

The environmental safety is a key issue among the Company's strategic priorities and is vital for the daily operations of the Company. This is conditioned by the Company's acceptance of the principles of sustainable development and our awareness that we ought to limit the Company's impact on the environment. We also take into consideration new opportunities that lie open for the environmentally-friendly companies. These opportunities include the attraction of investments on international markets, as the investments may become handy for the Company development.

Considering the above, the Company conducts periodical technical and organizational measures intended to improve the Company's environmental friendliness. The technical measures include the replacement of equipment containing hazardous substances, the repair of oil collectors, the furnishing of locations for temporary storage of wastes, and the construction and reconstruction of sewage systems and treatment plants. The construction and reconstruction of the Company's electric power grid facilities involves the installation of new environmentally-friendly equipment, and the

implementation of new technologies of laying and construction of electric power transmission lines.

The organizational measures, among others, include environmental training of personnel, the improvement of the existing system of environmental production control, the conduct of environmental audits, and the implementation of the Environmental Management System (EMS). The EMS was successfully implemented and certified for compliance with ISO 14001:2004 in MPTL of North-West. The Company's Executive Body and the MPTL of South were certified in 2011, with supervisory audit of these units conducted in 2012. The audit results confirmed the compliance with the standard.

To additionally improve the efficiency of environmental impact management, the Chairman of the Company's Management Board decided to establish a new structural division of the Company's Executive Body in 2012, meaning a department for the implementation of the environmental policy. The Department is responsible for developing guidelines for the Company's environment protection activities. The Department's other responsibilities include the

implementation of the state policy and corporate requirements pertaining to the Company's environmental safety provisions and the implementation of EMS in line with ISO 14000 international standard.

The 2013 plans include:

- The implementation and certification of EMS in MPTL of Center, a branch of the Company, and the maintenance of the optimal operation of EMS within the Company's Executive Body, the MPTL of South and the MPTL of North-West;
- The conduct of internal environmental audits in the branches of the Company;
- The organization of environmental training for managers and specialists in order to comply with the environment protection laws of the Russian Federation, and to improve the environmental awareness of the Company's personnel.



Nikolai Shvets, Deputy  
Chairman of the  
Management Board

## Environmental Impact Management System in the Company and its DSCs

Issues of environmental safety in Federal Grid Company are governed by federal laws of the Russian Federation - "On Environmental Protection", the Water Code of the Russian Federation, "On Air Protection", "On Production and Consumption Waste" as well as by internal organizational and administrative documents -

"Environmental Policy of JSC Federal Grid Company", Program on the implementation of the Environmental Policy of JSC Federal Grid Company for 2011-2013, Regulations on industrial environmental monitoring, "Corporate standards of environmental safety of power facilities at all stages of life cycle," and others.