

# Understanding of Corporate Social Responsibility and Sustainable Development

Federal  
Grid Company



of Unified  
Energy System

Traditional understanding of sustainable development is associated with the desire to meet the needs of the present generation without threatening the future generations' needs, which can only be done taking into consideration the positions of the parties concerned constantly interacting with them and integrating this practice into all business processes of the company.

Federal Grid Company agrees to this understanding and is forced (because of its special role in the energy industry, economy and social development of the country) to significantly supplement and define more exactly this understanding. This section also provides an up-to-date version of the public agenda in the area of sustainable development, as well as a retrospective of the development of the Company's non-financial reporting and 2012 main events significant in the context of CSR and sustainable development.

## The Basic Ideas of the Company Responsibility

The Unified National Electric Grid (UNEG) is a state-controlled public infrastructure that has a strategic importance for Russia, for the economic and social stability, to ensure the integrity of the country.

Being a sole operator company, Federal Grid Company provides electricity transmission through the backbone electric grids and is responsible for the reliability of power supply to customers throughout the Russian Federation.

Federal Grid Company is intended to ensure faster growth of the country's backbone grid infrastructure in order to meet the growing needs of society and the economy in the future.

Federal Grid Company's responsibility for the efficient management and development of the UNEG is associated not only with the safe, reliable and uninterrupted power supply, but also with the establishment of non-discriminatory access to the Company's grid services, which should be provided transparently, honestly (with no corruption), and on the innovation basis. Therefore, one of the most important tasks for the Company in terms of ideology and values of corporate social responsibility and sustainable development is to search for balance in the implementation of social and economic interests in the Company's activities.

Federal Grid Company's corporate social responsibility is the practice of responsible conduct of business and the form of the Company's organization, which arises in response to the public agenda in the area of sustainable development.

The agenda in the area of sustainable development is formed and updated in the regular interaction of the Company with the parties concerned – stakeholders, with those who publicly and responsibly defend in the dialogue with the Company the socio-meaningful interests of the of the Russian civil society. It is the existence of stakeholders - genuine social partners of the Company – that makes the CSR practice a real transformative power and long-term priority of the next decade of Federal Grid Company's life.