

# ECONOMIC SECURITY OF OPERATIONS

Ensuring the economic security of operations is one of Rosseti Kuban's most important tasks.

In the reporting year, to achieve this task, the Company was involved in:

- Protecting the Company's interests against external and internal threats of an economic nature
- Combating the unaccounted electricity consumption and an increase in accounts receivable
- Interacting with law enforcement and supervisory authorities
- Conducting inspections/checks of the following:
  - Whistleblowing reports of individuals and legal entities
  - Potential and current counterparties of the Company (their business reputation, financial condition, persons employed,
- the authenticity of documents provided by them and the existence of compromising information about them)
- Identifying and preventing possible unscrupulous practice of citizens, legal entities and counterparties of the Company

**The most significant results of economic security activities of the Company in the reporting year**

- Compensation in the amount of RUB 137.2 million was paid for damages caused by unlawful actions of third parties against the Company.

- The Company established a practice of countering illegal encroachments by unscrupulous applicants for grid connections (splitting of land plots, using front persons, etc.)
- The amount of damage prevented in 2024 is three times higher than in 2023.
- The process of engaging third-party service providers to recover doubtful and bad debts under enforcement documents was initiated due to the growing number of enforcement documents on debts for electricity transmission services.

## Key performance indicators for ensuring the Company's economic security in 2022–2024

Indicator	2022	2023	2024	Δ 2024/2023 (%)
Number of audits carried out with the involvement of security divisions in the area of financial and economic activities to detect, prevent and recover (repay) damage	10,396	2,347	1,397	-40.5 (the variation is due to changes in the grid reporting methodology)
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	2,211	1,960	1,390	-29.1
Number of considered reports about possible corruption and fraud received through the hotline	11	17	4	-76.5
Material damage prevented, based on the results of the work completed (RUB million)	284.06	302.29	1,166.3	+3.9x
Share of security personnel trained in the Company's human rights policy or specific security procedures and their application (%)	34	28	30	+2 p.p.

# DISCLOSURE OF INFORMATION

## DISCLOSURE SYSTEM

The Information Policy of Rosseti Kuban is aimed at the complete satisfaction of shareholders, investment community, client, contractor, relevant market regulators, public authorities, employees and other interested parties seeking complete, relevant and accurate information about the Company and its activities, as well as the free and unhindered access to such information.

During the reporting year, the Company had public status and disclosed all information about its activities as required by Article 30 of Federal Law No. 39-FZ dated 22 April 1996 on the securities market and its own Regulations on Information Policy.

### Principles of information transparency of the Company

Principle	Implementation of principles
Regularity, consistency and timeliness	<ul style="list-style-type: none"> <li>• Continuity of the disclosure process. Rosseti Kuban has a procedure in place to coordinate the work of all services and business units related to information disclosure or the activities of which may result in the need to disclose information</li> <li>• Disclosure of information that may materially affect the valuation of the Company and the value of its securities as soon as practicable</li> <li>• Disclosure of material information in the Russian Federation</li> <li>• Timely provision of information about Rosseti Kuban's position on rumours or unreliable data creating a wrong impression of the Company's situation and the value of its securities, which puts the interests of shareholders and investors at risk</li> </ul>
Availability and accessibility	Rosseti Kuban uses a variety of information disclosure channels and methods, primarily electronic, accessible to the majority of stakeholders, which ensure free and unencumbered access of stakeholders to the information disclosed by the Company on a free-of-charge basis and without performing special procedures to become familiar with it
Reliability, completeness and comparability	<p>The Company provides:</p> <ul style="list-style-type: none"> <li>• Clarity and consistency of the information disclosed and the comparability of the data provided (the ability to compare the Company's performance over different time periods).</li> <li>• Objective and balanced nature of the information provided. When reporting on its activities, the Company does not refrain from disclosing negative information that is material to shareholders and investors.</li> <li>• Neutrality in financial and other disclosures, i.e., independence from the interests of any individuals or groups of individuals. Information is not neutral if the choice of its content or form of presentation is intended to achieve certain results or effects</li> </ul>

Rosseti Kuban's information transparency is based on the maximum exercise of the rights of shareholders, their representatives, potential investors and other interested parties to receive information on the Company's activities. The prerequisites for this are:

- Protection of restricted information, including information constituting a state, commercial or other secret protected by law, including personal data, as well as insider information
- Compliance with the rules for the distribution and use of insider information as set out in the Company's internal documents

Apart from the data subject to obligatory disclosure, Rosseti Kuban publishes detailed information on its operations, securities and shareholders, as well as its governing and control bodies, significant transactions, and subsidiaries and affiliates. Furthermore, the Company also endeavours to disclose material non-financial information, which helps to form an objective and comprehensive view of Rosseti Kuban's impact on the environment, social sphere, and economy.

In parallel with the disclosure of information in Russian, the Company also discloses its annual report and accounting (financial) statements in English and other languages and ensures free access to them.

The disclosure of the information about the Company operations is mostly done through publishing the data

on the corporate website, in the news feed of Interfax-CRKI LLC, in printed and electronic media, as well as via meetings, interviews, and briefings with the Company's shareholders and other stakeholders, etc.

The information policy shall be put in effect by the sole executive body of the Company.

The Board of Directors controls the implementation of the Information Policy Regulations by considering the annual reports of the General Director on compliance with the information policy.

The Company ensures the preparation and disclosure of the annual report, which provides shareholders and investors with a full picture of Rosseti Kuban's activities and development during the reporting year. For this purpose, in addition to the information required by Russian law, the Company strives to include in the annual report further information as provided for by the Regulation on Information Policy.

The annual reports of the Company for 2015, 2016, 2018–2021 and 2023 were shortlisted by relevant annual report competitions held by Moscow Exchange and the RCB media group in the category of the Best Annual Report of a Company with a Capitalisation of under RUB 40 billion. The 2022 Annual Report of Rosseti Kuban PJSC took third place in the 2023 Annual Report Competition held by Moscow Exchange PJSC in the Best Corporate Governance

Disclosure category, and was also shortlisted for the Grand Prix in the Best Annual Report of a Company with a Capitalisation of under RUB 40 billion category.

Pursuant to the resolutions of the Annual General Meeting of Shareholders of Rosseti Kuban dated 14 June 2024<sup>1</sup>, trading of the Company's shares on the stock exchange will be discontinued on 13 December 2024.

On 28 December 2024, the Bank of Russia decided to exempt the Company from the obligation to disclose information under Article 30 of Federal Law No. 39-FZ dated 22 April 1996 on the securities market. This resolution came into effect on the day after the information about the entry of the Company's name, which does not indicate its public status, into the Unified State Register of Legal Entities was published in the news feed.

On 24 January 2025, the reference to the Company's public status was removed from its name, as announced by the Company on 27 January 2025 in the news feed of Interfax-CRKI LLC and on its website.

Thus, starting from 28 January 2025, the Company is exempt from the obligation to disclose information under Article 30 of Federal Law No. 39-FZ dated 22 April 1996 on the securities market.

## COMMUNICATIONS WITH GOVERNMENTAL BODIES AND PUBLIC ORGANISATIONS

Ensuring effective interaction with target audiences and implementing Rosseti Group's unified communication policy is the Company's priority in the area of government relations and public relations.

In the reporting year, the Company was actively present in the public space of the regions, providing information support for working meetings of Rosseti Kuban's management with representatives of federal, regional and municipal authorities.

**Throughout 2024, information support was provided for the participation of the Company's senior management in working meetings and discussions with representatives of Rosseti Group, the Russian Ministry of Energy, and the authorities of the Krasnodar Krai and the Republic of Adygeya:**

- Working meeting chaired by Andrey Ryumin, Head of Rosseti Group, with the Company's management on the results of work, production performance figures and the implementation of regional development projects (February 2024)
- Working meeting between the head of Rosseti Group, Andrey Ryumin, and the head of the Republic of Adygeya, Murat Kumpilov, on the modernisation and development of the region's power grid, in particular the power supply to tourist facilities in the republic (March 2024)
- Working meeting between Acting General Director of the Company, Boris Ebzeev, and Governor of the Krasnodar Krai, Veniamin Kondratyev,
- Working meeting chaired by Deputy General Director and Chief Engineer of Rosseti PJSC, Evgeny Lyapunov, with the Company's management on ensuring the reliable operation of infrastructure during the summer peak load period (January 2025)
- A working meeting between the Acting General Director of Rosseti Kuban JSC, Alexey Rybin, and the Head of the Republic of Adygeya, Murat Kumpilov, on the development of the republic's power grid and ensuring reliable power supply on the signing of a Regulatory Agreement aimed at developing the region's energy infrastructure, as well as amendments to legislation on the introduction of a single centre of responsibility for the reliability of electricity supply in the regions — STGO (August 2024)
- A meeting on preparing the region for the autumn-winter period of 2024/2025 was held under the chairmanship of Deputy Minister of Energy of the Russian Federation, Evgeny Grabchak, with the participation of First Deputy General Director of Rosseti Kuban PJSC, Edgar Aramganyan, and Deputy General Director for Technical Issues — Chief Engineer of the Company, Vladimir Mikhailov (October 2024)
- A meeting chaired by Deputy Prime Minister of the Russian Federation, Alexander Novak with the participation of Acting General Director of Rosseti Kuban PJSC, Boris Ebzeev, on the development of power generation and the electric power industry in the Sochi energy district (November 2024)
- On the prevention of non-contractual and unaccounted consumption of electricity
- On the prevention of illegal placement of fibre-optic communication lines at the Company's energy facilities
- On the prevention of electric injuries to third-parties, including children and adolescents, at power grid facilities
- On the explanation concerning the connection procedures for the Company grids (including the meetings with small and medium-sized business representatives), extending the list of additional services, the fulfilment of energy service contracts for the installation of remote electricity meters for the customers to reduce the electricity losses
- On the creation of awareness among the customers in the Krasnodar Krai and the Republic of Adygeya about the acts of illegal electricity meter replacement by third parties
- On coverage of the summer work season of student energy teams
- On information support for emergency restoration work and elimination of process disruptions at the Company's facilities in the event of hazardous natural phenomena

to consumers in light of the Company being granted STGO status (February 2025)

**The following PR campaigns were run:**

- On information support for the implementation of the Company investment and repair programmes, the preparations to and operations during autumn and winter of 2024/2025
- On the prevention of non-contractual and unaccounted consumption of electricity
- On the prevention of illegal placement of fibre-optic communication lines at the Company's energy facilities
- On the prevention of electric injuries to third-parties, including children and adolescents, at power grid facilities
- On the explanation concerning the connection procedures for the Company grids (including the meetings with small and medium-sized business representatives), extending the list of additional services, the fulfilment of energy service contracts for the installation of remote electricity meters for the customers to reduce the electricity losses
- On the creation of awareness among the customers in the Krasnodar Krai and the Republic of Adygeya about the acts of illegal electricity meter replacement by third parties
- On coverage of the summer work season of student energy teams
- On information support for emergency restoration work and elimination of process disruptions at the Company's facilities in the event of hazardous natural phenomena

<sup>1</sup> Minutes No. 51 dated 17 June 2024.