products (performance of work / rendering of services). Based on the results of the prequalification, requests for quotations are sent to the winners of such procedures in order to meet the demand for products arising during the term of the agreements. Prequalification has no restrictions on the amount of the initial (maximum) price of the contract

Request for quotations based on the results of prequalification	Request for quotations based on the results of prequalification applies only to the winners of the prequalification without restrictions on the amount of the initial (maximum) price of the contract
Procurement through participation in procedures organised by product sellers.	Based on the decision of the Customer's centralised procurement agency, purchases are made through the Customer's participation in auctions, tenders or other procedures organised by product sellers (including on electronic trading platforms) if there is a need for products that can only be purchased through participation in such procedures
E-purchases	Non-competitive electronic procurement method, used for the procurement of any product subject to the following conditions: <ul style="list-style-type: none"> <li>the initial (maximum) contract price does not exceed RUB 20 (Twenty) million</li> <li>the winner shall be selected based on the evaluation criteria specified in the procurement notice</li> </ul>
Price comparison	Price comparison is used when purchasing simple products if the initial (maximum) contract price does not exceed RUB 500,000 (Five hundred thousand) including VAT if the Customer's revenue for the reporting financial year exceeds RUB 5 (Five) billion, or does not exceed RUB 100,000 (One hundred thousand) including VAT if the Customer's revenue for the reporting financial year is less than RUB 5 (Five) billion
Procurement from a single supplier (responsible party, contractor)	The decision to select a supplier is made by the Customer's centralised procurement agency or other authorising body within its remit in accordance with the Unified Procurement Standard, including on the basis of the Customer's market analysis findings. <p>They are categorised into:</p> <ul style="list-style-type: none"> <li>a) procurement of unique goods (works, services) from a single supplier (responsible party, contractor)</li> <li>b) procurement from a single supplier (responsible party, contractor) to prevent an emergency or eliminate its consequences</li> <li>c) other grounds provided for in the Uniform Procurement Standard</li> </ul>

## Results of procurement activities in 2024

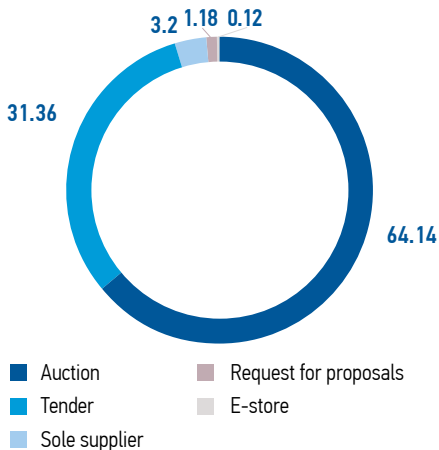




### Openness of procurement procedures, %

	2023	2024	Δ 2024/2023
Share of open competitive procurement pro-cedures, as well as e-commerce procedures (using electronic trading platforms) in the total volume of procurement	67.44	97.86	1.45
Savings achieved	3.6	2.14	0.59
Share of purchases from small and medium-sized enterprises, as well as purchases in which small and medium-sized enterprises are engaged as subcontractors	72.38	79.37	1.09

### Distribution by procurement method, %



The economic effect of the procurement procedures in the reporting period amounted to RUB 404.2 million, including VAT, or 1.01% of the planned declared value of the competitive purchases.

## Share of SME procurements

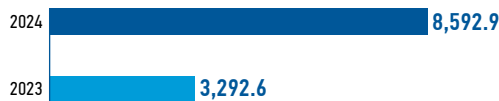
In 2024, procurements were made and contracts were concluded with suppliers classified as SMEs, worth RUB 8,592.9 million, including VAT, which is 79.37% of the total volume of procurement procedures, including special procurements (where only SMEs could participate in the procurement) worth RUB 5,258.1 million, including VAT, which is 48.57% of the total volume of procurement procedures.

In accordance with the requirements of the Resolution of the Government of the Russian Federation, quotas for purchases by specific customers from SMEs were approved at 20% (25% for special purchases). The Company regularly exceeds the plan of purchases from SMEs.

### Share of SME procurements, %



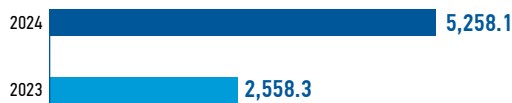
### Volume of SME procurement, RUB million



### Share of procurements from SME only, %



### Volume of procurements from SME only, RUB million



## Improvement of procurement activities

Procurement involves buying goods, services, and work from suppliers who offer the best value for money in an open and competitive way.

In order to improve the efficiency of procurement, the Company launched the Programme to improve operational efficiency and reduce costs at PJSC Rosseti South for 2023–2027, which outlines measures such as increasing the share of open competitive procurement and reducing the share of procurement from a single supplier.

In pursuance of the government policy on small and medium-sized business development, the Company approved the programme of the partnership between PJSC Rosseti South and SMEs. This Programme sets forth the measures aimed at searching and supporting reliable, qualified and responsible suppliers (contractors, executors) from among SMEs. The partnership programme outlines the requirements to small and medium-sized enterprises, rules and conditions of joining the programme.

By the end of 2024, 39 small and medium-sized enterprises joined the partnership programme.

Additional supplier interaction tools include the portal of the Unified Information System for Procurement and the Suppliers section of the corporate website of PJSC Rosseti South [rosseti-yug.ru/en/](https://rosseti-yug.ru/en/). The Company publishes an up-to-date procurement plan (planned to be announced, ongoing and completed procurements) on these Internet sites with an option of automatic transfer to [www.zakupki.gov.ru](https://www.zakupki.gov.ru) for prompt access to up-to-date information.

# Anti-Corruption Policy and Security of Economic Activities

GRI 2-25, 2-26

## Anti-corruption system

In 2024, the Company had an Anti-Corruption Policy of PJSC Roseti South (hereinafter referred to as the Anti-Corruption Policy) in place, which complied with all applicable requirements of Russian legislation in the field of prevention and combating corruption.

Key principles of the Anti-Corruption Policy:

- ▶ Compliance of the Anti-Corruption Policy with applicable anti-corruption legislation and generally accepted standards
- ▶ Compliance with the legal rights and interests of relevant parties, Company employees, protection of the business reputation of the Company, partners, and other relevant parties, confidentiality of anti-corruption measures
- ▶ Personal example of leadership in shaping a culture of intolerance towards corruption and creating an internal system for preventing and combating corruption
- ▶ Responsibility and inevitability of punishment for Company employees, regardless of their position, length of service, or other conditions, in the event that they commit corruption offences

- ▶ Constant control and regular monitoring of the effectiveness of the anti-corruption procedures in place

In 2024, the following regulatory documents were drawn up and updated:

- ▶ An Anti-Corruption Plan for 2024 was developed and approved (Order No. 20 dated 16 January 2024)
- ▶ The Regulations on the Settlement of Conflicts of Interest at PJSC Rosseti South and the Regulations on the Commission of PJSC Rosseti South for Compliance with Corporate Ethics Standards and Settlement of Conflicts of Interest (Order No. 729 dated 5 December 2024) were updated

Documents adopted for prevention of and counteraction to corruption are communicated to workers on a mandatory basis.

The Company shall ensure publicity of its anti-corruption measures, post documents and information on anti-corruption issues on the official website, including the Anti-Corruption Policy and the Code of Corporate Ethics and Official Conduct of the Company's employees at <https://rosseti-yug.ru/o-kompanii/protivodeystvie-korrupsii/>.

## Assessment and monitoring of corruption risks

GRI 205-2

In order to ensure a unified approach to the development and implementation of measures designed to prevent and counteract corruption, the Company organises a corruption risk management process.

The Company has an approved risk assessment and monitoring methodology (Order No. 15 dated 15 January 2024), which provides for the assessment and monitoring of the risk of corruption-related offences committed by Company employees. The profile of risk of committing corruption-related offences by Company employees is updated on a quarterly basis, and work is carried out to monitor risk assessments, update risk profiles and prepare a report on the fulfilment of the Risk Management Action Plan.

Based on the results of 2024, all planned activities were performed in due time. As required by the Anti-Corruption Policy and decisions of the joint meeting of the heads of security, internal control and risk management, and internal audit, financial and business operations at branches of PJSC Rosseti South were reviewed and the following S&As of PJSC Rosseti South were audited such as Interregional Energy Institute of the South, and Autonomous Non-Profit Organisation Southern Interregional Qualification Centre for the Electric Power Industry.

Following the verification process, the identified violations and deficiencies were recorded and communicated to the facilities checked. In order to eliminate the identified violations and deficiencies, the facilities are to develop plans of corrective actions,

with assignment of those responsible for monitoring the progress of implementation, as well as responsible persons and deadlines for each plan item.

### 2024 anti-corruption results

Indicators	2022	2023	2024
Number of audits carried out with the involvement of branch security divisions in the area of financial and economic activities to detect, prevent and recover (repay) damage	643	675	785
Anti-corruption control of the stages of procurement activities (review of analytical notes, issues submitted to meetings of the Central Procurement Body (Central Tender Commission), anti-corruption expertise of draft agreements, check of procurement participants for possible affiliation with Company employees)	4,789	4,592	4,720
Calls handled by the hotline about possible corruption and fraud	3	2	1
Material damage prevented, based on the results of the work done, RUB million	428.31	301.24	165.7
Percentage of security personnel trained in the Company's human rights policy or specific security procedures and their application, %	7	6	3

## Consideration and resolution of information on possible instances of corruption

GRI 205-3

In order to establish a unified system for receiving, reviewing and resolving communications from employees of PJSC Rosseti South, contractors and other individuals and legal entities regarding possible instances of corruption within the Company, a procedure was put in place for receiving and reviewing communications from applicants (employees, contractors of PJSC Rosseti South, other individuals and legal entities) regarding possible instances of corruption (hereinafter also referred to as the Procedure).

### The Company provides the following communication channels:

By calling the hotline number

By email: [office@rosseti-yug.ru](mailto:office@rosseti-yug.ru)

Using the feedback form on the corpo-rate website of PJSC Rosseti South

By post to the following address: 49/42 Bolshaya Sadovaya St., Rostov-on-Don, 344002

The Company accepts, registers and records incoming applications, ensures confidentiality and safety of data received from the applicant, and envisages personal liability in accordance with the legislation of the Russian Federation for disclosure of received information.

In 2024, there was one report of possible corruption. The report was reviewed in due time under the current procedure in place. As a result, no signs of corrupt practices on the part of the Company's employees were confirmed, and no signs of conflict of interest were identified.

## Prevention and management of conflicts of interest

GRI 2-15

In order to limit the influence of private interests and personal biases of employees on their work duties and business decisions, the Company implements measures to identify, prevent and resolve conflicts of interest.

In accordance with the Regulations on the Settlement of Conflicts of Interest at PJSC Rosseti South, the Company maintains a three-tier system for disclosing information about conflicts of interest:

- ▶ Initial disclosure of conflicts of interest upon hiring / transfer to another position
- ▶ Annual disclosure of conflicts of interest as of 31 December of the relevant year
- ▶ Notifications from employees on the emergence of personal interest in the performance of official duties, which leads or may lead to a conflict of interest

Initial disclosure of information about conflicts of interest ensures that the declared information is verified and that an appropriate conclusion is drawn regarding the verification of incoming candidates, thereby preventing the emergence of new, previously unidentified pre-conflict situations within the Company.

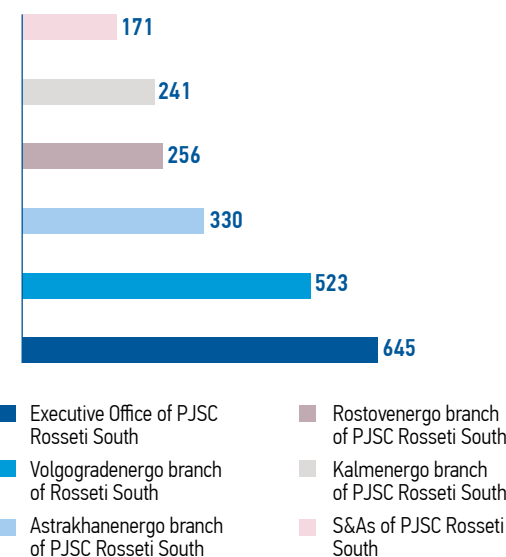
In 2024, the materials submitted by candidates were reviewed, and 738 conclusions were prepared on the presence/absence of conflicts of interest among candidates for vacant positions (upon hiring/transfer) in the Company. Based on facts of possible conflicts of interest and pre-conflict situations involving Company employees, 37 additional reviews were conducted in preparation of conclusions on the presence/absence of conflicts of interest among candidates for vacant positions, and additional information was requested regarding candidates and persons closely related to them. There are no situations requiring settlement.

Annual disclosure of information as of 31 December of the reporting year allows for the identification of pre-conflict situations or incidents. Incidents mean anything that shows someone might be hiding information or has a personal interest in a situation.

In accordance with the Anti-Corruption Policy and Regulations, the Company has made sure that employees of PJSC Rosseti South and subsidiaries of PJSC Rosseti South declare any conflicts of interest every year using the electronic declaration subsystem of the automated system for analysing and collecting information about beneficiaries.

The number of persons subject to annual declaration as of 31 December 2023 was 2,166 in PJSC Rosseti South and its subsidiaries and affiliates.

### Data on employees subject to declaration, people



The results of the annual disclosure were reviewed and approved at a meeting of the Commission of PJSC Rosseti South on compliance with corporate ethics standards and settlement of conflicts of interest (Minutes No. 16 dated 11 April 2024), as well as at a meeting of the Central Commission of PJSC Rosseti on compliance with corporate ethics standards and settlement of conflicts of interest (Minutes No. 2024/1 dated 21 May 2024), with no comments made.

The facts presented in each report were evaluated to exclude cases of personal interest. Additional materials and documents were studied. The situations are being monitored.

In 2024, there were four reports from employees about any personal agenda during the conduct of official duties, which leads or may lead to a conflict of interest. Personal interest is related to the conclusion of grid connection contracts.

## Combating and preventing corruption in interaction with partners and counterparties

The Company implements a set of anti-corruption measures.

The main checks are to make sure the Company's money is being spent wisely and effectively (when setting the initial (maximum) purchase price) during the technical specifications stage, as well as checking that the assessment reports are prepared and that the participants and their commercial offers meet the technical specifications and tender (procurement) documentation requirements.

In order to reduce reputational risks and the number of complaints and reports from prospective contractors submitted to the Federal Antimonopoly Service, the legitimacy of rejecting procurement participants is controlled.

Special attention is paid to unscheduled purchases, purchases from a single supplier, and checks are carried out to ensure that the goods (works, services) purchased are not the only option available.

During procurement procedures based on the results of 2024, 646 technical specifications were reviewed and approved.

As a result of the checks, 56 technical specifications, or 8.67% of the total, were sent back to the initiator for improvement because there was no justification for the procurement procedures, the pricing rules were broken, or there were issues with the approved standard forms.

By the end of 2024, 1,347 assessment reports and analytical notes were reviewed and approved.

As a result of the checks, 156 assessment reports and analytical notes, or 11.6% of the total number of purchases, were not approved and were sent back to the initiator for improvement.

Non-compliant assessment reports and analytical notes shall be returned for further improvement, and the initiator shall eliminate the identified issues or refer the matter

to the Procurement Commission for consideration of the need to declare the procurement procedure invalid and repeat it. After the issues are resolved, all materials undergo a second round of approval.

As a result of the work done in 2024, the initial (maximum) price for procurement procedures was reduced by RUB 99.6 million, including rebidding and pre-contract negotiations.

In 2024, the Company reviewed and approved at least 2,730 contracts and additional agreements for the inclusion of an anti-corruption clause, correct disclosure of information about the counterparty's chain of ownership (including ultimate beneficial owners), identification of conflicts of interest, pre-conflict situations and other abuses related to positions held in the Company.

If there are any comments on the contract or additional agreements, they shall be returned for further revision to eliminate any discrepancies. After the issues are resolved, all contracts shall undergo a second round of approval.

In order to ensure transparency of financial and economic activities, including the prevention of conflicts of interest and other abuses related to the position held, as part of the verification of the Company's procurement participants/contractors, work is being carried out to disclose the structure of the contractors' owners, including beneficiaries, in particular ultimate ones.

In 2024, a total of 25,221 income and expense contracts were checked (including the reliability and completeness of information about owners of counterparties) and loaded into the automated system – analysis and collection of information about beneficiaries; 2,730 of those contracts – with the disclosure of the chain of counterparty owners, the number of registered beneficiaries was 1,934.



## Corporate efforts to prevent and combat corruption

In 2024, the Company participated in the organisation of a unified approach to the disclosure of information on the ownership structure of counterparties, the prevention and identification of conflicts of interest and other abuses related to positions held at PJSC Rosseti, subsidiaries of PJSC Rosseti and their subsidiaries and affiliates.

The Company regularly updates its regulatory framework, provides consulting services and training to its employees.

The Company holds an annual survey. Employees were asked questions about ethics, awareness of personal responsibility and the overall contribution of each employee to combating corruption, as well as identifying shortcomings in corruption prevention efforts.

The survey results show that most of the Company's employees are familiar with anti-corruption legislation, follow the Anti-Corruption Policy, the Code of Corporate Ethics and Professional Conduct, and believe that the Company's anti-corruption procedures and measures are effective.

## Goals for 2025 and the medium term

In 2025, the Company scheduled the following key tasks related to the execution of the Anti-Corruption Policy:

- ▶ To organise events under the Anti-Corruption Policy in accordance with the Anti-Corruption Plan
- ▶ To organise annual declaration of conflicts of interest by Company employees. Preparing a report on the performance of conflict of interest disclosure measures and submitting it to the Corporate Ethics and Conflict of Interest Settlement Committee for review
- ▶ To organise self-assessment of the effectiveness of anti-corruption measures in the Company in cooperation with representatives of the Chamber of Commerce and Industry of the Russian Federation on issues related to participation in the Anti-Corruption Charter of Russian Business by submitting a declaration of compliance with the requirements of the Anti-Corruption Charter of Russian Business to the Chamber of Commerce and Industry of the Russian Federation

- ▶ To strengthen control over compliance by employees with anti-corruption legislation and the requirements of the Anti-Corruption Policy of PJSC Rosseti South
- ▶ To arrange for monthly collection, analysis and verification of information regarding the entire chain of ownership of counterparties, including beneficiaries (including ultimate beneficiaries), as well as information on the composition of executive bodies, and send consolidated reports to PJSC Rosseti
- ▶ To improve efforts to foster a culture of zero tolerance for corruption within the Company and in interactions with partners and contractors

The main objective of the anti-corruption measures implemented by the Company is to create an environment that would minimise corrupt practices. The success of this task directly affects the Company's business reputation, its perception by partners and, consequently, the results of its financial and economic activities.

## Information Disclosure

### Key performance results

In 2024, the Company prepared and published 512 press releases. The total number of mentions in regional media was 19,882. The average citation index is 39. Compared to 2023, citations increased by 23.3%.

According to the SPI PR Performance Index (SCAN Performance Indicators), Rosseti South's **visibility index** for the reporting period was **4,563,389** points. There is a noticeable, almost twofold, increase in the visibility index compared to 2023. The **direct speech index** is **27%**. Coverage for the specified period is almost **84 million people**.

### Main forms and channels of information disclosure

The corporate website represents the Company's activities. The main objective of the website is to provide consumers with expanded and well-structured information about the Company. The most relevant sections are Press Centre, Personnel, To Consumers, About the Company, To Investors and Information Disclosure.

The corporate website is constantly evolving. The efficiency of information disclosure by the Company on the corporate website is regularly improved. During the reporting period, new subsections were added to the press centre, including Labour Season – 2024, Energy Workers' Sports Competition, Defender of the Fatherland Day and Women in Power Engineering.

Information on activities required by the current federal law on joint stock companies, the Standards for Information Disclosure by Entities in the Wholesale and Retail Electricity Markets (approved by Resolution No. 24 of the Government of the Russian Federation dated 21 January 2004), and other regulations is posted on the official website of PJSC Rosseti South, as well as in the Interfax Corporate Information Disclosure Centre.

Information about the Company's current and future activities is published on its official website and shared through the media and other media resources to keep the public well informed. The forms of communication vary, ranging from sending out news press releases to posting announcements (e.g., about scheduled maintenance and power outages). State authorities are informed in the similar manner.

Another public relations channel is social media. Here, information is presented with visuals to grab viewers' attention. The main communication platforms for customer interaction are the Company's official pages on Telegram, V Kontakte, and Odnoklassniki.





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## CORPORATE GOVERNANCE

118	Fundamentals of Corporate Governance	174	Risk Management, Internal Control and Internal Audit
124	General Meeting of Shareholders	177	Auditing Commission
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169	Management of the Company's S&As	192	Addresses and Contact Details
170	Remuneration System		

## NCGR 7

National Corporate  
Governance Rating

## 88%

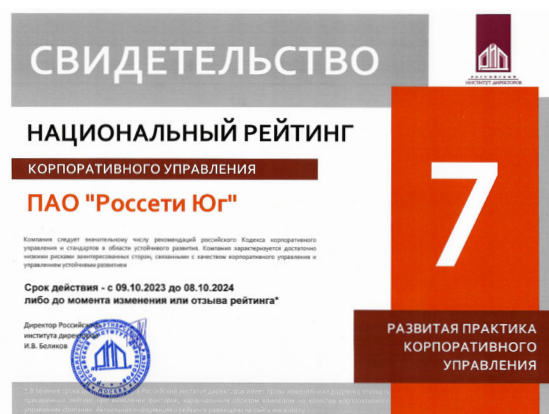
assessment of the corporate  
governance level  
(well-developed practice)





## Development of corporate governance

In 2024, we focused on improving our corporate governance practices and maintaining dialogue with key stakeholders.



Among the measures planned for 2024 to improve corporate governance, the corporate governance rating was maintained at a high level (NCGR 7), and there was a high level of discipline in executing decisions of the governing bodies.

Measures to improve corporate governance in 2024:

- ▶ Ensuring that the corporate governance rating is at a high level
- ▶ Updating of the Company's internal documents related to corporate governance in general, as well as documents regulating the organisation of activities of governance bodies
- ▶ Making sure that the governance bodies' resolutions are fulfilled properly
- ▶ Disclosing non-financial statements in the form of an integrated report

### Self-assessment of the performance of the Board of Directors and its committees

In 2024, we conducted another self-assessment of the performance of the Company's Board of Directors and its committees based on the Methodology approved by the Board of Directors on 17 March 2020 (Minutes No. 364/2020 dated 18 March 2020), which was formulated in accordance with the laws of the Russian Federation, the Company's Articles of Association and the Corporate Governance Code of the Bank of Russia. The overall performance score of the Board of Directors of PJSC Rosseti South for the 2023/2024 corporate year was 4.7, which means 'more likely compliant' with the recommendations contained in international and Russian standards of best corporate governance practices.

### Preparation of non-financial statements

In the past year, the Company prepared an integrated Annual Report for 2023, which was publicly certified by the Non-Financial Reporting Council of the Russian Union of Industrialists and Entrepreneurs.

### Plans for improving the corporate governance model and practices for 2025 and the medium term

- ▶ To comply with the rules and principles of corporate governance set out in the current internal documents of the Company
- ▶ To adopt its own Corporate Governance Code
- ▶ To ensure the effective functioning of the Company's governance bodies and control over the execution of their decisions
- ▶ To maintain the corporate governance rating at the level of well-developed corporate governance practice
- ▶ To implement action plans based on the results of the Company's corporate governance assessment

In 2025, the Company will continue to analyse best corporate governance practices and assess the feasibility of their implementation.

## Assessment of the corporate governance level

The Company's internal audit function annually assesses the corporate governance of PJSC Rosseti South.

The effectiveness of the corporate governance system in the Company for the 2023–2024 corporate year was assessed in accordance with the Corporate Governance Assessment Methodology of PJSC Rosseti South, approved by the Company's Order No. 416 dated 16 July 2023, issued in pursuance of Order No. 303 of PJSC Rosseti dated 8 July 2024 'On Approval of the Methodology for Assessing the Effectiveness of the Corporate Governance System of PJSC Rosseti South' (hereinafter referred to as the Methodology).

The assessment determined that corporate governance is consistent with well-developed practices (394 out of 449 points, 88%, which corresponds to scoring boundaries of <96% and ≥80%).

At the same time, there is an area for improvements for the components / elements as follows:

- ▶ Shareholder rights 2 points (3%)
- ▶ Board of Directors 23 points (18%)
- ▶ Executive management 14 points (41%)
- ▶ Transparency and disclosure of information 14 points (11%)
- ▶ Risk management, internal control and internal audit 2 points (3%)

**88%**  
Corporate governance rating  
for PJSC Rosseti South

It should be noted that in the 2024–2025 corporate year, there is potential for growth in the corporate governance rating as a result of the following measures taken by the Company:

- ▶ Holding face-to-face meetings of the Personnel and Remuneration Committee and the Strategy Committee at least once a quarter
- ▶ Expanding the list of issues on which the Board of Directors makes decisions by a qualified majority (at least three-quarters of the votes) or by a majority of all elected (non-retired) members of the Board of Directors

- ▶ Reviewing the self-assessment of how well the Board of Directors and the Board Committees are performing at a face-to-face Board meeting
- ▶ Drafting and approving the Company's talent pool development programme
- ▶ Developing and approving a succession plan for the Company's executive management
- ▶ Applying an external auditor rotation policy in 2025

### Independent assessment

The Company engages an external corporate governance consultant as an independent expert on an ongoing basis, which enables tracking the effectiveness of ongoing changes and consistently implementing management system improvement tools, as well as elements of best practices.

In October 2023, the Russian Institute of Directors confirmed Rosseti South's National Corporate Governance Rating (NCGR) at level 7, Well-Developed Corporate Governance Practice.

A rating of 7 means that the Company follows a significant number of recommendations of the Russian Corporate Governance Code and sustainable development standards. The Company is characterised by sufficiently low stakeholder risks related to the quality of corporate governance and sustainability management.

### Assessment of compliance with the principles and recommendations of the Corporate Governance Code of the Bank of Russia

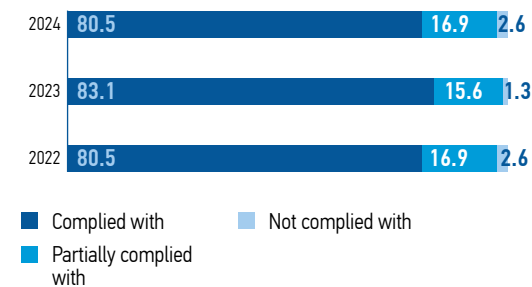
In the process of improving the efficiency of the corporate governance system, the Company endeavours to follow the best Russian practices enshrined in the Corporate Governance Code of the Bank of Russia.

## Compliance with the corporate governance principles

Period	Principles recommended by the Code	Principles fully complied with by the Company	Principles partially complied with by the Company	Principles not complied with by the Company
<b>Shareholder rights and equality of conditions for shareholders in exercising their rights</b>				
2022	13	13	–	–
2023	13	13	–	–
2024	13	12	–	–
<b>Board of Directors of the Company</b>				
2022	36	24	10	2
2023	36	25	10	1
2024	36	23	12	1
<b>Corporate Secretary of the Company</b>				
2022	2	2	–	–
2023	2	2	–	–
2024	2	2	–	–
<b>Remuneration system for members of the Board of Directors, executive bodies and other key executives of the Company</b>				
2022	10	7	1	–
2023	10	8	–	–
2024	10	8	–	–
<b>Internal Control and Risk Management System</b>				
2022	6	6	–	–
2023	6	6	–	–
2024	6	6	–	–
<b>Disclosure of information about the Company, information policy of the Company</b>				
2022	7	7	–	–
2023	7	7	–	–
2024	7	7	–	–
<b>Material corporate actions</b>				
2022	5	3	2	–
2023	5	3	2	–
2024	5	3	1	–

Indicators	2022	2023	2024
Principles fully complied with by the Company	62	64	61
Principles partially complied with by the Company	13	12	13
Principles not complied with by the Company	2	1	1

## Compliance with the principles of the Corporate Governance Code, %



## Shareholder rights and equality of conditions for shareholders in exercising their rights, %



## Board of Directors of the Company, %



## Corporate Secretary, %



We maintain a high level of compliance with the recommendations of the Corporate Governance Code. Since 2014, when the Bank of Russia's Corporate Governance Code was approved, the rate of full and partial compliance with the recommendations has increased from 75% to 98.7% by 2024, including the rate of full compliance from 50% to 81.4%.

## Remuneration system for members of the Board of Directors, executive bodies and other key executives of the Company, %



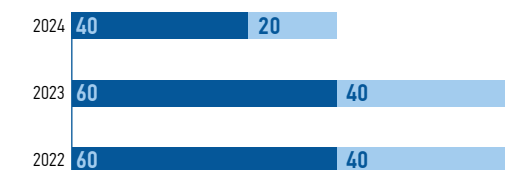
## Internal Control and Risk Management System, %



## Disclosure of information about the Company, information policy of the Company, %



## Material corporate actions, %



To improve the level of corporate governance at PJSC Rosseti South in 2025, the Company plans to:

- Increase the number of in-person meetings of the Company's governance bodies
- Update the Company's internal documents in line with changes in the legislation of the Russian Federation

# General Meeting of Shareholders

The General Meeting of Shareholders is the supreme governing body of PJSC Rosseti South, and its purview includes the most significant issues relating to the Company's activities. The scope of powers, the procedure for convening, holding, and summarising the results of the General Meeting of Shareholders are governed by the Federal Law on joint stock companies, Regulation of the Bank of Russia No. 660-P dated 16 November 2018 on General Meetings of Shareholders, the Articles of Association of PJSC Rosseti South, and the Regulations on the General Meeting of Shareholders of the Company.

Materials for preparation for General Meetings of Shareholders are posted on the Company's website in compliance with the recommendations of the Corporate Governance Code on providing shareholders with additional materials to prepare for the meeting.

In preparation for the meeting, shareholders were told they could get comments from the Company's leadership and management on the agenda items for the Annual General Meeting of Shareholders by joining a forum on the Company's website. While preparing to the annual General Meetings of Shareholders, the Company maintains a special telephone communication channel (hot line) for shareholders and a special e-mail address for discussing the meeting agenda issues.

The Company's shareholders may participate in the meeting by filling in the electronic ballot form in the information and telecommunications network of the Internet on the website of the Company's independent registrar, JSC R.O.S.T., through the use of the Shareholder's Personal Cabinet service.

The Annual General Meeting of Shareholders of PJSC Rosseti South for the year ended 2023 was held on 19 June 2024 in the form of absentee voting. The quorum for the meeting was 91.25%.

In accordance with the agenda of the Annual General Meeting of Shareholders, the annual report and annual financial statements of PJSC Rosseti South were approved, the distribution of the Company's profits for the 2023 financial year was approved, the members of the Board of Directors and the Auditing Commission were elected, an audit firm was appointed, and a new version of the Company's Articles of Association was approved. Dividends for 2023 were not paid due to restrictions imposed by Article 43 of the Federal Law on joint stock companies.

Minutes of General Meetings of Shareholders are available on the Company's website in the [To the Shareholder, Investor section](#).

## Results of shareholder voting at the Annual General Meeting on 19 June 2024, % of votes cast

Indicators	In favour	Against, abstentions and invalid votes
Appointment of an audit organisation	92.3	7.7
Approval of the Company's Articles of Association	99.99	0.006
On profit distribution and payment of dividends for 2023	99.9785	0.02
Approval of the annual report and financial statements for 2023	99.9953	0.045

# Board of Directors of the Company

GRI 2-9

The Board of Directors is a collegial governing body that performs general management of the Company's activities, oversees the activities of the Company's executive bodies, as well as the execution of resolutions of the General Meeting of Shareholders and the safeguarding of the legitimate interests of the Company's shareholders in accordance with the requirements of the legislation of the Russian Federation. The Board of Directors is governed by the laws of the Russian Federation, the Articles of Association, and the Regulations on the Board of Directors of PJSC Rosseti South<sup>1</sup>.

Main goals and objectives of the Board of Directors of the Company:

- ▶ To define the development strategy of the Company, which is aimed to enhance its market value and investment attractiveness, to receive maximum profits, and expand corporate assets
- ▶ To provide the exercise and protection of the rights and legitimate interests of the shareholders of the Company, as well as to assist in corporate conflict resolution
- ▶ To provide for full, reliable and objective disclosure of the Company's information to shareholders and other parties concerned
- ▶ To establish effective internal controls

- ▶ To conduct regular assessment of the Company's executive body and management operations

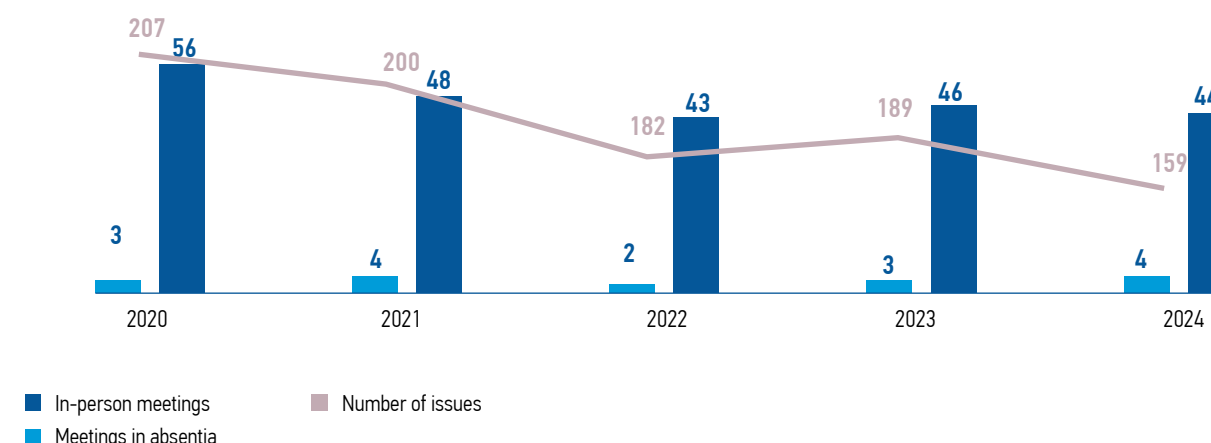
To achieve the goals and objectives set, the Board of Directors abides by the following principles:

- ▶ Decisions are to be made based on reliable information about the Company's operations
- ▶ Shareholders' rights to involvement with the management of the Company and the acquisition of the dividends and the Company's information are not to be restricted
- ▶ Interests of various shareholder groups are to be balanced and the Board of Directors shall make decisions that are objective and in the best interests of all of the Company's shareholders

## Performance results of the Board of Directors in the reporting year

In 2024, 44 meetings of the Company's Board of Directors were held, including four in a hybrid format via video conferencing. Around 160 issues were addressed at the Board of Directors meetings in 2024.

### Performance statistics of the Board of Directors of PJSC Rosseti South



In 2024, 11 members of the Company's Board of Directors attended 100% of the meetings.

<sup>1</sup> Approved by the Annual General Meeting of Shareholders on 29 May 2020 (Minutes No. 22 dated 2 June 2020), the text of which is available on the Company's website at [https://rosseti-yug.ru/upload/iblock/837/Положение\\_о\\_СД\\_Россети\\_Юг.pdf](https://rosseti-yug.ru/upload/iblock/837/Положение_о_СД_Россети_Юг.pdf).



Information on the participation of members of the Board of Directors of PJSC Rosseti South in Committee meetings in 2024

First and last name of the Board member	Total number of meetings to be attended by a Board member	Total number of meetings attended by a Board member (meetings/%)
Members of the Board of Directors who served on the Board throughout 2024		
Daniil Krainskiy	44	44/100
Maria Dokuchaeva	44	44/100
Vitaliy Zarkhin	44	44/100
Konstantin Kravchenko	44	44/100
Maria Korotkova	44	44/100
Maria Tikhonova	44	44/100
Oleg Klinkov	44	44/100
Alexander Kazakov	44	44/100
Ekaterina Nikitchanova	44	44/100
Boris Ebzeev	44	44/100
Natalia Paramonova	44	44/100

Topics of issues addressed by the Board of Directors of PJSC Rosseti South in 2022–2024

Тематика вопросов	2022	2023	2024
Business planning and investment projects	20	21	13
Financial and credit policy	16	15	8
Core activities, key programmes	26	28	15
Management of non-core assets, property transactions	11	12	10
Corporate governance, management of subsidiaries on key issues	52	51	51
Sustainable development (ESG)	27	33	27
Human resources issues, performance evaluation and management remuneration	12	13	16
Internal audit, internal control and risk management	10	12	12
Major transactions, related-party transactions	8	4	7

Preliminary consideration of issues by the Management Board and specialist committees of the Board of Directors

In order to ensure efficient work of the Board of Directors of the Company, the Management Board and dedicated committees of the Company ensured the elaboration and submission of recommendations (opinions) to the Board of Directors of the Company on issues within their remit.

Significant resolutions of the Company's Board of Directors in the reporting year<sup>1</sup>

In the reporting year, the Board of Directors of the Company approved the following key programmes and plans:

- ▶ Digital Transformation Programme of PJSC Rosseti South for 2023–2030 (ESG)
- ▶ Programme for upgrade (renovation) of power grid facilities of PJSC Rosseti South for 2024–2028 (ESG)
- ▶ Roadmap for the development of additional (non-tariff) services of PJSC Rosseti South
- ▶ Plan for the development of the production asset management system of PJSC Rosseti South for 2024–2026 (ESG)
- ▶ Resource Plan of PJSC Rosseti South for 2024–2026 (ESG)
- ▶ Standard for conducting public technological and price audits of investment projects of PJSC Rosseti South

In addition, last year the Company's Board of Directors approved changes to be made in 2024 to the investment programme of PJSC Rosseti South for the period 2024–2028.

In 2024, the Company's Board of Directors approved the following most important documents:

- ▶ Regulations on the placement of temporarily available funds of PJSC Rosseti South
- ▶ Environmental policy of PJSC Rosseti South

In 2024, the Company's Board of Directors reviewed the following progress reports on sustainable development programmes:

- ▶ On insurance coverage for PJSC Rosseti South for 2023
- ▶ On the approval of the investment programme by the Ministry of Energy of Russia and the reasons for deviations of the approved investment programme from the draft approved by the Board of Directors of PJSC Rosseti South
- ▶ On the organisation, functioning and effectiveness of the Company's risk management and internal control system for 2023
- ▶ On the implementation of the charging infrastructure development programme of PJSC Rosseti South until 2025 for 2023
- ▶ On the acquisition of electric power facilities, the acquisition of which does not require approval by the Board of Directors, for 2022
- ▶ On the execution of the procurement plan of PJSC Rosseti South for 2023
- ▶ On the progress of the Programme for the upgrading (renovation) of the power grid facilities of PJSC Rosseti South for 2023
- ▶ On the implementation of the business plan of PJSC Rosseti South for 2023
- ▶ On the compliance with the Regulations on the Information Policy of PJSC Rosseti South for 2023
- ▶ On the implementation of the roadmap for the development of additional (non-tariff) services by PJSC Rosseti South for 2023
- ▶ On the implementation of measures provided for in the 2020–2030 Digital Transformation Programme of PJSC Rosseti South for 2023

Performance review of the Board of Directors

GRI 2-18

The performance of the Board of Directors and the Committees of the Board of Directors of the Company is evaluated using the updated Methodology for Evaluating the Performance of the Board of Directors and the Committees of the Board of Directors of the Company, which was developed in accordance with the legislation of the Russian Federation, the Company's

Articles of Association and the Corporate Governance Code of the Bank of Russia, and approved by the Board of Directors of the Company on 17 March 2020 (Minutes No. 364/2020).

According to the Methodology, there are the following methods of assessment: internal assessment (self-assessment) – annually, external independent assessment (by engaging an independent consultant) – once in three years.

Assessment of the Board of Directors	Type of assessment	Organiser
2021–2022	External assessment	JSC VTB Registrar
2022–2023	Self-assessment	Corporate Governance and Shareholder Relations Department
2023–2024	Self-assessment	Corporate Governance and Shareholder Relations Department

<sup>1</sup> Full texts of resolutions of the Company's Board of Directors adopted in 2024 can be found on the Company's website: <https://rosseti-yug.ru/korporativnoe-upravlenie/resheniya-soveta-direktorov/>.

Self-assessment of the Board of Directors’ performance for the 2023–2024 corporate year

In July 2024, the Board conducted an anonymous evaluation of its performance (including an individual evaluation) and the performance of the Company’s committees for the 2023–2024 corporate year.

Self-assessment used a combination of subjective and objective assessments.

Subjective assessment was carried out by each member of the Board of Directors by filling in questionnaires in which they expressed their subjective opinion on the practice of the Board of Directors and the Committees under the Board of Directors.

The objective assessment involved a review of the Company’s internal documents, including action plans and minutes of meetings of the Board of Directors and committees under the Board of Directors.

- The assessment included:
- ▶ Performance assessment of the Board of Directors as a whole,
  - ▶ Individualised assessment of the Board of Directors,
  - ▶ Evaluation of the effectiveness of each Committee under the Board of Directors,
  - ▶ Chairman of the Board of Directors.

In the questionnaires, members of the Board of Directors and committees reflected their position on certain evaluation criteria and gave suggestions for improving the work of the Board of Directors and its committees.

The overall performance score of the Board of Directors of PJSC Rosseti South for the 2023–2024 corporate year was 4.7 (‘more likely compliant’ with the recommendations contained in international and Russian standards of best corporate governance practices).

Assessment criterion	Results of subjective self-assessment (average score) <sup>1</sup>	
	2022–2023	2023–2024
1. Performance of key functions in the Company’s management by the Board of Directors	4.7	4.6
– Development of the Company’s strategy and oversight of its progress	4.8	4.6
– Identification of principles and approaches to the internal audit organisation, risk management and internal control systems	4.7	4.7
– Assessment of the performance of the Company’s high-rank management, adoption of an effective incentive system	4.6	4.5
– Safeguarding of the Company’s assets	4.8	4.8
2. Composition and structure of the Board of Directors	4.9	4.8
3. Work organisation of the Board of Directors	4.8	4.7
4. Chairman of the Board of Directors	4.9	4.8
5. Audit Committee	4.9	5.0
6. Personnel and Remuneration Committee	4.5	4.6
7. Strategy Committee	4.8	3.7
8. Reliability Committee	4.8	5.0
9. Grid Connection Committee	5.0	4.9
Total score	4.8	4.7

The results of the self-assessment of the work of the Board of Directors and the Committees of the Board of Directors for the 2023–2024 corporate year were reviewed by the Board of Directors of the Company on 17 July 2024 (Minutes No. 583/2024).

Compared to the self-assessment of the Board of Directors for the 2022–2023 corporate year, there is a decrease of 0.1 points.

Membership of the Board of Directors

GRI 405-1

The Board of Directors is elected annually by the General Meeting of Shareholders for a term until the next Annual General Meeting of Shareholders and consists of 11 persons. Such quantitative composition of the Board of Directors optimally corresponds to the current goals and objectives of the Company, industry practice and allows to ensure the necessary balance of competences, knowledge and experience among the members of the Board of Directors.

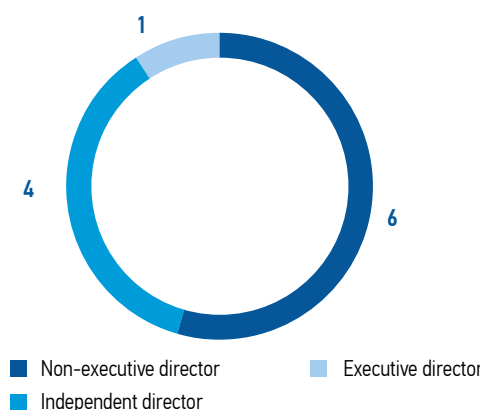
Following the results of the Annual General Meeting of Shareholders in 2024, the composition of the Board of Directors remained unchanged. The ratio of persons nominated to the Board of Directors by the majority shareholder, PJSC Rosseti, and the minority shareholder, the Russian Prosperity Fund, and elected to the Board of Directors remained unchanged at 10 to 1, respectively.

The Board of Directors of the Company acting as of the end of 2024 was composed of the following members.

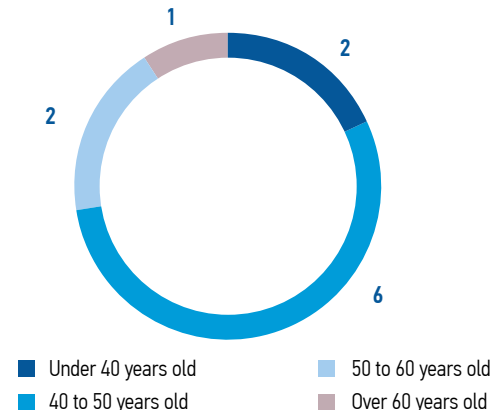
Full name	Status on the Board of Directors	Key competences	Participation in the Committee of the Board of Directors	Nominated by	Year of first election
Chairman of the Board of Directors					
Daniil Krainskiy	Non-executive director	Legal studies, corporate governance, property management, ESG	Member of the Strategy Committee	PJSC Rosseti	2021
Members of the Board of Directors					
Maria Dokuchaeva	Non-executive director	Public and media relations	–	PJSC Rosseti	2022
Vitaliy Zarkhin	Independent director	Strategic planning and development, finance, corporate governance, ESG	Member of the Strategy Committee, member of the Reliability Committee	The Russian Prosperity Fund	2019
Alexander Kazakov	Independent director	Industrial organisation and management, strategic planning, finance, audit, corporate governance, ESG	Member of the Audit Committee	PJSC Rosseti	2021
Oleg Klinkov	Non-executive director	Technological development, customer service	Members of the Grid Connection Committee	PJSC Rosseti	2021
Maria Korotkova	Independent director	Enterprise management, strategic planning, finance, audit, ESG	Chairman of the Audit Committee, Member of the Strategy Committee	PJSC Rosseti	2020
Konstantin Kravchenko	Non-executive director	Information technology development, grid digitalisation, ESG	–	PJSC Rosseti	2022
Ekaterina Nikitchanova	Independent director	Corporate governance, law, ESG	Member of the Personnel and Remuneration Committee	PJSC Rosseti	2021
Natalia Paramonova	Non-executive director	Business planning, finance, ESG	–	PJSC Rosseti	2023
Maria Tikhonova	Non-executive director	Corporate governance, property management	–	PJSC Rosseti	2022
Boris Ebzeev	Executive director	Strategic planning and development, power generation and transmission technologies, law, ESG	–	PJSC Rosseti	2015

<sup>1</sup> The assessment was based on a five-point scale.

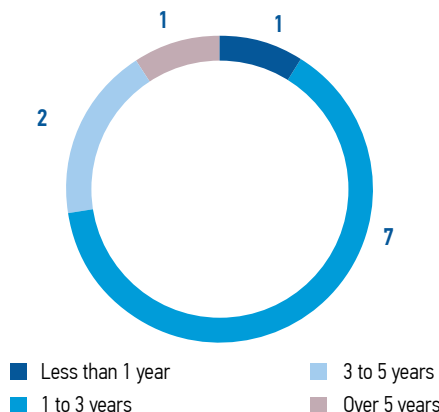
Status of directors, people



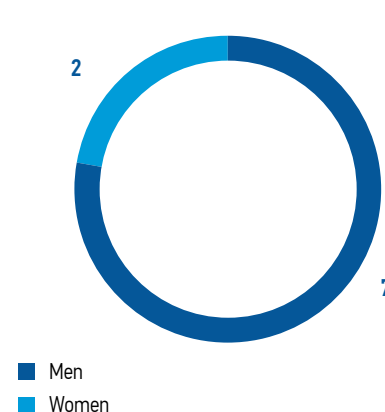
Age of directors, people



Period of service on the Board of Directors, people



Gender of directors, people



## Chairman of the Board of Directors

The Chairman of the Board of Directors shall be elected by the Board members from among themselves by a majority vote of the total number of Board members. The Board of Directors may at any time re-elect the Chairman of the Board of Directors by a majority of votes of the total number of Board members. The Chairman of the Board of Directors discharges the functions stipulated by the Regulations on the Board of Directors of the Company.

The current Board of Directors includes Daniil Krainskiy, who has been Deputy General Director for Legal Affairs at Public Joint Stock Company Rosseti since September 2017 (until the completion of the company's reorganisation in 2023), and since April 2020 at Public Joint-Stock Company Federal Grid Company – Rosseti (formerly Public Joint Stock Company Federal Grid Company of the Unified Energy System).

The Chairman of the Board of Directors of PJSC Rosseti South, Daniil Krainskiy, has the status of a non-executive director. Mr. Krainskiy is not an independent director, but the Board members have repeatedly voted for his election (2021–2023) because of his knowledge and professional experience.

During the independent assessment of the Board of Directors for the 2023–2024 corporate year, the performance of Mr. Krainskiy as Chairman of the Board of Directors was highly appreciated by the members of the Board of Directors, including the quality of work organisation of the Board of Directors, the quality of moderation of in-person meetings of the Board of Directors, contribution to ensuring effective communication between the Board members, the Board of Directors and the management, creation of a constructive working environment of the Board of Directors.

## Independent directors

The Corporate Governance Code of the Bank of Russia stipulates that the Board of Directors should include a sufficient number of independent directors. The Company believes it is important to have independent directors as part of the Board of Directors.

In order to ensure that PJSC Rosseti South complies with the recommendations of the Bank of Russia's Corporate Governance Code, and taking into account the existence of the necessary grounds, the Company's Board of Directors decided to recognise the members of the Company's Board of Directors, M. Korotkova, A. Kazakova, and E. Nikitchanova, as independent directors, despite the existence of formal criteria for dependence (affiliation with the Company, a significant shareholder of the Company, or a significant counterparty of the Company), since such affiliation will not affect the ability of the relevant Board member to make independent, objective and conscientious judgements.

The existing structure of the Board of Directors ensures its appropriate independence from the Company's management and, thus, the proper control over its operations. In particular, the Board of Directors of PJSC Rosseti South included only one management representative – until 26 December 2024, the Company's General Director (Boris Ebzeev).

The Bank of Russia's Corporate Governance Code recommends appointing a senior independent director from among the elected independent directors to coordinate the work of the independent directors and liaise with the chair of the board of directors.

There is no senior independent director on the Company's Board. However, it shall be noted that it is not a common practice for Russian companies, both private and publicly owned, to appoint an independent director as the Chairman of the Board of Directors.

## Induction of new Board members

The Regulations on the Board of Directors stipulate that first-time elected members of the Board of Directors are provided with an opportunity to get an insight into the Company's strategy, the corporate governance system adopted by the Company, the risk management and internal control system, the distribution of responsibilities between the Company's executive bodies and other essential information on the Company's production, financial and economic activities.

The Guidelines for the Induction of Newly Elected Members of the Board of Directors and Committees of the Board of Directors of PJSC Rosseti South were approved. Members of the Company's Board of Directors elected in 2024 were made aware of these guidelines.

The induction of newly elected members of the Board of Directors includes the following activities:

- ▶ Familiarisation with the Articles of Association and key internal documents of the Company
- ▶ Familiarisation with rights, duties and responsibilities, disclosure of information on the Company's activities and organisation of the Board work
- ▶ Familiarisation with the activities of the Company and the Board of Directors, including meetings with the Chairman of the Board of Directors, executive bodies, and the Company's management, as well as visits to the Company's power grid facilities and detailed answers to all questions of interest



## D&O insurance of Board members

Starting from 25 September 2023, D&O insurance was provided under the liability insurance contract concluded between PJSC Rosseti and the leader of the collective participant, Joint Stock Company Insurance Company of Gas Industry (JSC SOGAZ),

acting on behalf of the consortium members: Joint Stock Company VSK Insurance, Joint Stock Company AlfaStrakhovanie and Limited Liability Company Sberbank Insurance.

## Regulation of conflicts of interest of a Board member

GRI 2-15, 2-16

In accordance with the Regulations on the Board of Directors, Board members shall refrain from actions that will or may lead to a conflict between their interests and the interests of the Company.

If a potential conflict of interest arises for a Board member, in particular, if there is an interest in a transaction by the Company, such Board member shall immediately notify the Board

of Directors of the Company and shall in any case put the interests of the Company above their own interests. Such notification shall, in any case, be made prior to the discussion of the matter, on which such Board member has a conflict of interest, at a meeting of the Board of Directors.

## Track record of the members of the Board of Directors

The composition of the Company's Board of Directors is balanced in terms of the key skills required for effective performance. The Board of Directors' members are qualified in accounting and corporate finance, strategic management, corporate governance, as well as areas specific for the Company's operations.

The composition of the Company's Board of Directors effective as of 31 December 2024 was elected by the Annual General Meeting of Shareholders on 19 June 2024 (Minutes No. 27 dated 19 June 2024). All members of the Company's Board of Directors are citizens of the Russian Federation.

The Board members are elected through a transparent procedure that allows shareholders to obtain information about candidates that is sufficient to gain an understanding of their personal and professional qualities.

Information materials for meetings (including information on candidates) shall be posted on the Company's website in Russian and English.

Members of the Company's Board of Directors have significant managerial and industry experience, have competent authority in the electric power industry, and make valuable contributions to the work of the Board of Directors and its Committees.



Daniil Krainskiy

Chairman of the Board of Directors

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1979
Educational background (year, university, qualification, major)			Higher  2002, Moscow State Law Academy, lawyer qualification, major in legal studies
Primary employment, position			PJSC Rosseti, Deputy General Director for Legal Support
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2017	2023	Public Joint Stock Company Rosseti	Deputy General Director for Legal Support, formerly Counsellor, Chief Counsellor
2018	present time	Public Joint Stock Company Rosseti Lenenergo	Counsellor to the General Director (part-time), previously Deputy General Director for Legal and Corporate Governance
2020	present time	Public Joint Stock Company Federal Grid Company – Rosseti	Deputy General Director for Legal Support (formerly part-time)
2018	2022	Joint Stock Company Lenenergo Energy Service Company	Chairman of the Board of Directors
2018	present time	Public Joint Stock Company Rosseti Lenenergo	Member of the Board of Directors
2019	present time	Public Joint Stock Company Rosseti Lenenergo	Member of the Management Board
2020	present time	Public Joint Stock Company Rosseti Urals	Member of the Board of Directors, Chairman of the Board of Directors
2020	2023	Public Joint Stock Company Rosseti Siberia	Member of the Board of Directors
2020	2023	Public Joint Stock Company Rosseti Centre	Member of the Board of Directors
2020	2023	Public Joint Stock Company Rosseti Northern Caucasus	Member of the Board of Directors
2020	present time	Public Joint Stock Company Rosseti Moscow Region	Member of the Board of Directors
2020	present time	Limited Liability Company Energotrans	Member of the governing bodies (Board of Directors, Management Board) of the management organisation (PJSC Rosseti Lenenergo)
2021	present time	Public Joint Stock Company Rosseti South	Chairman of the Board of Directors
2021	2023	Joint Stock Company Rosseti Tyumen	Member of the Board of Directors
2021	2023	Joint Stock Company Rosseti Yantar	Member of the Board of Directors
2021	2023	Joint Stock Company Rosseti Siberia Tyvaenergo	Member of the Board of Directors
2021	2023	Joint Stock Company Rosseti Tsifra	Member of the Board of Directors
2021	2023	Joint Stock Company Real Estate EC UES	Chairman of the Board of Directors
2021	2023	Public Joint Stock Company Rosseti Volga	Member of the Board of Directors
2021	2022	Public Joint Stock Company Rosseti North-West	Member of the Board of Directors
2021	present time	Public Joint Stock Company Rosseti Kuban	Chairman of the Board of Directors
2021	2023	Public Joint Stock Company Tomsk Distribution Company	Member of the Board of Directors

General information on a member of the Board of Directors of PJSC Rosseti South			
2021	2023	Joint Stock Company Scientific and Technical Centre of the Federal Grid Company of the Unified Energy System	Member of the Board of Directors
2022	2023	Joint Stock Company Engineering and Construction Management Centre of the Unified Energy System	Member of the Board of Directors
2022	2023	Public Joint Stock Company Federal Grid Company – Rosseti	Member of the Board of Directors
2022	2023	Public Joint Stock Company Rosseti	Member of the Management Board
2022	present time	Public Joint Stock Company Federal Grid Company – Rosseti	Member of the Management Board
2023	present time	Joint Stock Company Energetik	Chairman of the Board of Directors
Date of the first election to the Company's Board of Directors			02.06.2021
Date of first election as Chairman of the Board of Directors of PJSC Rosseti South			28.06.2021



Maria Dokuchaeva

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1979
Educational background (year, university, qualification, major)			Higher
			2000, Lomonosov Moscow State University, bachelor qualification, major in economics
			2002, Lomonosov Moscow State University, master qualification, major in management
Primary employment, position			PJSC Rosseti, Chief Counsellor
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2018	2021	Public Joint Stock Company Novatek	Press Secretary
2021	2023	Public Joint Stock Company Rosseti	Chief Counsellor
2023	present time	Public Joint Stock Company Federal Grid Company – Rosseti	Chief Counsellor
2022	present time	Public Joint Stock Company Rosseti Centre	Member of the Board of Directors
2022	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
Date of the first election to the Company's Board of Directors			16.06.2022



Vitaliy Zarkhin

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1976
Educational background (year, university, qualification, major)			Higher
			1998, State University – Higher School of Economics, Bachelor of Economics, major in economics
			2000, State University – Higher School of Economics, Master of Management, major in management
Primary employment, position			Currently unemployed
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2019	2021	Public Joint Stock Company Enel Russia	Member of the Board of Directors
2019	present time	Public Joint Stock Company Rosseti Centre and Volga Region	Member of the Board of Directors
2019	present time	Public Joint Stock Company Rosseti Centre	Member of the Board of Directors
2019	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
2021	2023	Public Joint Stock Company Rosseti Siberia	Member of the Board of Directors
2022	2023	Public Joint Stock Company EL5-Energo	Member of the Board of Directors
Date of the first election to the Company's Board of Directors			31.05.2019



Alexander Kazakov

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1948
Educational background (year, university, qualification, major)			Higher  1971, Sergo Ordzhonikidze Moscow Engineering and Economic Institute, engineering economist qualification, major in economics and organisation of machine-building industry  Academic degree: Doctor of Economics
Primary employment, position			Currently unemployed
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2011	2019	Open Joint Stock Company Far Eastern Energy Management Company	Chairman of the Board of Directors, member of the Board of Directors
2018	2021	Public Joint Stock Company Rosseti Centre	Chairman of the Board of Directors, member of the Board of Directors
2018	present time	Public Joint Stock Company Rosseti Centre and Volga Region	Chairman of the Board of Directors, member of the Board of Directors
2020	2021	Public Joint Stock Company Rosseti Volga	Member of the Board of Directors
2022	present time	Public Joint Stock Company Rosseti Volga	Member of the Board of Directors
2021	present time	Public Joint Stock Company Rosseti Kuban	Member of the Board of Directors
2021	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
Date of the first election to the Company's Board of Directors			31.08.2021
Recognised as an independent director in accordance with the decision of the Board of Directors of PJSC Rosseti South dated 14 August 2024 ( <a href="#">Minutes of the Board of Directors Meeting No. 586/2024</a> )			





Oleg Klinkov

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1972
Educational background (year, university, qualification, major)			Higher  1994, Mozhaisky Military Space Engineering Academy, electrical engineer qualification, major in automatic control systems for aircraft
Primary employment, position			PJSC Rosseti, Director for Customer Relations, Head of the Technological Development Department
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2015	2022	Public Joint Stock Company Federal Grid Company of the Unified Energy System	Head of the Technological Development Department, Director for Consumer Relations – Head of the Technological Development Department
2020	2022	Public Joint Stock Company Rosseti	Director for Customer Relations – Head of the Technological Development Department (part-time)
2022	present time	Public Joint Stock Company Federal Grid Company – Rosseti	Director for Customer Relations, Head of the Technological Development Department
2021	2023	Open Joint Stock Company Tomsk Main Power Grids	Member of the Board of Directors
2021	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
2023	present time	Public Joint Stock Company Rosseti Siberia	Member of the Board of Directors
2023	present time	Public Joint Stock Company Rosseti Siberia Tyvaenergo	Member of the Board of Directors
Date of the first election to the Company's Board of Directors			31.08.2021



Maria Korotkova

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1984
Educational background (year, university, qualification, major)			Higher  2006, Lobachevsky Nizhny Novgorod State University, manager qualification, major in management of organisations
Primary employment, position			LLC Technoinnovatsia, Development Director
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2013	2021	Limited Liability Company MKS	Director
2017	2023	Public Joint Stock Company Rosseti Volga	Member of the Board of Directors
2020	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
2021	present time	Limited Liability Company Technoinnovatsia	Development Director
2021	2024	Public Joint Stock Company Rosseti Centre	Member of the Board of Directors
Date of the first election to the Company's Board of Directors			29.05.2020
Recognised as an independent director in accordance with the decision of the Board of Directors of PJSC Rosseti South dated 14 August 2024 ( <a href="#">Minutes of the Board of Directors Meeting No. 586/2024</a> )			



Konstantin Kravchenko

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth		1973	
Educational background (year, university, qualification, major)		Higher  1995, Voronezh State Technical University, design and process engineer qualification, major in design and technology of power grid regions  Academic degree: Candidate of Technical Sciences	
Primary employment, position		PJSC Rosseti, Deputy General Director for Digital Transformation	
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2018	2020	Moscow Representative Office of Joint Stock Company Dzerzhinsky Uralvagonzavod Research and Production Corporation	Director for Information Technology at the Corporate Governance Centre – Moscow office
2020	2021	Joint Stock Company Uralvagonzavod Concern	Deputy General Director for Information Technology
2021	2023	Public Joint Stock Company Rosseti	Chief Counsellor, Acting Deputy General Director for Digital Transformation
2021	2022	Public Joint Stock Company Federal Grid Company of the Unified Energy System	Chief Counsellor to the General Director, Acting Deputy General Director for Digital Transformation (part-time)
2022	present time	Public Joint Stock Company Federal Grid Company – Rosseti	Deputy General Director for Digital Transformation (formerly part-time)
2021	2023	Joint Stock Company Rosseti Tsifra	Acting General Director (part-time)
2021	present time	Joint Stock Company Chitatekhenergo	Member of the Board of Directors
2021	present time	Joint Stock Company Moscow Power Industry Communications Hub	Member of the Board of Directors
2021	2024	Joint Stock Company Rosseti Tsifra	Member of the Board of Directors
2021	2024	Limited Liability Company IT Energy Service	Member of the Board of Directors
2021	2024	Joint Stock Company Rosseti Tyumen	Member of the Board of Directors
2021	2023	Public Joint Stock Company Rosseti Siberia	Member of the Board of Directors
2021	present time	Public Joint Stock Company Rosseti Kuban	Member of the Board of Directors
2021	present time	Public Joint Stock Company Rosseti Centre and Volga Region	Member of the Board of Directors
2021	2023	Joint Stock Company Federal Testing Centre	Member of the Board of Directors
2021	2022	Limited Liability Company Infrastructure Investments-3	Member of the Board of Directors
2022	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
2022	present time	Joint Stock Company North-West Energy Management Company	Member of the Board of Directors
Date of the first election to the Company's Board of Directors		16.06.2022	



Ekaterina Nikitchanova

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth		1973	
Educational background (year, university, qualification, major)		Higher  1996, Voronezh State University, lawyer qualification, major in legal studies	
Primary employment, position		NPP RID, Deputy Director – Head of the Centre of Expertise	
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2002	present time	Non-Profit Partnership Russian Institute of Directors	Deputy Director – Head of the Centre of Expertise
2011	present time	Joint Stock Company Higher School Publishing House	Member of the Board of Directors
2011	present time	Joint Stock Company Central Gorky Children's and Youth Film Studio	Member of the Board of Directors
2016	present time	Joint Stock Company St. Petersburg Documentary Film Studio	Member of the Board of Directors
2020	present time	Joint Stock Company Sovetskaya Siberia	Member of the Board of Directors
2021	2022	Public Joint Stock Company Rosseti North-West	Member of the Board of Directors
2021	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
Date of the first election to the Company's Board of Directors		31.08.2021	
Recognised as an independent director in accordance with the decision of the Board of Directors of PJSC Rosseti South dated 14 August 2024 (Minutes of the Board of Directors Meeting No. 586/2024)			



Natalia  
Paramonova

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1970
Educational background (year, university, qualification, major)			Higher
			1995, Gubkin State Academy of Oil and Gas, Engineer in Process Automation qualification
			2005, Institute of Business and Politics (Moscow), economics qualification, major in accounting, analysis and audit
Primary employment, position			PJSC Rosseti, First Deputy Head of the Economics Department
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2018	2023	Public Joint Stock Company Rosseti	Head of the Planning and Economic Division of the Tariff Policy Department, Director of the Economics Department, Head of the Economics Department
2023	present time	Public Joint Stock Company Federal Grid Company – Rosseti	First Deputy Head of the Department of Economic Planning and Tariff Setting, First Deputy Head of the Economics Department
2019	2021	Public Joint Stock Company Siberia	Member of the Board of Directors
2019	2021	Joint Stock Company Federal Testing Centre	Member of the Board of Directors
2020	2021	Public Joint Stock Company Rosseti Volga	Member of the Board of Directors
2020	2022	Joint Stock Company Kuban Main Power Grids	Member of the Board of Directors
2022	present time	Public Joint Stock Company Rosseti Northern Caucasus	Member of the Board of Directors
2022	2023	Joint Stock Company Rosseti Yantar	Member of the Board of Directors
2022	2023	Joint Stock Company Real Estate EC UES	Member of the Board of Directors
2023	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
2023	2024	Public Joint Stock Company Rosseti North-West	Member of the Board of Directors
Date of the first election to the Company's Board of Directors			09.06.2023



Maria  
Tikhonova

General information on a member of the Board of Directors of PJSC Rosseti South				
Year of birth			1980	
Educational background (year, university, qualification, major)			Higher	
			2002, Volga-Vyatka Academy of Public Administration, major in state and municipal management	
			Academic degree: Candidate of Economic Sciences	
Primary employment, position			PJSC Rosseti, Deputy General Director for Corporate Governance	
Participation in governing and controlling bodies				
Period		Organisation	Position	
from	to			
2013	2020	Public Joint Stock Company Federal Grid Company of the Unified Energy System	Member of the Management Board	
2020	2022	Public Joint Stock Company Rosseti	Deputy General Director for Corporate Governance (part-time)	
2013	present time	Public Joint Stock Company Federal Grid Company – Rosseti	Deputy Director General for Corporate Governance	
2018	2019	Joint Stock Company Far Eastern Energy Management Company	Member of the Board of Directors	
2019	2020	Joint Stock Company Electromagistral	Member of the Board of Directors	
2021	2021	Public Joint Stock Company Rosseti Kuban	Member of the Board of Directors	
2021	2022	Joint Stock Company Rosseti Yantar	Member of the Board of Directors	
2021	2022	Public Joint Stock Company TNS Energy Group	Member of the Board of Directors	
2021	2023	Joint Stock Company Far Eastern Energy Management Company – UNPG	Member of the Board of Directors	
2021	present time	Public Joint Stock Company Rosseti Siberia	Member of the Board of Directors, Chairman of the Board of Directors	
2021	2023	Joint Stock Company Rosseti Siberia Tyvaenergo	Member of the Board of Directors, Chairman of the Board of Directors	
2021	present time	Public Joint Stock Company Tomsk Distribution Company	Member of the Board of Directors, Chairman of the Board of Directors	
2021	present time	Public Joint Stock Company Rosseti Urals	Member of the Board of Directors	
2021	present time	Public Joint Stock Company Rosseti Volga	Member of the Board of Directors	
2021	2023	Joint Stock Company Rosseti Tyumen	Member of the Board of Directors	
2021	2023	Joint Stock Company Real Estate EC UES	Member of the Board of Directors	
2022	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors	
2022	2023	Public Joint Stock Company Rosseti Moscow Region	Member of the Board of Directors	
2022	present time	Public Joint Stock Company Rosseti North-West	Member of the Board of Directors	
2022	present time	Joint Stock Company Electromagistral	Member of the Board of Directors	
2022	present time	Joint Stock Company Regional Power Grids	Member of the Board of Directors	
Date of the first election to the Company's Board of Directors			16.06.2022	





**Boris Ebzeev**

General information on a member of the Board of Directors of PJSC Rosseti South			
Year of birth			1975
Educational background (year, university, qualification, major)			Higher
			1997, Lomonosov Moscow State University, lawyer qualification, major in legal studies
			Academic degree: Candidate of Legal Sciences.
Primary employment, position			PJSC Rosseti South, General Director
Participation in governing and controlling bodies			
Period		Organisation	Position
from	to		
2014	2024	Public Joint Stock Company Rosseti South	General Director, Chairman of the Management Board
2014	2019	Joint Stock Company Donenergo	Member of the Board of Directors
2015	present time	Public Joint Stock Company Rosseti South	Member of the Board of Directors
2018	present time	Joint Stock Company Volgograd Inter-District Power Grids	Chairman of the Board of Directors
2021	2024	Public Joint Stock Company Rosseti Kuban	Acting General Director (part-time), Chairman of the Management Board
2021	present time	Public Joint Stock Company Rosseti Kuban	Member of the Board of Directors
2023	present time	Joint Stock Company Energoservis Yuga	Chairman of the Board of Directors
2024	present time	Public Joint Stock Company Rosseti Centre	General Director, Chairman of the Management Board
2024	present time	Public Joint Stock Company Rosseti Centre and Volga Region	General Director of the managing organisation – PJSC Rosseti Centre, Chairman of the Management Board
Date of the first election to the Company's Board of Directors			27.03.2015

In the reporting period:

- ▶ Members of the Board of Directors of PJSC Rosseti South did not own shares in the Company or its controlled legal entities.
  - ▶ Members of the Board of Directors did not enter into any transactions involving the acquisition or disposal of shares in PJSC Rosseti South during 2024.
  - ▶ No loans from PJSC Rosseti South or the Company's S&As were granted to members of the Board of Directors.
  - ▶ The Company or the Company's S&As did not enter into any civil law agreements, including those involving property benefits, with members of the Board of Directors.
  - ▶ The Company was not aware of any claims made against any of the Board members.
  - ▶ The Company did not receive any information about any conflicts of interest (including those related to participation in the governing bodies of the Company's competitors) among the members of the Board of Directors.
- ▶ Members of the Board of Directors did not have any connections with persons who were members of the management and/or control bodies of Rosseti South's financial and economic activities.
  - ▶ Members of the Board of Directors of PJSC Rosseti South have not been held administratively liable for offences in the field of finance, taxes and levies, the securities market, or criminally liable for economic crimes and/or crimes against public authority.
  - ▶ Members of the Board of Directors did not hold positions in governing bodies of commercial organisations during the period, when bankruptcy proceedings and/or one of the bankruptcy procedures under the Russian insolvency (bankruptcy) laws were initiated against these organisations.
  - ▶ Members of the Board of Directors of PJSC Rosseti South submitted no information on certain shareholders that might purchase or purchased a degree of control disproportionate to their shareholdings in the Company, including under shareholder agreements, availability of ordinary shares with different share denomination.

Changes in the composition of the Board of Directors during the reporting year

During the reporting year, there were no changes in the composition of the Board of Directors of PJSC Rosseti South.



Track records of the Board members acting in 2024 can be found on the website of the Company: <https://rosseti-yug.ru/en/corporate-managment/management-authorities/board-of-directors/>

# Committees under the Board of Directors

In accordance with the Company's Articles of Association, five dedicated committees were established by resolution of the Board of Directors for preliminary consideration of issues within the Board purview, as well as development of necessary recommendations to the Board of Directors and executive bodies of the Company.

Audit Committee	Personnel and Remuneration Committee	Strategy Committee	Reliability Committee	Grid Connection Committee
<b>Information on establishment</b>				
Resolution of the Board of Directors of the Company dated 01.12.2009 (Minutes No. 37/2009 dated 04.12.2009)	Resolution of the Board of Directors of the Company dated 01.12.2009 (Minutes No. 37/2009 dated 04.12.2009)	Resolution of the Board of Directors of the Company dated 01.12.2009 (Minutes No. 37/2009 dated 04.12.2009)	Resolution of the Board of Directors of the Company dated 01.12.2009 (Minutes No. 37/2009 dated 04.12.2009)	Resolution of the Board of Directors of the Company dated 27.02.2009 (Minutes No. 23/2009 dated 02.03.2009)

Committees of the Board of Directors are auxiliary consultative and advisory bodies of the Board of Directors of the Company. The committees are not management or control bodies of the Company.

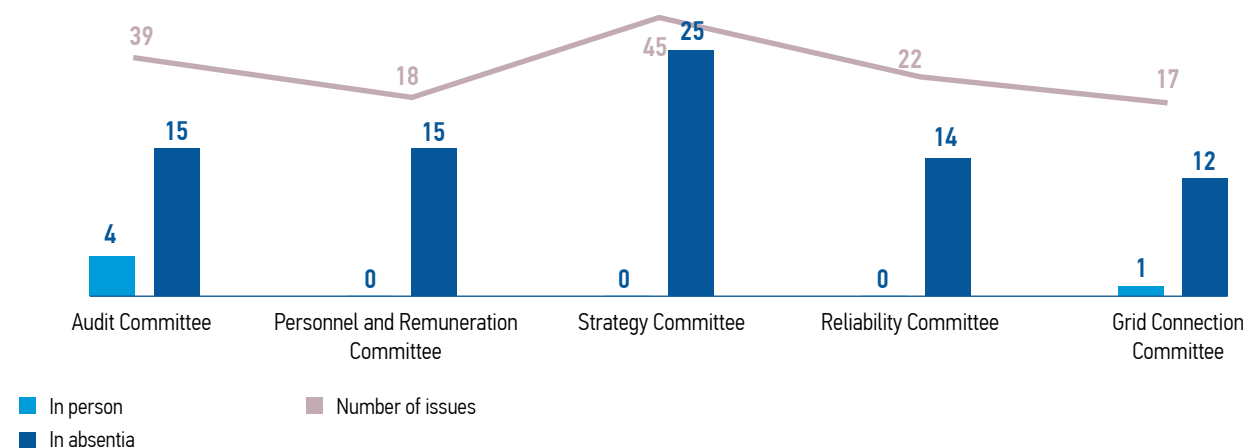
The objectives, tasks and powers of the Committees, as well as the procedure for their formation and operation, are defined in the Regulations for each Committee, approved by the Board of Directors and posted on the Company's official website. The Committees work is aligned with their action plans approved annually at the Committees' meetings.

The Committees comprise representatives of various shareholder groups of the Company and the Company's management, which ensures a multifaceted approach to the formation and

adoption of objective and balanced decisions and the issuance of recommendations to the Board of Directors and the executive body of the Company.

The Committees are accountable to the Board of Directors of the Company. To fulfil the recommendations of the Code of Corporate Governance of the Bank of Russia, the Chairmen of the Committees submit annual progress reports to the Board of Directors. The reports of the Company's Board of Directors Committees on the work done during the 2023-2024 corporate year were reviewed by the Board of Directors on 8 July 2024 (Minutes No. 582/2024 dated 8 July 2024).

## Statistical data on meetings and issues addressed in 2024



# Audit Committee

The Committee's operations are governed by the [Regulations on the Audit Committee of the Board of Directors of PJSC Rosseti South](#).

Quantitatively, the Committee shall consist of at least three members.

## Personal composition and information on participation in 2024

Full name	Position <sup>1</sup>	Participation	Participation, %
<b>Membership effective from 01.01.2024 to 20.08.2024 elected by decision of the Board of Directors on 02.08.2023 (Minutes No. 537/2023 dated 03.08.2023)</b>			
<b>Total number of meetings held – 11, of which: 2 – in person (joint presence), 9 – in absentia</b>			
Maria Korotkova	Development Director, LLC Technoinnovatsia, member of the Board of Directors of PJSC Rosseti South	11/11	100
<b>Chairman of the Committee</b>			
<b>Independent director</b>			
Alexander Kazakov	Member of the Board of Directors of PJSC Rosseti South	11/11	100
<b>Independent director</b>			
Anton Ulyanov	Director for Internal Audit – Head of the Internal Audit Department of PJSC Rosseti	11/11	100
<b>Membership effective from 21.08.2024 to 31.12.2024 elected by resolution of the Board of Directors on 21.08.2024 (Minutes No. 588/2024)</b>			
<b>Total number of meetings held – 8, of which: 2 – in person (joint presence), 6 – in absentia</b>			
Maria Korotkova	Development Director, LLC Technoinnovatsia, member of the Board of Directors of PJSC Rosseti South	8/8	100
<b>Chairman of the Committee</b>			
<b>Independent director</b>			
Alexander Kazakov	Member of the Board of Directors of PJSC Rosseti South	8/8	100
<b>Independent director</b>			
Anton Ulyanov	Director for Internal Audit – Head of the Internal Audit Department of PJSC Rosseti	8/8	100

The committee during 2024 included:

- During the period from 1 January 2024 to 20 August 2024, two (2) of the three (3) elected members were independent directors and simultaneously members of the Company's Board of Directors, and the Board was chaired by an independent director.
- During the period from 21 August 2024 to 31 December 2024, two (2) of the three (3) elected members were independent directors and simultaneously members of the Company's Board of Directors, and the Board was chaired by an independent director.

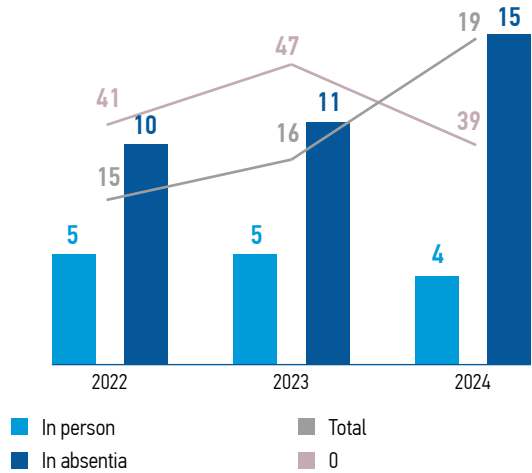
In doing so, the Company shall endeavour to ensure that all or at least a majority of the members of the Committee are independent directors.

<sup>1</sup> The position is as of the date of election.

## Activities in 2024

In the reporting year, 19 meetings were held, including four meetings in person (joint presence), and 39 issues were addressed.

Statistical data on meetings



### Analysis of the 2023/2024 changes

Meetings/Issues	2023, meetings	2024, meetings	Changes 2023/2024, meetings	Changes 2023/2024, %
In person	5	4	0	0
In absentia	11	15	+4	27
Total meetings	16	19	+3	16
Total issues	47	39	−8	−21

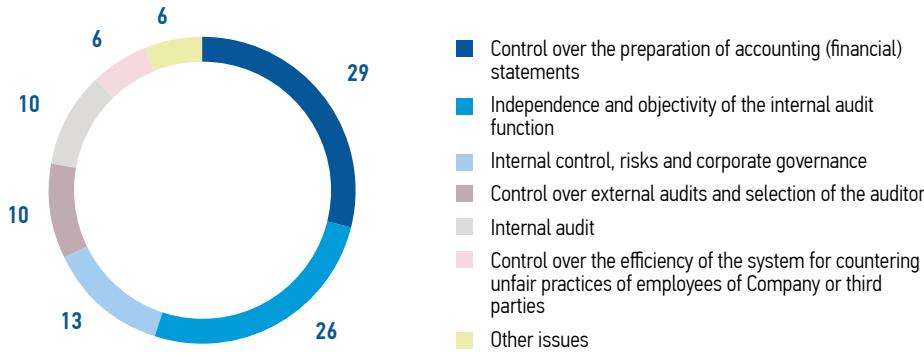
### Calendar of meetings

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Committee meetings	1	2	3	–	3	1	1	–	2	1	–	2
	–	1, 13, 28	12, 29	25	8, 28	3, 7, 25			18, 27, 30	7, 28	8	16, 17

## Topics and categories of issues

In 2024, the Committee issued 20 recommendations to the Company’s Board of Directors. The recommendations issued to the Board of Directors based on the Committee’s work in 2024 enabled the improvement of financial reporting and audit practices, which is in the interests of the Company’s shareholders.

Topics and categories of issues, %



## Personnel and Remuneration Committee

The Committee’s activities are regulated by the [Regulations on the Personnel and Remuneration Committee of the Board of Directors of the Company](#).

Quantitatively, the Committee’s membership shall be determined by resolution of the Board of Directors of the Company and shall consist of at least three members.

### Personal composition and information on participation in 2024

Full name	Position <sup>1</sup>	Participation	Participation, %
Membership effective from 14.08.2023 to 20.08.2024 Elected by decision of the Board of Directors on 14.08.2023 (Minutes No. 538/2023 dated 15.08.2023)			
Total number of meetings held – 13, of which: 1 – in the form of joint attendance (in person), 12 – in absentee form			
Daria Borisova	Director for HR Management of PJSC Rosseti	13/13	100
<b>Chairman of the Committee</b>			
Ekaterina Nikitchanova	Deputy Director – Head of the Centre of Expertise of Non-Profit Partnership Russian Institute of Directors, <b>member of the Board of Directors of PJSC Rosseti South</b>	13/13	100
<b>Independent director</b>			
Konstantin Suvorovskiy	Head of the Remuneration, Organisational Design and Personnel Administration Department at PJSC Rosseti	13/13	100
Membership effective from 21.08.2024 to 31.12.2024 elected by resolution of the Board of Directors on 21.08.2024 (Minutes No. 588/2024)			
Total number of meetings held – 8 in absentia			
Daria Borisova	Director for HR Management of PJSC Rosseti	8/8	100
<b>Chairman of the Committee</b>			
Ekaterina Nikitchanova	Deputy Director – Head of the Centre of Expertise of Non-Profit Partnership Russian Institute of Directors, <b>member of the Board of Directors of PJSC Rosseti South</b>	8/8	100
<b>Independent director</b>			
Konstantin Suvorovskiy	Head of the Remuneration, Organisational Design and Personnel Administration Department at PJSC Rosseti	8/8	100

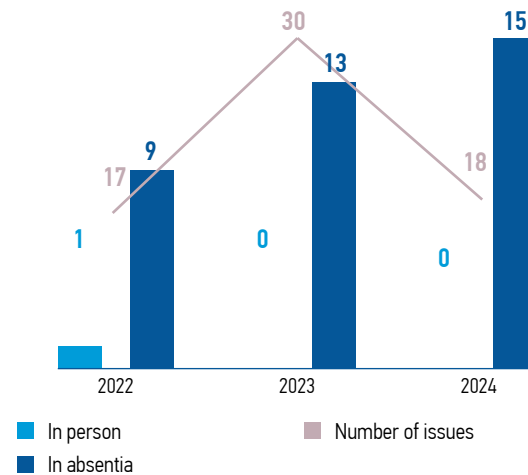
<sup>1</sup> The position is as of the date of election.



## Activities in 2024

During the reporting year, the Committee held 15 meetings, at which 18 issues were addressed.

### Statistical data on meetings



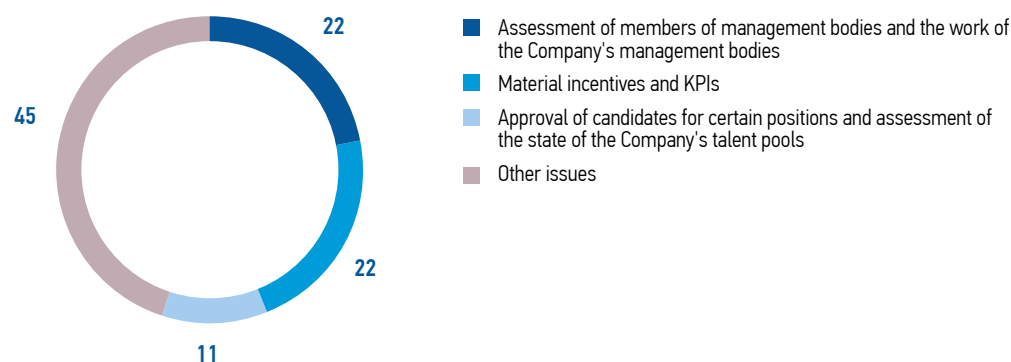
### Analysis of the 2023/2024 changes

Meetings/Issues	2023, meetings	2024, meetings	Changes 2023/2024, meetings	Changes 2023/2024, %
In person	0	0	0	0
In absentia	13	15	+3	13.33
Total meetings	13	15	+2	13.33
Total issues	30	18	-12	-66.67

### Calendar of meetings

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Committee meetings	–	1	–	2	2	2	–	2	2	1	–	1
		13		17		13, 26	8	6, 16	26	8, 10, 28	28	12, 27

### Topics and categories of issues, %



In the reporting period, the Committee issued seven recommendations to the Board of Directors.

During the reporting period, particular attention was paid to:

- ▶ Reviewing the report of the Personnel and Remuneration Committee of the Board of Directors of PJSC Rosseti South for the 2023–2024 corporate year
- ▶ Reviewing the report of the Company's Corporate Secretary on the results of work for the 2023–2024 corporate year
- ▶ Selecting and evaluating the persons to be appointed to certain positions in the Company's executive office and provision of recommendations to the Company's Board of Directors
- ▶ Amending the terms of the employment contract of the Company's General Director

- ▶ Approving key performance indicators and functional key performance indicators for the management of PJSC Rosseti South for 2024–2026
- ▶ Reviewing the results of the self-assessment of the performance of the Board of Directors and the Committees of the Board of Directors of PJSC Rosseti South for the 2023–2024 corporate year

At the Committee meeting, which was held in person, the updated lists of the Company's management and youth talent pools were carefully reviewed and approved.

## Strategy Committee

The Committee's activities are regulated by the [Regulations on the Strategy Committee of the Board of Directors of the Company](#).

The quantitative composition of the Committee shall be determined by resolution of the Board of Directors of the Company and may not be less than five or more than 11 persons.

### Personal composition and information on participation in 2024

Full name	Position <sup>1</sup>	Participation	Participation, %
Membership effective from 11.09.2023 to 20.08.2024 elected by decision of the Board of Directors on 11.09.2023 (Minutes No. 542/2023 dated 12.09.2023)			
Total number of meetings held – 16 in absentia			
Alexey Polinov	Deputy General Director for Economics and Finance of PJSC Rosseti	18/18	100
Julia Leschevskaya	Deputy General Director for Corporate Governance of PJSC Rosseti	18/18	100
Alexander Korneev	Head of the Department for Grid Connection and Infrastructure Development of PJSC Rosseti South	18/18	100
Maria Korotkova	Development Director of LLC Technoinnovatsia	18/18	100
Independent director			
Madina Kaloeva	Director for Corporate Governance – Head of the Corporate Governance Department of PJSC Rosseti	18/18	100
Kirill Iordanidi	Deputy General Director for Economics and Finance of PJSC Rosseti South, <b>member of the Management Board of PJSC Rosseti South</b>	18/18	100
Daniil Krainskiy	Deputy General Director for Legal Support of PJSC Rosseti, <b>Chairman of the Board of Directors of PJSC Rosseti South</b>	18/18	100
Andrey Tulba	Director for Economics – Head of the Economics Department of PJSC Rosseti	18/18	100
Vitaliy Zarkhin	<b>Member of the Board of Directors of PJSC Rosseti South</b>	18/18	100

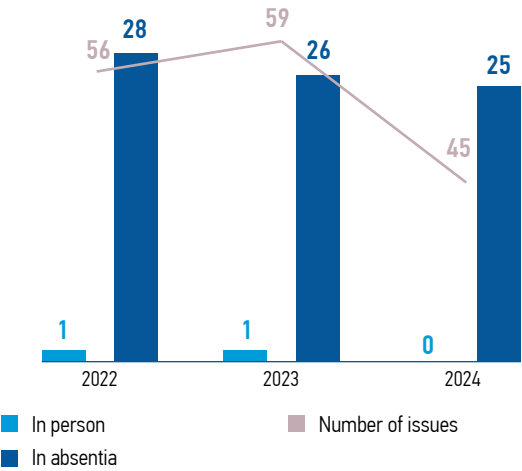
<sup>1</sup> The position is as of the date of election.

Full name	Position	Participation	Participation, %
Membership effective from 21.08.2024 to 31.12.2024 elected by resolution of the Board of Directors on 21.08.2024 (Minutes No. 588/2024 dated 21.08.2024)			
Total number of meetings held – 10, of which: 11 – in absentia, 1 – in the form of joint presence (in person)			
Artem Alyoshin	Deputy General Director for Economics and Finance of PJSC Rosseti	7/7	100
Julia Leschevskaya	Deputy General Director for Corporate Governance of PJSC Rosseti	7/7	100
Alexander Korneev	Head of the Department for Grid Connection and Infrastructure Development of PJSC Rosseti South	7/7	100
Maria Korotkova	Development Director of LLC Technoinnovatsia	7/7	100
Independent director			
Madina Kaloeva	Director for Corporate Governance – Head of the Corporate Governance Department of PJSC Rosseti	7/7	100
Kirill Iordanidi	Deputy General Director for Economics and Finance of PJSC Rosseti South, <b>member of the Management Board of PJSC Rosseti South</b>	7/7	100
Daniil Krainskiy	Deputy General Director for Legal Support of PJSC Rosseti, <b>Chairman of the Board of Directors of PJSC Rosseti South</b>	7/7	100
Marina Lavrova	Deputy Head of the Economics Department of PJSC Rosseti	7/7	100
Vitaliy Zarkhin	<b>Member of the Board of Directors of PJSC Rosseti South</b>	7/7	100

Activities in 2024

During the reporting year, the Committee held 25 meetings, at which 45 issues were addressed.

Statistical data on meetings



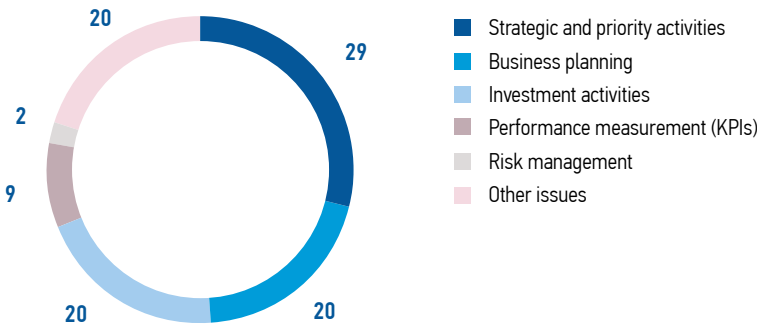
Analysis of the 2023/2024 changes

Meetings/Issues	2023, meetings	2024, meetings	Changes 2023/2024, meetings	Changes 2023/2024, %
In person	1	0	0	0
In absentia	25	25	0	0
Total meetings	26	25	–1	–4
Total issues	59	45	–14	–31.11

Calendar of meetings

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Committee meetings	1 12, 30	2 13	3 6, 18, 26	1 3	3 13, 30	2 3, 4, 19, 25, 28	3 12, 23, 29	1 19	2	2 9, 28	2 5	4 13, 19, 23, 27

Topics and categories of issues, %



In the reporting period, the Committee issued 45 recommendations to the Company's Board of Directors, including in the area of strategic development and priority activities, business planning, investment activities, performance evaluation (KPIs), and risk management.

Reliability Committee

The Committee's activities are regulated by the [Regulations on the Reliability Committee of the Board of Directors of the Company](#).

Quantitatively, the Committee's membership shall be determined by resolution of the Board of Directors of the Company and shall consist of at least seven members.

Personal composition and information on participation in 2024

Full name	Position <sup>1</sup>	Participation	Participation, %
Membership effective from 14.08.2023 to 22.07.2024Elected by decision of the Board of Directors on 14.08.2023 (Minutes No. 538/2023 dated 15.08.2023)			
Total number of meetings held – 9, of which: 1 – in the form of joint attendance (in person), 8 – in absentee form			
Vladimir Ukolov <b>Chairman of the Committee</b>	Head of Situation Analysis Centre of PJSC Rosseti	9/9	100
Pavel Goncharov	First Deputy Director General – Chief Engineer of PJSC Rosseti South, <b>member of the Management Board of PJSC Rosseti South</b>	9/9	100
Vitaliy Zarkhin	<b>Member of the Board of Directors of PJSC Rosseti South</b>	9/9	100
Kirill Iordanidi	Deputy General Director for Economics and Finance of PJSC Rosseti South, <b>member of the Management Board of PJSC Rosseti South</b>	9/9	100

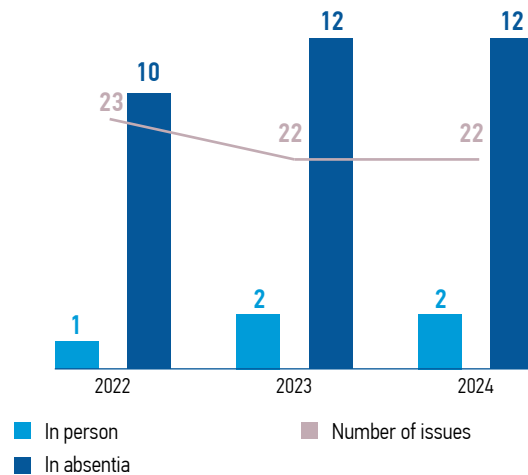
<sup>1</sup> The position is as of the date of election.

Full name	Position	Participation	Participation, %
Alexander Pilyugin	Deputy Director of Centre for Technical Supervision – branch of PJSC Rosseti	9/9	100
<b>Membership effective from 23.07.2024 to 31.12.2024 elected by resolution of the Board of Directors on 23.07.2024 (Minutes No. 584/2024 dated 23.07.2024)</b>			
<b>Total number of meetings held – 5, of which: 1 – in the form of joint attendance (in person), 4 – in absentee form</b>			
Vladimir Ukolov <b>Chairman of the Committee</b>	Deputy Chief Engineer – Chief Dispatcher of PJSC Rosseti	5/5	100
Pavel Goncharov	First Deputy Director General – Chief Engineer of PJSC Rosseti South, <b>member of the Management Board of PJSC Rosseti South</b>	5/5	100
Vitaliy Zarkhin	<b>Member of the Board of Directors of PJSC Rosseti South</b>	5/5	100
Iordanidi Kirill	Deputy General Director for Economics and Finance of PJSC Rosseti South, <b>member of the Management Board of PJSC Rosseti South</b>	5/5	100
Alexander Pilyugin	Deputy Director General for Production Control	5/5	100

## Activities in 2024

In the reporting year, the Committee held 14 meetings, including two meetings in the form of joint attendance (in person), and considered 22 issues.

Statistical data on meetings



## Analysis of the 2023/2024 changes

Meetings/Issues	2023, meetings	2024, meetings	Changes 2022/2023, meetings	Changes 2022/2023, %
In person	2	2	0	0
In absentia	12	12	0	0
Total meetings	14	14	0	0
Total issues	25	22	–3	–13.64

## Calendar of meetings

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Committee meetings	–	3	1	1	2	1	–	1	–	1	–	4
	12	8, 13	29	18	16, 30	6, 25			25	28		5, 24, 25

## Topics and categories of issues, %



In 2024, the Committee issued 6 recommendations to the Company's Board of Directors.

In the reporting period, special attention was paid to the passing of the autumn-winter period of 2023–2024, preparation for work and work in the thunderstorm and fire seasons of 2024, as well as the enforcement of instructions issued by supervisory authorities and measures defined by acts of investigation of mass violations that occurred in 2024. These issues were scrutinised during the Committee's in-person meetings and recommendations were made to the Company's management.

## Grid Connection Committee

The activities are regulated by the [Regulations on the Grid Connection Committee](#).

Quantitatively, the Committee's membership shall be determined by resolution of the Board of Directors of the Company and shall consist of at least five members.

## Personal composition and information on participation in 2024

Full name	Position <sup>1</sup>	Participation	Participation, %
<b>Membership effective from 14.08.2023 to 20.08.2024 Elected by decision of the Board of Directors on 14.08.2023 (Minutes No. 538/2023 dated 15.08.2023)</b>			
<b>Total number of meetings held – 8, of which: 1 – in the form of joint attendance (in person), 7 – in absentee form</b>			
Alexey Molsky <b>Chairman of the Committee</b>	Deputy General Director for Investments, Capital Construction and Sales of Services of PJSC Rosseti	8/8	100
Marina Gazdanova	Deputy Head of the Department for Grid Connection and Infrastructure Development – Head of the Department for Development of Additional Services and Customer Services of PJSC Rosseti	8/8	100

<sup>1</sup> The position is as of the date of election.

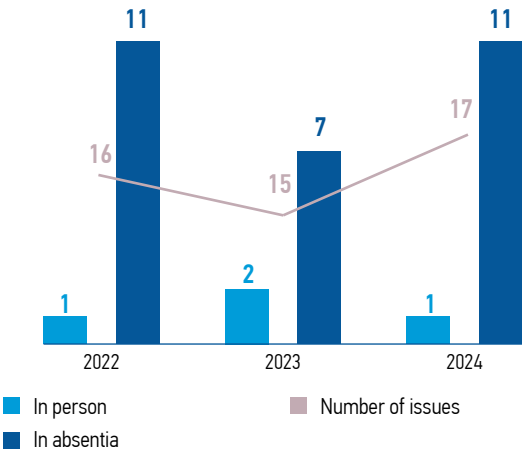


Full name	Position¹	Participation	Participation, %
Dmitriy Zhuravlev	Deputy General Director for Development and Power Grid Connection of PJSC Rosseti South	8/8	100
Nikita Kalashnikov	Deputy General Director for Investments and Capital Construction of PJSC Rosseti South	8/8	100
Oleg Klinkov	Director for Customer Relations, Head of the Technological Development Department of PJSC Rosseti, <b>Member of the Board of Directors of PJSC Rosseti South</b>	8/8	100
Membership effective from 21.08.2024 to 31.12.2024 elected by resolution of the Board of Directors on 21.08.2024 (Minutes No. 588/2024 dated 21.08.2024)			
Total number of meetings held – 4 in absentia			
Alexey Molsky <b>Chairman of the Committee</b>	Deputy General Director for Investments and Capital Construction, PJSC Rosseti	4/4	100
Marina Gazdanova	Deputy Head of the Department for Grid Connection and Infrastructure Development – Head of the Department for Development of Additional Services and Customer Services of PJSC Rosseti	4/4	100
Dmitriy Zhuravlev	Deputy General Director for Development and Power Grid Connection of PJSC Rosseti South	4/4	100
Nikita Kalashnikov	Deputy General Director for Investments and Capital Construction of PJSC Rosseti South	4/4	100
Oleg Klinkov	Director for Customer Relations, Head of the Technological Development Department of PJSC Rosseti, <b>Member of the Board of Directors of PJSC Rosseti South</b>	4/4	100

Activities in 2024

In the reporting year, the Committee held 12 meetings, including one meeting in the form of joint attendance (in person), and addressed 17 issues.

Statistical data on meetings



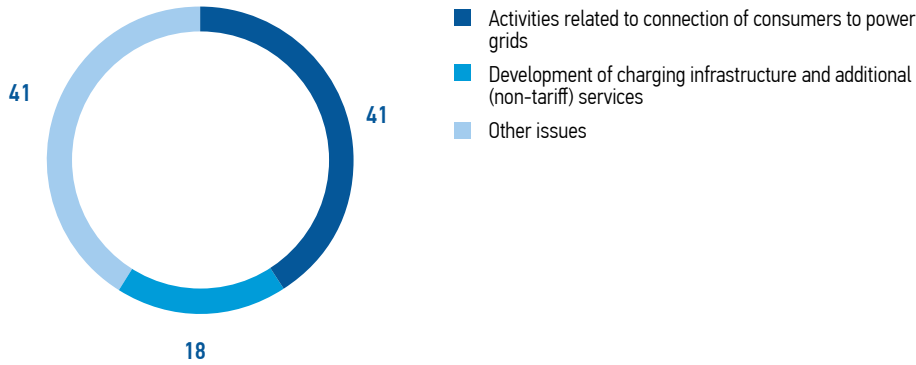
Analysis of the 2023/2024 changes

Meetings/Issues	2023, meetings	2024, meetings	Changes 2022/2023, meetings	Changes 2022/2023, %
In person	2	1	+1	+50
In absentia	7	11	+4	+36.36
Total meetings	9	12	+3	+25.00
Total issues	15	17	+2	+11.76

Calendar of meetings

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Committee meetings	–	1	–	–	–	1	2	–	–	3	–	2
	16, 29		3, 12		21, 29		18, 25		25		5, 19, 26	

Topics and categories of issues, %



In the reporting period, the Committee issued seven recommendations to the Board of Directors.

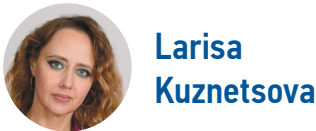
In the reporting period, particular attention was paid to updating and implementing the Roadmap for the Development of Additional (Non-Tariff) Services of Rosseti South, as well as analysing the current situation in Rosseti South's activities related to grid connection. These issues were reviewed at in-person meetings of the Committee, and the Company's management was given appropriate recommendations and instructions.

# Corporate Secretary

The Board of Directors elected the Company’s Corporate Secretary to ensure proper implementation of the Company’s procedure for preparation and holding of the General Meeting of Shareholders, meetings of the Board of Directors, to provide efficient cooperation of the Board of Directors with the Board’s Committees, Auditing Commission, Company’s Auditor, executive bodies and Executive Office.

The activities of the Company’s Corporate Secretary are regulated by the Federal Law on joint stock companies, other Russian laws and regulations, the Company’s Articles of Associations and internal documents, the [Regulations on the Corporate Secretary of PJSC Rosseti South](#) approved by the resolution of the Board of Directors on 30 September 2016 (Minutes No. 202/2016 dated 3 October 2016).

The Corporate Secretary is accountable to the Board of Directors of the Company.



Corporate Secretary, Deputy Head of the Corporate Governance and Shareholder Relations Department of PJSC Rosseti South.

Born in 1976.

Education

Federal State Educational Institution of Higher Professional Education Kuban State Agrarian University, lawyer qualification, major in legal studies, 2006.

Professional background

Since 2013, Deputy Head of the Corporate Governance and Shareholder Relations Department of PJSC Rosseti South, Secretary of the Management Board.

During the reporting period, the Corporate Secretary organised the preparation and holding of the Company’s General Meeting of Shareholders in accordance with the Company’s internal documents, organised the preparation and holding of the Company’s Board of Directors meeting (including drafting and submitting draft agendas, distributing documents and materials to members of the Company’s Board of Directors, providing organisational and technical support for the meetings, etc.).

Since December 2013, the Head of the Department for Corporate Governance and Shareholder Relations of the Company, Elena Pavlova, has been acting as Corporate Secretary.

Effective October 2024, by resolution of the Company’s Board of Directors (Minutes No. 591/2024 dated 21 October 2024), Larisa Kuznetsova, Deputy Head of the Corporate Governance and Shareholder Relations Department, was elected as the Company’s Corporate Secretary.

# Executive Governing Bodies

The current activities of the Company are governed by the executive bodies of PJSC Rosseti South (General Director and Management Board), which report to the General Meeting of Shareholders and the Board of Directors of the Company.

## General Director



The General Director is elected by the Company’s Board of Directors and acts as the sole executive body and the Chairman of the Management Board of the Company.

The authority of the General Director includes issues related to the management of the Company’s day-to-day operations, except for issues within the purview of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

Until 27 December 2024, Boris Ebzeev was the General Director of the Company, who had held this position since 17 June 2014.

Effective 28 December 2024, Alexey Rybin was appointed General Director of the Company (decision of the Board of Directors of the Company dated 26 December 2024 (Minutes No. 600/2024 dated 26 December 2024)<sup>1</sup>).

The results of management decisions regarding the Company’s focus areas adopted by the Company’s General Director in 2024 are reflected in the relevant sections of the present Annual Report.

<sup>1</sup> The personal details of Alexey Rybin are contained in the section herein on the biographies of the members of the Management Board.

# Management Board

The Management Board of the Company is the collegial executive body of the Company responsible for the practical implementation of the objectives, development strategies and policies of the Company. In accordance with the PJSC Rosseti South’s Articles of Associations, the General Director of the Company chairs the Management Board.

The main tasks of the Management Board of the Company are:

- ▶ To organise effective management of the Company’s operational activities
- ▶ To make sure the plans and resolutions of the General Meeting of Shareholders and the Board of Directors of the Company are delivered
- ▶ To implement the Company’s financial and economic policy, develop decisions on the most important issues of its current business activities and coordinate the work of its subdivisions
- ▶ To increase the efficiency of the internal control and risk monitoring systems
- ▶ To devise and implement the Company’s current business policy in order to raise its profitability and competitiveness

The activities of the Company’s Management Board<sup>1</sup> are regulated by the Federal Law on joint stock companies, the Articles of Associations of the Company, the [Regulation on the Management Board](#) approved by the decision of the annual General Meeting of Shareholders on 31 May 2019 (Minutes No. 20 dated 5 June 2019).

Pursuant to the Articles of Association, members of the Management Board are elected by the Company’s Board of Directors in a number determined by a resolution of the Board of Directors on the proposal of the General Director.

The quantitative composition of the Company’s Management Board is determined by the decision of the Company’s Board of Directors dated 26 May 2023 (Minutes No. 523/2023 dated 29 May 2023) and consists of seven persons.

During the reporting year, the staff reshuffles took place within the Management Board: due to the early termination of the powers of General Director Boris Ebzeev, he ceased to be the Chairman of the Management Board of the Company. Following his appointment as General Director, Alexey Rybin became Chairman of the Management Board, which as of 31 December 2024 consisted of six members. In February 2025, in accordance with the decision of the Company’s Board of Directors, Alexander Tykushin, Deputy General Director for Sale of Services, joined the Management Board.

Pursuant to Article 22 of the Articles of Association of PJSC Rosseti South, among other issues, the Management Board of the Company makes decisions on matters within the purview of the supreme governing bodies – General Meetings of Shareholders of business entities, in which PJSC Rosseti South holds 100% of the authorised capital.

## Composition of the Management Board

Current membership of the Management Board as at the end of the reporting year



Alexey  
Rybin

General Director, Chairman of the Management Board since 28 December 2024

Year of birth: 1972

Education: higher.

1994, Zhukovsky Kharkov Aviation Institute, mechanical engineer qualification, major in aviation engines and power plants

1998, Rostov State University, lawyer qualification, major in legal studies

2024, Federal State Budgetary Educational Institution of Higher Education National Research University Moscow Power Engineering Institute, Master’s degree in electrical power engineering and electrical engineering

### Information on places of employment of a member of the Management Board for the last five years and on participation in governing and controlling bodies of other organisations

Period		Organisation	Position
from	to		
2012	2021	Public Joint Stock Company Rosseti South	Deputy General Director for Economics and Finance
2013	2024	Public Joint Stock Company Rosseti South	Member of the Management Board
2018	present time	Joint Stock Company Volgograd Inter-District Power Grids	Member of the Board of Directors
2021	2024	Public Joint Stock Company Rosseti South	Deputy General Director – Director of the Volgogradenergo branch of PJSC Rosseti South
2021	present time	Joint Stock Company Volgograd Inter-District Power Grids	General Director (part-time)
2024	present time	Public Joint Stock Company Rosseti South	General Director, Chairman of the Management Board
2024	present time	Public Joint Stock Company Rosseti Kuban	Acting General Director (part-time), Chairman of the Management Board
Date of first election as a member of the Management Board			30.09.2013

Information on shareholding in the Company during the reporting year: none

<sup>1</sup> The remit of the Management Board of PJSC Rosseti South is defined by the Company’s Articles of Association.  
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Pavel Goncharov

Year of birth: 1966

1992, Pavlodar Industrial Institute, electrical engineer qualification, major in electrical systems

Education: higher.

Information on places of employment of a member of the Management Board for the last five years and on participation in governing and controlling bodies of other organisations

Period		Organisation	Position
from	to		
2011	present time	Public Joint Stock Company Rosseti South	Member of the Management Board
2013	2022	Public Joint Stock Company Rosseti South	Deputy General Director for Technical Issues – Chief Engineer
2013	2023	Joint Stock Company Energoservis Yuga	Chairman of the Board of Directors
2021	2022	Public Joint Stock Company Rosseti Kuban	Assistant Director General, Administration Department (part-time)
2022	present time	Public Joint Stock Company Rosseti South	First Deputy General Director – Chief Engineer
2023	present time	Joint Stock Company Energoservis Yuga	Member of the Board of Directors
Date of first election as a member of the Management Board			16.09.2011



Yulianna Dzhabrailova

Year of birth: 1981

2003, Higher Kuban Institute of International Business and Management, economist qualification, major in finance and credit

Education: higher.

2016, Kuban State Agrarian University, Bachelor’s degree, major in agroengineering

Information on places of employment of a member of the Management Board for the last five years and on participation in governing and controlling bodies of other organisations

Period		Organisation	Position
from	to		
2016	present time	Public Joint Stock Company Rosseti South	Deputy General Director – Head of the Office
2016	present time	Public Joint Stock Company Rosseti South	Member of the Management Board
2016	present time	Joint Stock Company Energetik Recreation Facility	Chairman of the Board of Directors
2017	present time	Public Joint Stock Company Rosseti South	Director of Kubanenergo, a branch of PJSC Rosseti South (part-time)
2018	present time	All-Russian Branch Association of Employers of the Electric Power Industry Energy Employment Organisation Association of Russia	Member of the Supervisory Board
2021	present time	Public Joint Stock Company Rosseti Kuban	Deputy General Director – Head of the Office (part-time)
2021	present time	Public Joint Stock Company Rosseti Kuban	Member of the Management Board
Date of first election as a member of the Management Board			07.09.2016



Kirill Iordanidi

Year of birth: 1985

Education: higher.

2006, University of Indianapolis (Indiana, USA), Bachelor’s degree, major in economics and finance

2007, International College (Republic of Cyprus), Bachelor’s degree in management

2011, Federal State Budgetary Educational Institution of Higher Professional Education South Russian State University of Economics and Service, Master’s degree in management

Information on places of employment of a member of the Management Board for the last five years and on participation in governing and controlling bodies of other organisations

Period		Organisation	Position
from	to		
2016	2021	Public Joint Stock Company Rosseti South	Head of the Department of Economics
2017	present time	Joint Stock Company Energetik Recreation Facility	Member of the Board of Directors
2018	2021	Joint Stock Company Agricultural Enterprise Sokolovskoe	Member of the Board of Directors, Chairman of the Board of Directors
2019	2021	Limited Liability Company YugStroyMontazh	Member of the Board of Directors
2021	2021	Public Joint Stock Company Rosseti Kuban	Assistant General Director of Documentary and Protocol Support Branch of Administration Department; Assistant General Director of Administration Department (part-time)
2021	present time	Public Joint Stock Company Rosseti South	Deputy General Director for Economics and Finance
2021	present time	Public Joint Stock Company Rosseti South	Member of the Management Board
2021	present time	Public Joint Stock Company Rosseti Kuban	Deputy General Director for Economics and Finance (part-time)
2021	present time	Public Joint Stock Company Rosseti Kuban	Member of the Management Board
Date of first election as a member of the Management Board			29.10.2021



Oleg Musinov

Year of birth: 1972

Education: higher.

1998, Khabarovsk State Academy of Economics and Law, lawyer qualification, major in legal studies

2016, Federal State Budgetary Educational Institution of Higher Education Don State Agrarian University, Master’s degree in electrical power engineering and electrical engineering

Additional education:  
2021, Federal State Autonomous Educational Institution of Higher Education, Moscow State Institute of International Relations (University) of the Ministry of Foreign Affairs of the Russian Federation, Executive MBA programme, Master of Business Administration (MBA)

Information on places of employment of a member of the Management Board for the last five years and on participation in governing and controlling bodies of other organisations

Period		Organisation	Position
from	to		
2014	2022	Public Joint Stock Company Rosseti South	Deputy director general for corporate governance
2018	present time	Joint Stock Company Volgograd Inter-District Power Grids	Member of the Board of Directors
2019	present time	Public Joint Stock Company Rosseti South	Member of the Management Board
2021	2022	Public Joint Stock Company Rosseti Kuban	Assistant Director General, Administration Department (part-time)
2022	2024	Public Joint Stock Company Rosseti Kuban	Assistant to the General Director for General Management of the Executive Office (part-time)
2022	present time	Public Joint Stock Company Rosseti South	Deputy General Director for Legal and Corporate Governance
2024	present time	Public Joint Stock Company Rosseti Kuban	Deputy General Director for Corporate Governance (part-time), member of the Management Board
Date of first election as a member of the Management Board			27.02.2019



Alexander Chusovskoy

Year of birth: 1957

Education: higher.

1978, Moscow Higher Frontier Command Red Banner College of the KGB under the Council of Ministers of the USSR named after Mossovet, general military officer with higher general education qualification, major in command, general military

1985, Andropov Red Banner Institute of the USSR KGB, specialist on international affairs qualification, major in international relations

Information on places of employment of a member of the Management Board for the last five years and on participation in governing and controlling bodies of other organisations

Period		Organisation	Position
from	to		
2013	present time	Public Joint Stock Company Rosseti South	Deputy General Director for Security
2014	present time	Public Joint Stock Company Rosseti South	Member of the Management Board
2022	present time	Public Joint Stock Company Rosseti Kuban	Assistant General Director of General Management of the Executive Office; Assistant General Director of the Administration Department (part-time)
Date of first election as a member of the Management Board		21.04.2014	

Members of the Management Board of the Company:

- ▶ Had no family ties with persons who are members of the governing and (or) control bodies of PJSC Rosseti South
- ▶ Were not held administratively liable for violations in the field of finance, taxes and fees, securities market, or criminally liable for economic and/or public-order crimes
- ▶ Did not hold positions in governing bodies of commercial organisations during the period, when bankruptcy proceedings and/or one of the bankruptcy procedures under the Russian insolvency (bankruptcy) laws were initiated against these organisations
- ▶ Had no conflict of interest with members of the Board of Directors and executive bodies of PJSC Rosseti South (including those related to the participation of these persons in governing bodies of the Company's competitors)

- ▶ Did no submit information on certain shareholders that might purchase or purchased a degree of control disproportionate to their shareholdings in the Company, including under shareholder agreements, availability of ordinary shares with different share denomination

Member of the Management Board, Pavel Goncharov, owns ordinary shares of PJSC Rosseti South in the amount of 0.0002% of the Company's authorised capital. Other members of the Company's Management Board do not own shares of PJSC Rosseti South, shares of subsidiaries and affiliates of PJSC Rosseti South. The Company had no Information on transactions made by the members of the Management Board on acquiring or disposing of the shares. The consent of all members of the Company's Management Board was obtained to disclose information about them in the present Annual Report.

Statistical data on meetings

	2020	2021	2022	2023	2024
Meetings held	38	41	53	61	50
in the form of joint attendance	0	0	0	0	0
Issues reviewed	167	221	239	253	253

In the reporting period, 50 meetings were held (all in absentia).

Meetings of the Management Board were held in accordance with its action plans and on the initiative of the Chairman of the Management Board.

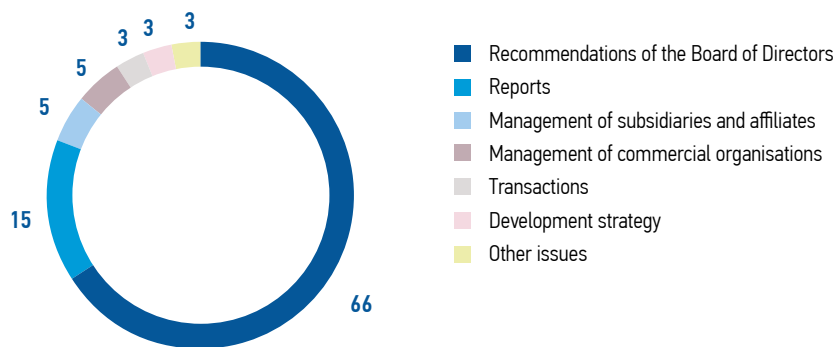
Among the most important issues addressed by the Company's Management Board in 2024 are as follows:

- ▶ On reviewing the information of the Company's Management on implementation of the corrective measures to eliminate gaps identified by the Company's Auditing Commission, Company's internal audit, third-party control and supervision bodies on implementation of measures taken to address the information about potential cases of unfair practices of employees, and following the results of investigations made at year-end 2023

- ▶ On considering reports of risk owners on management of functional risks and business process risks of the Company
- ▶ On reviewing progress reports on the RAS composite and IFRS consolidated business plans of Rosseti South for 2022
- ▶ On reviewing reports on the financial and business performance of subsidiaries and affiliates of PJSC Rosseti South
- ▶ On reviewing the report on acquiring power industry facilities, which can be acquired without approval of the Board of Directors
- ▶ On reviewing quarterly reports on concluded compensation agreements of PJSC Rosseti South
- ▶ On previewing the parameters of the business plan of PJSC Rosseti South and forecast indicators for subsequent periods
- ▶ On approving the Risk Register of PJSC Rosseti South for 2025, the Company's Risk Management Action Plan, and the Risk Map of PJSC Rosseti South



Issues discussed by the Management Board, %



Additionally, a sizable portion of the issues that were examined in 2024 had to do with choosing how to close deals involving property, works and services, the value of which ranged from 1 to 25% of the book value of the Company's assets as stated in the accounting (financial) statements as of the last reporting date.

In addition to the current management of the Company, the Management Board, as one of the main participants of the risk management process, devoted a significant part of its time to streamlining the internal control and risk management system, as well as to proposals for its development and improvement at the Company.

Prevention of Conflicts of Interest

GRI 2-15

The Company is more focused on preventing and reducing the effects of any conflicts of interest among government body members of the Company.

The settlement of conflicts of interest is based on the Code of Corporate Ethics, the Regulations on the Board of Directors and the Regulations on the Management Board of the Company approved by the Company.

As recommended by the Corporate Governance Code of the Bank of Russia, members of the Board of Directors are advised to refrain from actions that will or may lead to a conflict between their interests and the interests of the Company. The executive bodies of the Company are subject to the duty to act fairly and honestly in the best interests of the Company.

The requirements of Article 82 of the Federal Law on joint stock companies for the sending of notices to PJSC Rosseti South regarding indications of potential interest in the Company's transactions were satisfied by all members of the management bodies of the Company.

# Management of the Company's S&As

Corporate governance of PJSC Rosseti South's subsidiaries and affiliates is implemented through its representatives in S&As' governing bodies in accordance with the applicable Law of the Russian Federation, Articles of Associations of PJSC Rosseti South and S&As, Regulations on relations of PJSC Rosseti South with S&A/their S&A, approved Order No. 577 of the Company dated 1 August 2019, Regulations on making and giving final instructions to the representatives of PJSC Rosseti South regarding agenda items of the meetings of the Boards of Directors of PJSC Rosseti South's S&As and their S&A approved by Order No. 685 of the Company dated 9 September 2019.

As of 31 December 2024, PJSC Rosseti South owns 100% of the voting shares of three subsidiaries:

- ▶ JSC Energoservis Yuga
- ▶ JSC Energetik Recreation Facility
- ▶ JSC VMES

# Remuneration System

GRI 2-19, 2-20

## Remuneration for members of the Board of Directors

The procedure for calculating and paying remuneration to members of the Company's Board of Directors is governed by the [Regulations on Payment of Remuneration and Compensation to the Members of PJSC Rosseti South's Board of Directors](#)<sup>1</sup> (hereafter the Regulations).

The Regulations envisage the following payments:

### Remuneration for attendance of the Board meetings

Remuneration to the members of the Company's Board of Directors is paid quarterly.

The remuneration to each Board member for attending the meetings is calculated taking into account the total number of meetings of the Company's Board of Directors for the reporting quarter, the number of meetings attended by a member of the Board of Directors, and the base remuneration. The basic part of remuneration is based on the Company's revenue calculated under RAS for the previous fiscal year. For PJSC Rosseti South, the amount of the basic part of remuneration in 2024 was RUB 2,200,000.

In addition to the remuneration for attendance of the Board meetings, the following premiums are established:

- 30% – for the Chairman of the Company's Board of Directors
- 20% – for the Chairman of the specialist Committee of the Company's Board of Directors
- 10% – for the membership in the specialist Committee of the Company's Board of Directors

Total remuneration to one member of the Board of Directors, including premiums, cannot exceed 1/4 of the base remuneration (RUB 550,000).

No remuneration is payable to:

- Sole executive body (General Director) of the Company
- Persons that are subject to legal restraints or prohibition on receiving payments from the profit-making organisations
- Board members who attended less than 50% of the meetings held

Total remuneration paid to the members of the Company's Board of Directors in 2024 amounted to

**RUB 18,742,307.70**  
(personal income tax included)  
No other payments were made to the members of the Company's Board of Directors.

The Regulations do not provide for a long-term incentives for the members of the Board of Directors, as well as accrual of severance pay in connection with the termination of their powers.

Remuneration is paid out of revenues from the non-regulated types of activity.

In 2024, no training was given to the Board members of the Company.

### Compensation to the members of the Board of Directors.

Board members are reimbursed for expenses associated with attending the meetings of the Board of Directors, dedicated committee under the Board of Directors, General Meetings of Shareholders of the Company according to the rules for reimbursement of travel expenses valid at the time of the meeting and established for top managers of the Company.

Compensation is paid by the Company within three working days after submission of the documents confirming the expenses incurred.

## Reimbursement of expenses paid to members of the Company's Board of Directors in 2024, RUB

Description	2024
Compensation for expenses incurred in connection with the performance of duties as members of the Board of Directors	0

There are no arrears on payment of remunerations to the members of the Board of Directors based on the results of the last completed financial year.

## Remuneration to members of the Committees under the Board of Directors

By resolution of the Company's Board of Directors dated 31 January 2024 (Minutes No. 560/2024 dated 2 February 2024), 2024 (Minutes No. 560/2024 dated 2 February 2024), in order to determine the procedure for paying remuneration and compensation to members of the Committee, the Company approved the unified Regulations on the payment of remuneration

and compensation to members of the committees of the Board of Directors of PJSC Rosseti South.

The Regulations stipulate the payment of remuneration for each meeting attended by a member of the Committee of the Board of Directors:

For attendance of meeting of a committee under the Board of Directors held in absentia	For attendance of meeting of a committee under the Board of Directors held in person
Remuneration is paid in the amount equivalent to one minimum monthly wage of the first skill category worker established by the Industrial Tariff Agreement in the Electric Power Industry of the Russian Federation (hereinafter Agreement) on the day of the meeting of the Committee at the Board of Directors, taking into account the indexation established by the Agreement.	Remuneration is paid in the amount equivalent to two minimum monthly wages established by the Agreement on the day of the meeting of the Committee under the Board of Directors, taking into account the indexation established by the Agreement.

The amount of remuneration paid to the Chairman of the Committee (Deputy Chairman) for each meeting at which he acted as a Chairman of the Committee at the Board of Directors increases by 50%.

Remuneration and compensation are not paid to members of the Committees who are:

- ▶ Sole executive body (General Director) of the Company
- ▶ Persons that are subject to legal restraints or prohibition on receiving payments from the profit-making organisations

Besides, in line with the Regulations, a member of the Committee under the Board of Directors is reimbursed for the actual expenses incurred in exercising the duties of a member of the Committee under the Board of Directors.

## Remuneration paid to the members of the Committees under the Board of Directors in 2022–2024<sup>2</sup>

Period	Remuneration for attendance at meetings of the Board of Directors' committees, RUB (including PIT)
<b>Audit Committee</b>	
2022	101,807
2023	196,637
2024	406,869

<sup>1</sup> Approved by resolution of the Annual General Meeting of Shareholders on 31 May 2019 (Minutes No. 20 dated 5 June 2019), the text is available on the Company's website at <https://rosseti-yug.ru/en/corporate-managment/general-shareholders-meeting-s-decisions/>.

<sup>2</sup> The information is given without taking into account premiums paid to members of the Company's Board of Directors, who simultaneously act as the members of the Committees under the Company's Board of Directors.

Period	Remuneration for attendance at meetings of the Board of Directors' committees, RUB (including PIT)
Personnel and Remuneration Committee	
2022	307,697
2023	503,032
2024	506,778
Strategy Committee	
2022	1,119,247
2023	1,783,031
2024	1,695,688
Reliability Committee	
2022	388,234
2023	501,967
2024	526,242
Grid Connection Committee	
2022	568,318
2023	621,723
2024	639,933
Total remuneration paid for attending meetings of the Committees under the Board of Directors	
2022	2,485,303
2023	3,606,390
2024	3,775,510

## Remuneration system for executive bodies

### Payment of remuneration (compensation of expenses) to members of the Management Board

In accordance with the decision of the Board of Directors of the Company on 29 June 2023 (Minutes No. 531/2023 dated 30 June 2023), members of the Management Board of the Company are classified as senior managers of the Company.

Pursuant to the Regulations on Remuneration and Material Incentives for High-Ranking Executives of PJSC Rosseti South approved by the Board of Directors of the Company on 29 June 2023 (Minutes No. 531/2023 dated 30 June 2023), if a high-ranking manager is elected to the Management Board of the Company, remuneration shall be paid by setting an additional payment for membership in the collegial executive body (Management Board) of the Company in the amount corresponding to the minimum wage under Article 133 of the Labour Code of the Russian Federation.

### Information on the amount of remuneration paid to the members of the Management Board, including the person holding a position of the sole executive body, RUB<sup>1</sup>

Payment	2024
Salary and wage	68,296,015.48
Remuneration for acting as a member of the Management Board	1,038,165.95
Bonuses	54,028,946.29
including annual remuneration	54,028,946.29
Other payments	0
Termination payments	0
Total remuneration	123,363,127.72

## Remuneration to members of the Auditing Commission

In 2024, the Auditing Commission members received remuneration in the amount of RUB 794,000.

Remuneration to members of the Auditing Commission shall be paid in accordance with the Regulations on the Payment of Remuneration and Compensation to Members of the Auditing Commission of the Company. As per the provisions of Clause 2.1 of the Regulations, the compensation of a member of the Auditing Commission of the Company is determined by the level of their involvement in the Commission's work and is contingent upon the work outcomes for the corporate year. To determine the amount of remuneration to the members of the Auditing Commission, a corporate year shall mean the period from the election of the members of the Auditing Commission at the General Meeting of Shareholders of the Company until the next General Meeting of Shareholders of the Company with the agenda item of election of the members of the Auditing Commission of the Company.

The remuneration is calculated from the revenue of the Company for the financial year and the personal contribution coefficient of a member of the Auditing Commission. Remuneration shall be paid no later than 30 calendar days after the Annual General Meeting of Shareholders of the Company and after the Chairman of the Auditing Commission submits to the sole executive body of the Company a calculation of the personal contribution coefficient of the members of the Auditing Commission. The full text of the Regulations is available on the Company's website: <https://rosseti-yug.ru/korporativnoe-upravlenie/dokumenty-reglamentiruyushchie-deyatelnost-organov-upravleniya-i-kontrolya-obshchestva/>.

The Company incurred no expenses related to exercising the functions of the Auditing Commission members.

<sup>1</sup> The Table contains information on total remuneration for the year for all members of the executive bodies, including key executive officers of the Company, who are covered by the remuneration policy of the Company; the information is broken down by type of remuneration.



# Risk Management, Internal Control and Internal Audit

## Internal Control and Risk Management System

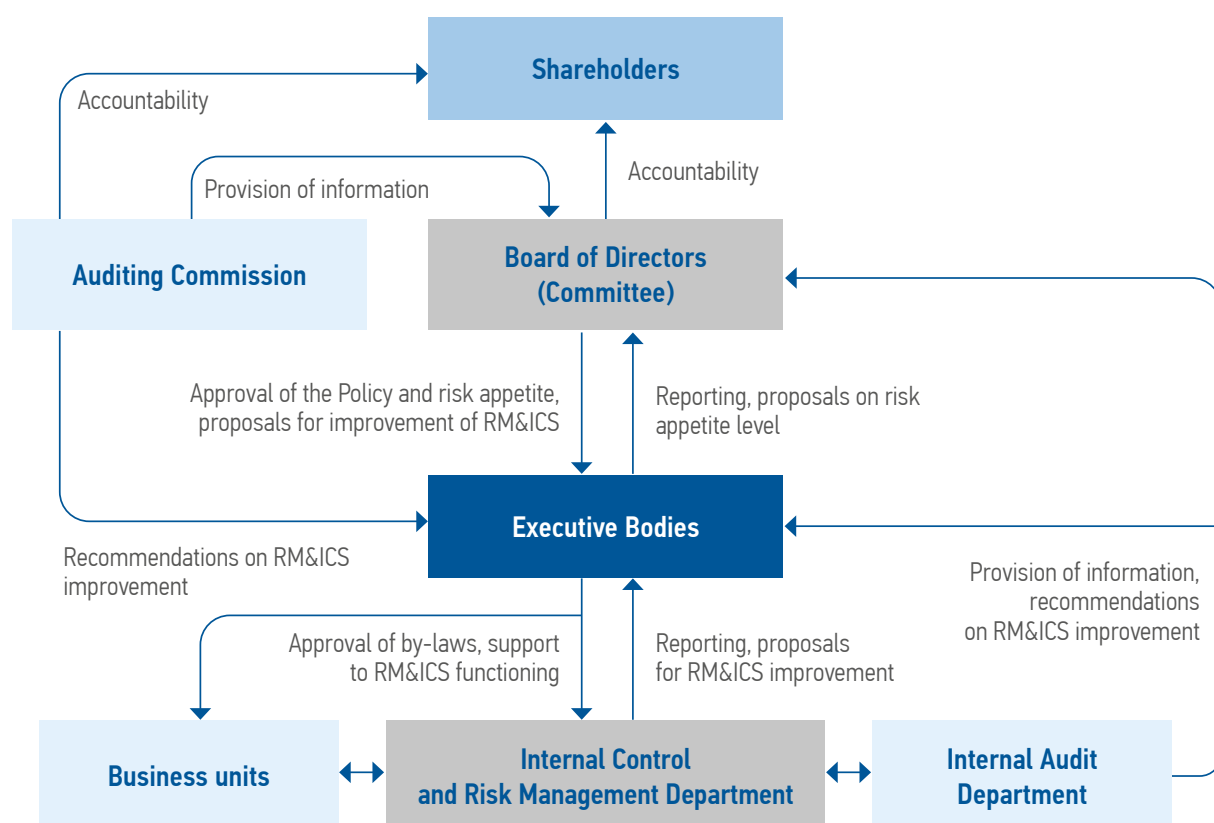
The purpose of the internal control and risk management system (RM&ICS) is to provide reasonable assurance that the Company will achieve the goals of Rosseti Group's development strategy, namely ensuring reliable, high-quality, and affordable power supply to consumers, as well as the operational business goals.

### List of internal documents regulating the RM&ICS

- ▶ Risk management and internal control policy (decision of the Board of Directors dated 7 June 2023, Minutes No. 525/2023 dated 8 June 2023)

- ▶ Preferred risk (risk appetite) (decision of the Board of Directors dated 5 October 2023, Minutes No. 546/2023 dated 6 October 2023)
- ▶ RM&ICS Development Programme (Decree No. 302 dated 1 June 2023, No. 669 dated 8 November 2024)
- ▶ Procedure for organising risk management and internal control (Order No. 564 dated 24 September 2024)
- ▶ Risk assessment and monitoring methodology (Order No. 15 dated 15 January 2024)
- ▶ Procedure for determining preferred risk (risk appetite) (Order No. 626 dated 17 October 2023)
- ▶ Glossary on risk management and internal control (Order No. 40 dated 24 January 2023)
- ▶ Risk register (decision of the Management Board dated 14 December 2023, Minutes No. 535 dated 14 December 2023)

### Pattern of interaction of RM&ICS participants



## Information on the results of the internal audit assessment of the RM&ICS for the reporting year

The Internal Audit Department conducts an annual internal independent assessment of how effective and reliable the RM&ICS is.

The results of the RM&ICS reliability and efficiency assessment and recommendations designed to improve the efficiency of RM&ICS functioning are included in the internal auditor's report submitted annually for consideration by the Company's governance bodies.

The internal audit report for 2023 was reviewed at the meeting of the Board of Directors (Minutes No. 569/2024 dated 23 April 2024). At the end of 2023, the maturity level of the RM&ICS was assessed at 5.2 (the average score for all criteria was 334).

Based on the results of the assessment of the quality of the Company's internal audit activities for 2024, the current status of the internal audit function was rated at 3.9 points, which corresponds to an intermediate level between 'generally compliant' and 'fully compliant'.

## List of key measures aimed at improving the RM&ICS taken during the reporting year

In 2024, the Company undertook the following key measures to improve the RM&ICS:

1. Regulatory and methodological documents on risk management and internal control were developed / updated:
  - Procedure for organising risk management and internal control
  - Risk management and internal control system development programme
  - Format of the report on the organisation, functioning and effectiveness of the risk management and internal control system, format of the risk management report
  - Risk assessment and monitoring methodology
  - Risk register for 2024
  - Process management documents, risk matrices and control procedures
2. Monthly monitoring of financial stability, support of liquidation and bankruptcy procedures of counterparties was carried out.
3. The Company organised training of its employees on building the RM&ICS.

## Internal audit

The internal audit function is exercised in the Company through the foundation of the internal audit department (detached subdivision) or the attraction of an independent third party (outsourcing). The Company's Board of Directors decides on the most optimal form of the internal audit function.

The Internal Audit Department is a subdivision responsible for the implementation of the internal audit function in the Company.

The purpose of internal audit is to assist the Company's Board of Directors and executive bodies in improving the management of the Company and its financial and business activities, including through systemic and consistent analysis and assessment of risk management, internal controls and corporate governance as tools for providing reasonable assurance that the goals set for the Company will be achieved.

The goals and objectives, organisational and functional principles, roles and responsibilities of the Internal Audit Department are set out in the Internal Audit Policy of the Company as amended by the Board of Directors (Minutes No. 526/2023 dated 9 June 2023).

In 2024, the internal audit function comprised of six employees.

The Company approved the following documents regulating the internal audit function:

- ▶ Internal Audit Policy of the Company and the Code of Internal Audit Ethics approved by the decision of the Board of Directors on 8 June 2023 (Minutes No. 526/2023 dated 9 June 2023)
- ▶ Regulations on the Internal Audit Department, agreed by the Audit Committee of the Company's Board of Directors on 28 February 2024 (Minutes No. 169 dated 28 February 2024), approved by the Company's Board of Directors on 7 March 2024 (Minutes No. 564/2024 dated 7 March 2024) and approved by the Company's General Director on 18 March 2024
- ▶ Internal Audit Quality Assurance and Improvement Programme approved by the decision of the Board of Directors on 28 February 2022 (Minutes No. 468/2022 dated 3 March 2022)
- ▶ Internal Standards for the internal audit functions and the practical application standards aligned with the international professional standards for internal auditing<sup>1</sup>

The Head of Internal Audit receives feedback from the Audit Committee (hereinafter referred to as the Audit Committee) in various forms in the course of interaction with the Audit Committee, including analysing decisions/recommendations of the Audit Committee on matters within the internal audit remit, as well as by means of questionnaire survey of the members of the Audit Committee.

Satisfaction quotient of the Audit Committee of the Board of Directors of the Company with the results of the work of the Internal Audit Function (average weighted score on the questionnaires of the members of the Audit Committee to the number of members of the Committee voted) according to the results of 2024 corresponds to the "fully consistent" assessment according to the Internal Audit Quality Assurance and Improvement Programme of the Company approved by the Board of Directors on 28 February 2022 (Minutes No. 468/2022 dated 3 March 2022).

In 2024, LLC B1-CONSULT conducted an external independent assessment of the Company's internal audit activities. Based on the results of this assessment, LLC B1-CONSULT concluded that the internal audit activities generally comply with the requirements of the International Professional Standards for Internal Auditing and the Company's Code of Ethics.

## Auditing Commission

The Auditing Commission of the Company is a standing internal control body. The Auditing Commission is elected annually by the General Meeting of Shareholders and is responsible for the reliability and objectivity of the results of conducted audits.

The activities of the Auditing Commission are governed by the laws of the Russian Federation, the Articles of Association, and the [Regulations on the Auditing Commission of PJSC Rosseti South](#)<sup>2</sup>.

The competence of the Auditing Commission is defined by Federal Law No. 208-FZ dated 26 December 1995 'On Joint Stock Companies', as well as the Articles of Association of the Company.

The main functions of the Company's Auditing Commission include:

- ▶ Organising and conducting audits (inspections) of the Company's financial and economic activities to ensure compliance with the legislation of the Russian Federation, the Articles of Association, internal and other documents of the Company
- ▶ Analysing the Company's financial condition and solvency, monitoring the formation and use of the Company's material, labour and financial resources

- ▶ Checking the cash account and property of the Company, making efficient use of assets and other resources of the Company, identifying the causes of non-production losses and expenses, identifying reserves for improving the financial condition of the Company
- ▶ Confirming the accuracy of the data contained in the annual report, the Company's annual accounting (financial) statements, and the report on related-party transactions
- ▶ Drawing-up recommendations for the governing bodies of the Company
- ▶ Taking other actions (measures) related to the audit of the financial and economic activities of the Company

In accordance with the Company's Articles of Association, the Auditing Commission consists of five members.

In 2024, two compositions of the Auditing Commission operated in the Company from 9 June 2023 to 19 June 2024 and from 19 June 2024 to 31 December 2024. The Auditing Commission held seven meetings.

### Members of the Auditing Commission since 19 June 2024<sup>3</sup>

- |   |   |
|---|---|
| ▶ <b>Anton Ulyanov</b><br>Chairman          | ▶ <b>Svetlana Trishina</b><br>Secretary |
| ▶ <b>Viktor Tsar'kov</b><br>Deputy Chairman | ▶ <b>Elena Roptanova</b>                |
|   | ▶ <b>Gayane Andriasova</b>              |

### Members of the Auditing Commission until 19 June 2024<sup>4</sup>

- |   |   |
|---|---|
| ▶ <b>Anton Ulyanov</b><br>Chairman          | ▶ <b>Svetlana Trishina</b><br>Secretary |
| ▶ <b>Viktor Tsar'kov</b><br>Deputy Chairman | ▶ <b>Maxim Kormiltsev</b>               |
|   | ▶ <b>Kirill Rogachev</b>                |

Information on the Auditing Commission is available on the Company's website:

<https://rosseti-yug.ru/korporativnoe-upravlenie/revizionnaya-komissiya>.

<sup>1</sup> With the new International Standards for Internal Auditing from the Institute of Internal Auditors coming into effect on 9 January 2025, the internal standards that regulate the Company's internal audit activities are set to be updated.

<sup>2</sup> Approved by the Annual General Meeting of Shareholders on 16 June 2022 (Minutes No. 25), posted on the Company's website.

<sup>3</sup> Elected by the Annual General Meeting of Shareholders of the Company on 19 June 2024 (Minutes No. 27 dated 19 June 2024).

<sup>4</sup> The position is as of the date of election.

# Results of the work of the Auditing Commission

In 2024, the Company’s financial and economic activities for 2023 were audited.

## Key issues reviewed by the Auditing Commission

Area of responsibility	Action taken	Outcome
Control over financial and economic activities, elimination of identified deficiencies based on the findings of inspections	An audit of financial and economic activities for 2023 was carried out	No substantial violations were revealed
Assessment of reliability of the data in the Annual Report and annual accounting (financial) statements	Annual Report and annual accounting (financial) statements of the Company for 2023 were reviewed	No misstatements of data that could materially affect the said statements were identified
Reporting on violations of the procedure for keeping accounting records, presenting financial statements, and the procedure for carrying out financial and economic activities	The issues of organisation and maintenance of accounting records, preparation of accounting (financial) statements were reviewed	No errors and misstatements that had a significant impact on the reliability of the accounting (financial) statements as of 31 December 2023 were identified
Control over the legitimacy of financial and business transactions	The related-party transactions report for 2023 was reviewed	No law violations were identified

The Auditing Commission approved the conclusion (Minutes No. 4 dated 2 May 2024), which expresses an opinion on the reliability of data in all material respects contained in the Annual Report for 2023 and in the annual accounting (financial) statements of the Company for 2023. No facts of misrepresentation of the information contained in the report on the related-party transactions concluded in 2023 were revealed.

The said Opinion was included in the materials provided to the Company’s shareholders in preparation for the Annual General Meeting of Shareholders of the Company in 2024.

The members of the new Auditing Commission, effective from 19 June 2024, include the Chairman, Deputy Chairman and Secretary of the Commission. The Action Plan for the 2024–2025 corporate year and the Programme for Auditing the Financial and Economic Activities of PJSC Rosseti South for 2024 were also approved.

# Audit Organisation

The Company attracts an external auditor on a competitive basis for an independent assessment of the reliability of accounting (financial) statements composed under the Russian and international standards.

To audit and confirm the Company’s annual financial statements for 2024, the General Meeting of Shareholders appointed the Company’s Audit Organisation.

## Selection of an audit organisation

The Company’s Board of Directors suggests a candidate for an audit organisation to be appointed on the annual General Meeting of Shareholders in the course of preparation and holding of this Meeting.

The Company’s auditor was selected through an electronic tender held by an organisation authorised by the Company in accordance with the Company’s Unified Procurement Standard (Procurement Regulations).

To ensure the objectivity and independence of the external auditor of the Company, it is selected through electronic competitive tender procedure conducted in the Unified Information System of the Russian Federation in Procurements [www.zakupki.gov.ru](http://www.zakupki.gov.ru), using the electronic trading platform of PJSC Rosseti (<https://rosseti.roseltorg.ru>).

Information about the competition for the right to conclude a contract for audit services for 2024 was posted on the website [www.zakupki.gov.ru](http://www.zakupki.gov.ru). Based on the results of the tender, the winner was recognised as a collective participant consisting of LLC TSATR – Audit Services (leader of the collective participant) and LLC Intercom-Audit (member of the collective participant).

Tenderers were evaluated according to criteria previously established and declared in the tender terms.

The external auditor conducts the audit of statements in line with the requirements of the legislation of the Russian Federation based on a concluded agreement.

To carry out the mandatory audit of the financial statements in accordance with Russian Accounting Standards and the consolidated financial statements in accordance with International

Financial Reporting Standards for the Group for 2024, on 16 May 2024 (Minutes No. 572/2024 dated 16 May 2024) the Board of Directors of the Company recommended LLC TSATR – Audit Services (leader of the collective participant) and LLC Intercom-Audit (member of the collective participant) as an audit organisation and appointed them by the decision of the Annual General Meeting of Shareholders of the Company on 19 June 2024 (Minutes No. 27 dated 19 June 2024).

The leader of the collective participant, LLC TSATR – Audit Services, is a member of the Self-Regulatory Organisation of Auditors Association Sodruzhestvo, has the necessary work experience, and has a sufficient number of qualified personnel. The second member of the collective participant is LLC Intercom-Audit, which is a member of the Self-Regulatory Organisation of Auditors Association Sodruzhestvo.

The Company’s Board of Directors sets fees for an audit organisation according to item 24.12 of Art. 24 of the Articles of Association of PJSC Rosseti South.

An agreement between the Company and an audit organisation stipulates service fees and terms of payment for the audit organisation. By resolution of the Company’s Board of Directors dated 14 May 2024 (Minutes No. 572/2024 dated 16 May 2024), the amount of remuneration for the Company’s services for auditing the accounting (financial) statements for 2024 prepared in accordance with RAS and for auditing consolidated financial statements for 2024 prepared in accordance with IFRS, was set at RUB 2,888,321.13 (Two million eight hundred and eighty-eight thousand three hundred and twenty-one roubles and 13 kopecks), including VAT (20%) RUB 481,386.85 (Four hundred and eighty-one thousand three hundred and eighty-six roubles and 85 kopecks). The cost of non-audit services, i.e., external independent assessment of the Company’s internal audit activities provided to the Company by LLC B1-Consult, in the reporting year amounted to RUB 1,009,764.82 (One million nine thousand seven hundred and sixty-four roubles and 82 kopecks), including VAT (20%) RUB 168,294.14 (One hundred and sixty-eight thousand two hundred and ninety-four roubles and 14 kopecks). LLC B1-Consult and LLC TSATR – Audit Services are part of B1 Group.

The Auditor is not affiliated with employees or management of the Company. The Company has no business relations (participation in promotion of products (services), participation in joint entrepreneurial activities, etc.), as well as family ties with officials of the leader of the collective participant of LLC TsATR – Audit Services.



# Performance evaluation of an external audit

In accordance with the opinion of the Company's internal audit on the assessment of the audit performance, auditors' conclusions, and efficiency of the external audit of the accounting (financial) statements of PJSC Rosseti South for 2024:

- Procedures conducted by LLC TsATR – Audit Services in the course of the external audit of the RAS-compliant financial (accounting) statements of the Company for 2024 comply with the terms of the Agreement and the requirement of Federal Law on auditing No. 307-FZ dated 30 December 2008.
- Independent Auditor's report on the Company's accounting (financial) statements for 2024 was prepared in accordance with Federal Law No. 307-FZ dated 30 December 2008 'On Auditing', International Standards on Auditing, and contains an opinion expressed in the prescribed form on the reliability of the audited entity's (PJSC Rosseti South) financial statements.



# Share Capital

## Shareholding structure

Authorised capital as at 31 December 2024:  
**RUB 15,164,142,635.43.**

Ordinary shares: **151,641,426,354.30.**

Par value of shares: **10 kopecks each.**

Preferred shares: not issued.

Declared shares: 28,918,182,335 ordinary shares with a par value of 10 kopecks each, for a total par value of RUB 2,891,818,233.50.

Cross-shareholdings: none

Treasury shares (own shares): none

Quasi-treasury shares (ownership of own shares through subsidiaries): none

Shareholders: 17,539 persons as of 31 December 2024

Controlling shareholder: PJSC Rosseti (84.16% of shares).  
The Russian Federation, represented by the Federal Agency for State Property Management, owns 76.9936% of the outstanding shares of PJSC Rosseti.

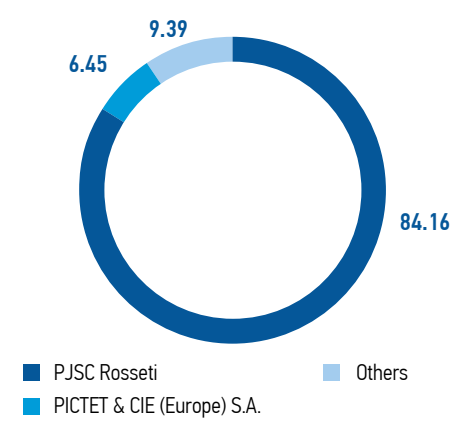
### Information about persons listed in the Company's register of shareholders as of 31 December 2024

Type of shareholder	Number of accounts of registered persons	Number of the Company's shares owned by registered persons	Share of the Company's authorised capital owned by registered persons, %
Owners – individuals	17,336	8,174,135,355	5.39
Owners – legal entities	138	143,449,945,286 3/10	94.6
Co-ownership accounts	65	17,345,713	0.01
<b>TOTAL</b>	<b>17,539</b>	<b>151,641,426,354 3/10</b>	<b>100</b>

### List of persons whose accounts hold over 5% of the Company's issued shares as of 31 December 2024

Registered person	Type of shareholder	Number of shares of the Company on the personal accounts of registered persons	Share of the Company's authorised capital owned by the registered person, %
Public Joint-Stock Company Federal Grid Company – Rosseti	Owner	127,626,444,587	84.16
PICTET & CIE (Europe) S.A.	IND	9,778,262,850	6.45

Share capital structure as at 31.12.2024

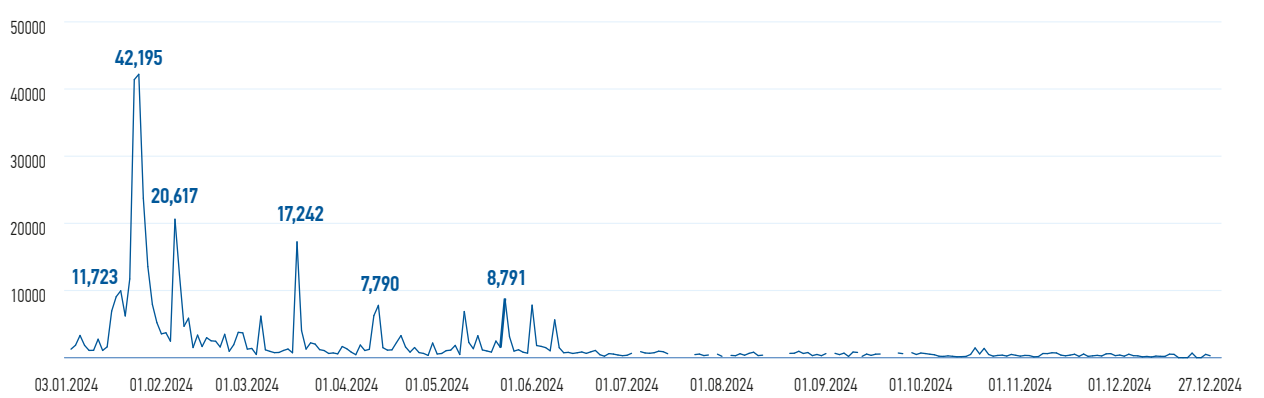


PJSC Rosseti South does not have any information:

- ▶ On the existence of shareholders holding over 5% of the Company's issued shares, other than those mentioned above
- ▶ On whether certain shareholders may acquire or have acquired a degree of control disproportionate to their share in the Company's authorised capital, including on the basis of shareholder agreements

No decision was made to use the special right of participation of the Russian Federation in the management of the Company ('golden share').

Changes in share transactions in 2024 (based on trading results on the Moscow Exchange), transactions



Trading shares on the stock exchange

Ordinary shares of Rosseti South have been traded on the Moscow Exchange since 3 July 2008 and, on 26 February 2018, were transferred from the Second Level to the Third Level of the List of Securities Admitted to Trading on the Moscow Exchange.

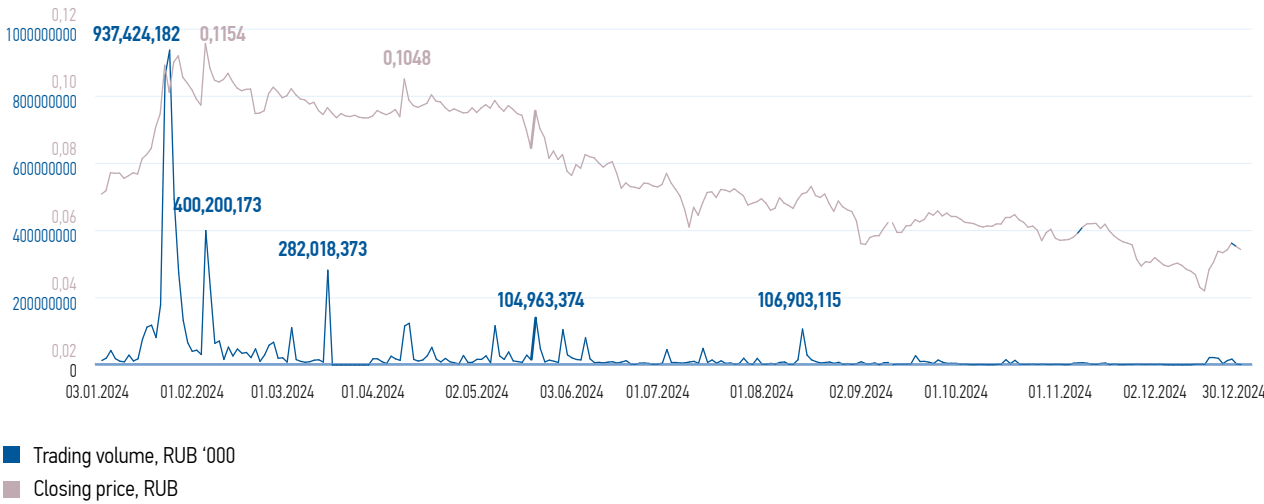
Indicator	Ordinary shares
Ticker	MRKY
Face value	0.1
Currency	RUB
Start of trading	03.07.2008
ISIN code	RU000A0JPPG8
Number of state registration	1-01-34956-E

At the end of 2024, the market price of a share of PJSC Rosseti South on the Moscow Exchange decreased from RUB 0.0666 to RUB 0.05845 (by 12.24%).

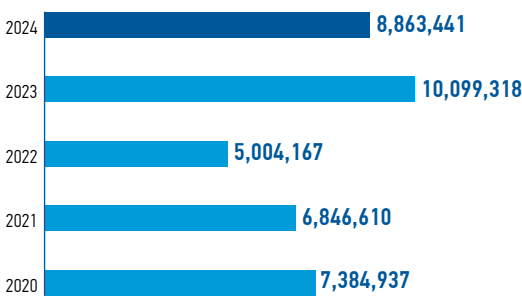
The market capitalisation of the Company as of 30 December 2024 amounted to RUB 8,863,441,370.39 according to the Moscow Exchange.

	2023	2024	Change, %
Weighted average price (end of year), RUB	0.0666	0.05845	-12.24
Capitalisation (end of year), RUB million	10,099.3	8,863.4	-12.24
Minimum price, RUB	0.03225	0.0418	29.61
Maximum price, RUB	0.1275	0.1226	-3.84
Number of transactions	714,131	523,658	-26.67
Amount, RUB	8,534,526,786	7,828,148,246	-8.28

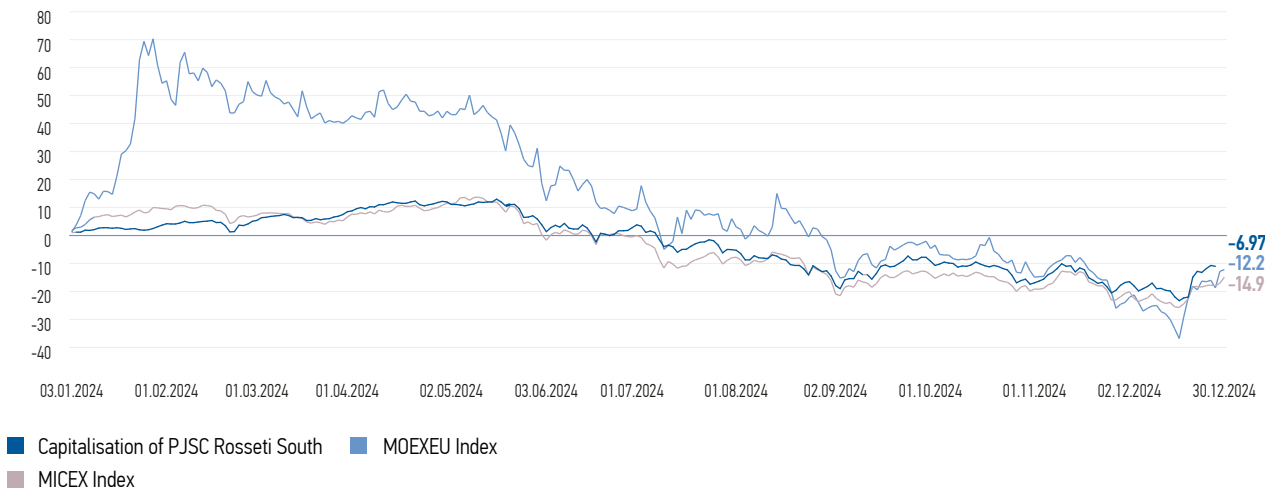
Changes in share prices and trading volumes in 2024 (based on the results of trading on the Moscow Exchange)



Changes in capitalisation of PJSC Rosseti South (based on trading results on the Moscow Exchange in 2020–2024), RUB '000



Changes in the capitalisation of PJSC Rosseti South compared to key market indicators in 2024



The analysis results show that the overall share price dynamics are in line with the Moscow Exchange’s electricity index (MOEXEU).

Based on press release monitoring data on the economic situation in the Russian Federation in 2024, the following conclusions can be drawn:

- ▶ The Russian stock market, which since 2022 has been adapting to extreme geopolitical tensions and sanctions, is also closing out the year under internal pressure from the Bank of Russia’s tight monetary policy, which is shifting investor interest to bank deposits.
- ▶ For almost the entire year, Russian financial authorities worked on a plan to increase the attractiveness of the stock market and double its capitalisation by 2030 (to 66% of GDP), which was formalised in a presidential decree. This should be facilitated by restructuring the state support system, encouraging issuers to enter the capital market instead of relying on bank loans, listing state-owned companies on the stock exchange, and continuing the already launched long-term savings programme and third-type individual investment accounts.

- ▶ The first half of the year was mostly positive. However, market correction began in May.

At the end of 2024, the Moscow Exchange Index fell by 6.97%, dropping from 3,099.11 to 2,883.04 points. After the Moscow Exchange Index reached its annual high in May, the Bank of Russia announced changes to tax legislation. It was also announced that the key rate may be raised to counter high inflation. Following this news, the index began to show a gradual decline. By early September, it had fallen to 2,650 points. The index returned to higher levels after the Bank of Russia decided to keep its key rate unchanged.

Thus, the factors that had a negative impact on the Russian stock market during the year were the pressure of tight monetary conditions (in 2024, the Bank of Russia raised the key rate from 16% to 21%), continued geopolitical tensions and new sanctions, including those against the Moscow Exchange.

In 2025, analysts expect the stock market to resume growth. The most optimistic forecast predicts that the Moscow Exchange Index will rise to 5,000 points by the end of 2025.

Dividend Policy

The Company’s dividend policy is defined by the Regulations on Dividend Policy approved by the resolution of the Company’s Board of Directors dated 2 February 2018 (Minutes No. 258/2018 dated 5 February 2018) with amendments dated 31 July 2018 (Minutes No. 281/2018 dated 3 August 2018).

Principles of the Dividend Policy of the Company
Calculation of dividends for appropriation of profits, ignoring the impact of revaluation of financial investments
The need to maintain the required level of financial and technical condition of the Company (implementation of the investment programme), providing the development potential for the Company
Compliance with the Company’s practice of accrual and payment of dividends under the legislation of the Russian Federation and the best standards of corporate ethics
Optimal harmonisation of the interests of the Company and shareholders
Enhancing the investment appeal of the Company and its capitalisation
Transparency (clarity) of procedures used to determine the amount of dividends and their payout

The dividend policy of the Company sets the amount of dividends at the level of not less than 50% of net profit under IFRS, and in addition there is a number of restrictions on the payment

of interim dividends, including if the payment requires borrowing, if the payment leads to a deterioration in creditworthiness or if failure to fulfil the investment programme.

Profit distribution for 2021–2024, RUB ‘000’

Indicator	For 2021 (Annual General Meeting of Shareholders in 2022)	For 2022 (Annual General Meeting of Shareholders in 2023)	For 2023 (Annual General Meeting of Shareholders in 2024)
Undistributed profit (loss) of the reporting period, including:	2,068,388	(559,272)	2,430,773
Reserve fund	103,420	0	121,539
Profit for development	1,964,968	0	2,309,234
Dividends	0	0	0
Recovery of losses of prior periods	0	0	0

In accordance with the Company’s Articles of Association, the General Meeting of Shareholders in 2025 will decide on the distribution of profits based on the results of 2024.

<sup>1</sup> Information on profit distribution in accordance with the decisions of Annual General Meetings of Shareholders: Annual General Meetings of Shareholders 2022 (for 2021) – Minutes No. 25 dated 16 June 2022, Annual General Meetings of Shareholders 2023 (for 2022) – Minutes No. 26 dated 13 June 2023, Annual General Meetings of Shareholders 2024 (for 2023) – Minutes No. 27 dated 19 June 2024.

Report on accrued dividends for shareholders of Rosseti South

Year of payout	Date of decision	Record date	Share type	Dividends per share, RUB	Payable on shares, RUB	Share of declared dividends in the net profit in the reporting period, %
2020 (as of year-end 2019)					No dividends were accrued	
2021 (as of year-end 2020)					No dividends were accrued	
2022 (as of year-end 2021)					No dividends were accrued	
2023 (as of year-end 2022)					No dividends were accrued	
2024 (as of year-end 2023)					No dividends were accrued	

Report on dividends paid out to the Company’s shareholders

Year of payout	Share type	Paid out, RUB	Causes of non-distribution of declared dividends	% of payout
2020 (as of year-end 2019)			No dividends were accrued and paid out	
2021 (as of year-end 2020)			No dividends were accrued and paid out	
2022 (as of year-end 2021)			No dividends were accrued and paid out	
2023 (as of year-end 2022)			No dividends were accrued and paid out	
2024 (as of year-end 2023)			No dividends were accrued and paid out	

Minutes of the Annual General Meetings of Shareholders are available at the Company’s website: <https://rosseti-yug.ru/en/corporate-managment/committees-attached-to-board-of-directors/>.

Report on dividends received by PJSC Rosseti South

In 2024, RUB 100,781,000 in dividends were received on shares in JSC Energoservis Yuga owned by the Company.

Shareholder and Investor Relations

During the reporting year, the Company continued to provide information and interact with various groups of shareholders and investors, ensuring unconditional compliance with the legal rights of all interested parties.

In order to ensure that the Company’s shareholders are able to exercise their rights, the Company shall disclose information in a timely manner in accordance with the law and the Company’s internal documents.

One of the important ways that PJSC Rosseti South uses to share information with interested parties is its website, which allows interested parties to quickly find all the information disclosed by the Company.

A dedicated email address was set up to respond to queries and requests from shareholders, investors and other interested parties. In addition to the general contact details, the Company’s website also lists a telephone number for shareholder consultations.

During the preparation period for the Annual General Meeting of Shareholders, for the convenience of shareholders and other interested parties, an interactive creeping line feature will be activated on the Company’s corporate website, allowing shareholders to quickly navigate to the section of the website containing information materials for the meeting.

The Company strives to prevent or fairly resolve any corporate conflicts between the Company and its shareholders, while ensuring the protection of shareholders’ rights and compliance with the requirements of legislation and internal documents.

The Company uses particular care to advise shareholders on updating their personal data, receiving dividends, inheritance and other issues related to the exercise of their rights to securities.

For more details on disclosure of information by the Company to shareholders and investors, see the Information Disclosure section of this Annual Report.

The action plan for interaction between PJSC Rosseti South and the investment community for 2024 was published on the Company’s website in the Home/To Shareholders and Investors/IR Calendar section at: <https://rosseti-yug.ru/aktsioneru-investoru/ir-kalendar/>.



# ADDITIONAL INFORMATION

## GRI Content Index

The provisions of the GRI 2021 standard (disclosure level: reference) were used in preparation of the Report.

GRI Standard	Indicator	Place in the Report (section or subsection)/Commentary
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report Geographic Reach of the Company Addresses and Contact Details
	2-2 Entities included in the organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	Reporting period – 2024 calendar year. Frequency of reporting – annually. Contact point can be found in the Addresses and Contact Details section
	2-4 Restatements of information	Data for previous years were not restated
	2-5 External assurance	External assurance of the report is not performed
	2-6 Activities, value chain and other business relationships	About Us Geographic Reach of the Company Business Model Company's Position in the Industry Electricity Transmission and Losses Grid Connection
	2-7 Employees	Headcount and Personnel Breakdown Key Indicators in the Area of Human Resources Management
	2-8 Workers who are not employees	The Company does not keep such records
	2-9 Governance structure and composition	Board of Directors of the Company
	2-12 Role of the highest governance body in overseeing the management of impacts	Certain aspects of sustainable development are discussed at the meetings of the Company's Board of Directors
	2-13 Delegation of responsibility for managing impacts	Functional heads are responsible for managing individual sustainability aspects and related impacts within their respective purview
	2-14 Role of the highest governance body in sustainability reporting	The annual integrated report is pre-approved by the Board of Directors of the Company
	2-15 Conflicts of interest	Prevention and Management of Conflicts of Interest Regulation of Conflicts of Interest of a Board Member Executive Bodies: Prevention of Conflicts of Interest
	2-16 Communication of critical concerns	Regulation of Conflicts of Interest of a Board Member

GRI Standard	Indicator	Place in the Report (section or subsection)/Commentary
	2-17 Collective knowledge of the highest governance body	Each member of the Board of Directors is responsible for individual aspects of ESG within their remit
	2-18 Evaluation of the performance of the highest governance body	Performance Review of the Board of Directors
	2-19 Remuneration policies	Remuneration System
	2-20 Process to determine remuneration	Remuneration System
	2-21 Annual total compensation ratio	This indicator is not currently calculated by the Company as it is not required by the current remuneration policies and regulations
	2-22 Statement on sustainable development strategy	Message from the Chairman of the Board of Directors Message from the General Director
	2-23 Policy commitments	Mission and Strategic Priorities Social Policy Occupational Health and Safety Environmental Policy
	2-24 Embedding policy commitments	Mission and Strategic Priorities Social Policy Occupational Health and Safety Environmental Protection
	2-25 Processes to remediate negative impacts	Consumer Relations Procurement Activities Anti-Corruption Policy and Security of Economic Activities
	2-26 Mechanisms for seeking advice and raising concerns	Consumer relations Procurement Relations Anti-Corruption Policy and Security of Economic Activities
	2-27 Compliance with laws and regulations	Results of Environmental Protection Efforts
	2-29 Approach to stakeholder engagement	Stakeholder Relations
	2-30 Collective bargaining agreements	Social Policy
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Investment Activities
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Assessment and Monitoring of Corruption Risks
	205-3 Confirmed incidents of corruption and actions taken	Consideration and Resolution of Information on Possible Instances of Corruption
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Consumption and Energy Saving
GRI 303: Water and Effluents 2018	303-5 Water consumption	Key Environmental Indicators
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Ecosystem and Biological Diversity Conservation

GRI Standard	Indicator	Place in the Report (section or subsection)/Commentary
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Key Environmental Indicators
GRI 306: Waste 2020	306-3 Waste generated	Key Environmental Indicators
	306-5 Waste directed to disposal	Key Environmental Indicators
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Headcount and Personnel Breakdown Key Indicators in the Area of Human Resources Management
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	The benefits established by the collective bargaining agreement apply to all employees of the Company and do not depend on the status and conditions of labour relations
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-6 Promotion of worker health	Social Policy
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social Policy Occupational Health and Safety
	403-9 Work-related injuries	Injury Rates
	403-10 Work-related ill health	Injury Rates
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key Indicators in the Area of Human Resources Management
	404-2 Programs for upgrading employee skills and transition assistance programs	Staff Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Staff Training and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Headcount and Personnel Breakdown
		Key Indicators in the Area of Human Resources Management
		Membership of the Board of Directors
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	The Company does not use child labour in its own operations and supply chain
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	The Company does not tolerate the use of forced and compulsory labour in its own operations and supply chain
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Assessment of the Customer Satisfaction Level

## Terms and Abbreviations

Abbreviation, designation	
ACS	Automatic Process System
Board	Board of Directors
EBITDA	Earnings before Interest, Tax and Depreciation and Amortisation
FEC	Fuel and Energy Complex
IDGC	Interregional Distribution Grid Company
IFRS	International Financial Reporting Standards
JSC	Joint Stock Company
KPI	Key performance indicators
M&R	Maintenance and Repairs
MUE	Municipal Unitary Enterprise
OTL	Overhead Transmission Line
PAMS	Production Asset Management System
PGR	Power Grid Region
PJSC	Public Joint Stock Company
PPE	Personal Protective Equipment
PTL	Power Transmission Line
R&D	Research and Development
RAS	Russian Accounting Standards
RGR	Required Gross Revenue
S&A	Subsidiaries and Affiliates
SME	Small and Medium-Sized Enterprises
SS	Substation
SSIW	Self-Supporting Insulating Wire
TGO	Territorial Grid Organisation
UNPG	Unified National Power Grid
VAT	Value Added Tax

Abbreviation, designation	
Units of measurement	
A	ampere (current strength)
Gcal	gigacalorie (calorific energy)
ha	hectare (area)
km	kilometre (length)
kV	kilovolt (voltage)
kVA, MVA	kilovolt-ampere, megavolt-ampere (full electrical capacity)
kW, MW	kilowatt, megawatt (active electrical capacity)
kWh	kilowatt-hour (electric power)
TFOE	tonne of fuel oil equivalent

# Addresses and Contact Details

GRI 2-1, 2-3

Full company name: <b>Public Joint Stock Company Rosseti South .</b>	Legal and actual address: 49/42 Bolshaya Sadovaya St., Rostov-on-Don, Russia, 344002
Abbreviated company name: <b>PJSC Rosseti South</b>	Tel./fax: (863) 238-54-64, (863) 238-58-95/ (863) 238-55-65
Certificate of state registration, series 61, No. 005700952, dated 28 June 2007. ORGN 1076164009096	E-mail: <a href="mailto:office@rosseti-yug.ru">office@rosseti-yug.ru</a> .
The Company was registered on 28 June 2007 in the Rostov Oblast.	Website: <a href="https://rosseti-yug.ru/en/">https://rosseti-yug.ru/en/</a> .
	Common hotline number: 8 (800) 220-0-220

## Registrar

Full company name: <b>Joint Stock Company Independent Registrar Company R.O.S.T.</b>	Location: 18 Stromynka St., bld. 13, Moscow
Abbreviated company name: <b>JSC IRC – R.O.S.T.</b>	Postal address: 18 Stromynka St., Moscow, 107996, P.O. Box 9
	Telephone number of the Single Contact Centre for Customer Service: (495) 780-73-63
	E-mail: <a href="mailto:rost@rrost.ru">rost@rrost.ru</a> .
	Link to website of JSC IRC – R.O.S.T.: <a href="https://rrost.ru/ru/">https://rrost.ru/ru/</a> .

## Dividend payout hotline

Information on the dividend payout on PJSC Rosseti South's shares can be obtained from JSC IRC – R.O.S.T. by calling the hotline: +7 (495) 780-73-63, or by contacting JSC IRC – R.O.S.T. via e-mail: <a href="mailto:rost@rrost.ru">rost@rrost.ru</a> .	<b>Corporate Governance and Shareholder Relations Department</b>
Contact point for questions regarding the report	Hotline for shareholders
	Mon-Fri, 8 a.m. to 5 p.m. MSK.
	Tel.: +7 863 307-07-48
	E-mail: <a href="mailto:kuznecovaln@rosseti-yug.ru">kuznecovaln@rosseti-yug.ru</a> .