

Glossary and Abbreviations

Aspect: as applied to sustainability reporting, a material subject that reflects the Company's significant economic, environmental, and social impacts and influences the assessments and decisions of shareholders, investors, and other stakeholders.

Stakeholder relations: the process that helps the Company understand the interests, expectations, and concerns of stakeholders and engage them in its activities and decision-making with due consideration to their problems.

Stakeholder dialog: interactive interaction organized between the Company and its stakeholders on a voluntary basis and used to comprehend the interests and motives of the parties.

Stakeholders: individuals and organizations that can be materially affected by ROSSETI's activities and services and organizations and individuals whose actions can affect the Company's activities and performance.

Key performance indicator (KPI): an integrated indicator of performance measurement applied to the Company, a division, or a specific officer and evaluating the achievement of the goals at a given time.

Corporate social responsibility (CSR): the regularly revised combination of obligations corresponding to the Company's particularities and voluntarily developed with the participation of key stakeholders. Intended for implementing internal and external social programs whose results facilitate the development of the Company, the improvement of its reputation, and the deepening and expanding constructive relations with stakeholders.

Corruption: bribery, abuse of power, commercial bribery, or any other illegal use by employees of their positions contrary to the legitimate interests of the Company in order to gain an advantage.

Conflict of interest: a situation where the personal interest (direct or indirect) of an employee of the Company affects or may affect the proper performance of his or her official duties and where there is or may be a conflict between the personal interest of an employee and the rights and legitimate interests of the Company, which may be detrimental to the interests of the Company.

Power supply reliability: an uninterrupted electricity supply for all customers in the required quantity and of the proper quality.

Social or non-financial reporting: the identification, assessment, monitoring, and publication of information relating to the company's real contribution to society, country, and region development and prepared with the use of international non-financial reporting standards and best practices.

Network connection: a primary service provided by ROSSETI SDCs and making it technically possible to consume (deliver) electricity (capacity). The service includes an actual electricity connection.

Sustainable development: development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

RAB regulation (return on invested capital method): the tariff design system based on long-term tariff regulation. Intended for attracting large investment in the industry. The methodology is based on the principle of ensuring the return on capital invested in companies' assets for the specified period corresponding to the relevant operating life of assets and of receiving the rate of return. The rate of return determined by the government should correspond to the level of risks in grid companies and ensure the industry's appeal for investors.

Abbreviations

HCS B:

high-capacity storage battery

ASPOL:

Association of Polar Explorers

PWOL:

protected-wire overhead line

RES:

renewable energy source

OL:

overhead line

AREU:

All-Russian Electrounion

SDCs:

subsidiaries and dependent companies

HUS:

housing and utility services

KPI:

key performance indicator

CSR:

Corporate social responsibility

PL:

power line

MVD:

Ministry of the Interior of the Russian Federation

Minenergo:

Ministry of Energy of the Russian Federation

WEC:

World Energy Council

MMWR:

minimum monthly wage rate

SMBs:

small and medium-sized businesses

EMERCO M:

Ministry of Civil Defense, Emergencies and Disaster Relief of the Russian Federation

R&D:

research and development

LR:

legal regulations

NSPC:

non-state pension coverage

OVS:

overvoltage suppressor

SWRA:

Sectoral Wage Rate Agreement

RaEl:

All-Russia Trade Association of Employers in the Power Industry

Rosimushchestvo:

Federal Agency for State Property Management of the Russian Federation

Roskonnadzor:

Federal Service for Supervision of Communications, Information Technology and Mass Media of the Russian Federation

Rostekhnadzor:

Federal Service for Environmental, Technological and Nuclear Supervision of the Russian Federation

REC:

Regional Energy Commission, Moscow

SanPiN:

public health regulations

SPZ:

sanitary protection zone

Media:

mass media

SL B:

student labor brigade

NC:

network connection

FES:

fuel and energy sector

FAS:

Federal Antimonopoly Service of the Russian Federation

FZ:

federal law

FTC:

Federal Testing Center

FTS:

Federal Tariff Service of the Russian Federation

CSC:

customer service center

EBIT DA:

earnings before interest, tax, depreciation and amortization

GRI:

Global Reporting Initiative

IR department:

investor/shareholder relations department

WWF &ndash:

World Wide Fund for Nature

*Units of Measurement***kV (kilovolt):**

unit of voltage

kWh (kilowatt-hour):

unit of electric power output

MW (megawatt):

unit of power

MVA (megavolt-ampere):

unit of apparent power

GVA (gigavolt-ampere):

unit of apparent power

t:

tonne

ha:

hectare

pcs.:

pieces