

Public Agenda for Sustainable Development

As one of the largest energy companies in Russia, Federal Grid Company is responsible for the state of UNEG, the core of the country's power grid, a vital public infrastructure. After evaluating the existing problems and potential threats, the Company has developed and launched a set of programs aimed at the renovation, modernization and innovative development of UNEG.

These programs are of a long and complex nature, and their success depends largely on the Company's

constructive interaction with a wide range of stakeholders. In particular, with suppliers, contractors, project and research organizations, distribution grid companies and IDGC, consumers, generators and infrastructure and regulatory organizations, trade unions, state and local authorities, non-governmental environmental organizations and expert community.

The analysis of a wide range of panel discussions that have been taking place in the past few years in Russia and abroad on the development of electric grids and sustainable development, as well as the results of the dialogue with the Company's stakeholders allow us to formulate a number of relevant topics and problem contexts of social agenda in the area of sustainable development.

Creating mechanisms and practices to synchronize the stakeholders' plans, suggesting the development and expansion of the Russian UNEG

For a complete and balanced development of the country, some regions of the Russian Federation, the industrial business, it is necessary to synchronize plans and coordinate the efforts of all UNEG members, including development programs of distribution grid companies, plans for the development of cities and regions, the development strategies of major consumers, the governmental

plans for the development of various industries. This suggests a harmonization of planning horizons and the strategizing of all participants of the Russian UNEG, so that the pace of development of some entities does not make an obstacle (ballast) to the realization of other entities' programs and projects.

Import substitution for the purpose of innovative development of domestic power industry

Innovative development of the country's power industry needs to be carried out together with the development of national science and technology and engineering base of the industry. This will allow Russia to take a leadership position in the global technology market. Activities aimed at consistent decline in the share of imported equipment, including through

stimulating the development of new engineering and design solutions and forming long-term sustainable relationships with the Russian power equipment manufacturers that are able to set up the production of innovative equipment and ensure the necessary level of its quality and performance, shall be carried out to achieve the same objective.

Creating a personnel reserve of "smart" energy industry

The transition to a new technology platform of power sector suggests a major change in the skills and qualifications of future electrical engineers. These changes cannot be made simultaneously, and the personnel market of the country cannot meet this need currently. This means that we should successively deploy personnel and educational programs for the chosen direction of the industry. It is necessary to form proper staffing and educational infrastructure for our own needs. In

addition, the Company require full-scale youth programs that involve young personnel in the context of the Company's work at the earliest stages of their professional careers, as well as create the life and career prospects for young employees in the future (including the issues relating to housing provision).

Creating a responsible personnel management practice

Increased labor productivity and changes in the structure of staff employment in the energy industry in the implementation of innovative solutions suggest a change in the quantity and quality of human resources. To create a responsible personnel management practice, it is necessary to prepare a variety of adaptation and professional reorientation

programs for released staff. It is also important to continue to exercise increased care for veterans and former Company's employees who retired, as this approach also forms the Company's attractiveness as an employer.

Improving labor safety and increasing operational safety

Life, health and working capacity of employees are the highest value and the area of heightened attention and systematic efforts of the Company. Labor safety requires constant work and constant supervision. The most important

task is to reduce the number of injuries in the workplace, improve occupational safety and health protection, and implement everywhere corporate "safety culture".



Ecologization and improvement of energy efficiency of electric grid activities

Upgrading and improving the reliability, safety of electrical grids and forming a new grid architecture that provides a low level of losses in the power system, boosting electricity generation from renewable energy sources, promoting the transfer of urban transport to the electric motors or hybrid technologies - all this creates a background for economical use of hydrocarbon fuels, and as a result, reduces the CO2 emissions. In addition,

this activity should also be supplemented by massive use of environmentally-benign practices of laying power transmission lines and maintaining forests, minimizing electromagnetic impact of power transmission lines on the environment.

Fair distribution of the created economic costs and economic feasibility assessment of innovation and new technologies implementation

Implementation of the Innovative Development Program requires considerable funds, the source of which is the investment component of the tariff for electricity transmission, borrowings, as well as various allocated funds from the Russian Federation budget. Responsibility for the efficient use of these funds shall be implemented through transparent

spending and clear methodology of economic assessment of costs practicality. It is also important to manage costs and make fair distribution of the created value when implementing innovations and new technologies throughout the whole value creation chain.

Integration of corporate social responsibility strategy into internal business processes

International initiatives in sustainable development suggest that the CSR strategy will be integrated into the internal business processes of the company management. This means that the strategic attitudes, efficiency targets, regulation and organization of business processes must take into account the context of sustainable development and

the need for systematic interaction with stakeholders. Typically, this is achieved through the formation of a management structure to deal with the CSR management, and the organization of the specialized structural unit.